Annual Report

2006

Goldenport
Holdings Inc.


Weathering
the cycle

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Goldenport Holdings Inc.

Our Vision

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"To achieve sustainable growth in a volatile industry, gradually becoming one of the leaders in marine transportation especially in the containers and bulk carriers segments"

Chairman's Statement

Net Income for the year was $45.2 million, up 4.5% on prior year, despite significant year-on-year weakness in both the container and dry bulk markets. Our Board recommends a final dividend of 11.9 pence, which will result in a total of 17.5 pence declared for the 2006 year.

The Goldenport fleet has a balance of container and dry-bulk vessels and our strategy is to fix our vessels on medium to long term charters, depending on the market cycle, with blue-chip customers. It is this business model that has allowed us to mitigate the weakened market conditions.

Our business model avoids the cyclical extremes of the industry and results in a high level of earnings predictability and visibility, with strong cash flows. This allows us to have the twin objectives of paying an attractive dividend and using retained earnings to drive growth.

The 2006 year has been a watershed year for Goldenport Holdings Inc. as its Initial Public Offering has provided a firm base for business expansion.

Goldenport listed on the London Stock Exchange in April 2006 and it is now the only pure shipping company on London's main board. A total of £66.6 million (or $115.5 million) was raised to expand the business and to repay debt.

At the balance sheet date, nine months after the float, the fleet has increased from 17 to 20 vessels and net debt has became net cash.

A feature of 2006 has been weaker charter rates in some sectors of the industry compared to the previous year. We see these weaker rates as a catalyst that will generate opportunities for sensible acquisitions. Our strong balance sheet will allow us to grasp these opportunities, but shareholders should be aware that this growth will only occur if sensible opportunities arise.

As in the past, our focus for acquisitions will continue to be on container and dry bulk vessels. Typically, our methodology is that we seek to reduce the economic risk of the purchase by having a medium to long term charter in place for the vessel as it enters our fleet. As a consequence, we search concurrently for both contracts and vessels.

We expect the fleet growth to continue and for its average age to decline.

I thank Captain Dragnis and his team for their successes during the year; for their safe and efficient operation of the fleet; and for their search for new opportunities.

Chris Walton

Chairman

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Chief Executive Officer Statement

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The recovery in the dry-bulk market in the second half of the year, combined with our long-standing and extensive relationships with top tier charter counterparties and our enlarged fleet have enabled us to take on bulk-carrier charters at rates significantly improved from those prevailing during the first half of the year and balanced the profitability for the year. This was supplemented by the long-term chartering of the container segment of the fleet, which allowed the Company to maintain profitability in a weakening rates environment.

Consistent with the strategy outlined at the time of our Initial Public Offering in April 2006 we have enlarged our fleet through the acquisition of three large container vessels and one cape-size bulk carrier, thus improving the mix and revenue capacity. The post-panamax container 'Fortune', which was acquired in a fire-damaged condition in June, currently is in COSCO Zhouzhan yard in China for the final reconstruction phase of the project and will be ready to contribute to profitability in the early part of 2008.

Since April 2006, the fleet has grown to 21 vessels (including 'West Gate Bridge' that was delivered in March 2007) with double the TEU capacity in the container segment and increased the DWT capacity in the dry-bulk by 25%.

The strong free cash flow generated from the business in 2006 and the balance of the proceeds of our IPO provide resources for the continued expansion of the fleet and the increase in the revenue capacity whilst maintaining an appropriate balance between dry-cargo and containers sectors.

With the second-hand vessel prices of dry-bulk vessels at record levels, strategic partnerships with first class partners provide a healthier way for stable growth and weathering the cycle. New building vessels acquired at reasonable prices under such a partnership arrangement, strengthen the fleet and create a sound base for healthy expansion irrespective of market conditions.

We remain confident on the outlook of the dry-bulk and container markets for 2007. The employment status of the majority of our dry-bulk fleet is favourably positioned to take advantage of the current booming dry markets and to strongly support our 2007 financial performance.

As far as our fleet expansion program is concerned we continue to evaluate and consider a number of sensible opportunities to enhance our fleet mainly in the containers segment. Finally, we must remain cautious against the current prevailing dry-bulk vessel sales prices and grow selectively.

Captain Paris Dragnis

Chief Executive Officer

Our Company

Goldenport is a customer oriented global provider of shipping services that brings added value services to its charterers and provides innovative solutions for cargo movements requirements. The Company operates a well diversified fleet and has been active in acquiring additional tonnage as well as reconfiguring vessels to serve niche trades. Most importantly, as a commitment to its clients Goldenport continuously renews its fleet with the acquisition of younger tonnage.

Goldenport has build strong, reliable relationships with a number of first class charterers and worldwide clients both in the container and dry-bulk fleet sectors. Its performance standards have given to the Company the ability to grow its fleet steadily, and ensure that every new addition is accompanied by long-term employment opportunity in the market. The Company emphasizes both flexibility and reliability in its service while being committed to environmentally sound corporate policies.

After being in business for almost three decades, it has been our primary goal to maintain professionalism in all our business transactions and to ensure that the quality of service is always of the highest standards. In order to achieve this, Goldenport has built a strategy comprising of the following:

- Our primary goal is to always have an efficient and well-maintained fleet comprising of vessels that will satisfy and fulfil only the highest of expectations, in order to provide the best service to our charterers. Special attention is always given to having the ability to respond to every situation that may arise 24 hours a day, 365 days a year. We provide reliable and effective solutions in co-operation with our vessels' charterers ensuring that cost and time factors are always taken into primary consideration but in any case not jeopardizing aspects such as crew, environmental, and vessel safety.

FORMATION

The Company was formed on 21 March 2005 with share capital of 500 authorised shares, without par value. From 30 March 2006, conditional on admission to the Official List of the London Stock Exchange, the Company amended its Articles of Incorporation. Under the Company's Amended and Restated Articles of Incorporation, the Company has an authorised share capital of 100,000,000 shares (all in registered form) consisting 100,000,000 shares of common stock with a par value of U.S.$0.01 per share. The Company has cancelled the existing 500 shares with no par value. Prior to the reorganisation, seventeen holding companies, each in turn owning a vessel-owning company (altogether the Contributed companies), were wholly-owned by the founder and current CEO Captain Paris Dragnis.

RE-ORGANISATION

The reorganisation that took place on 30 March 2006 involved the following steps:

- Captain Paris Dragnis contributed all of the shares held by him in the seventeen intermediate holding companies to Goldenport, in exchange for shares of common stock in Goldenport, fulfilling his

obligation for the Company's share capital, in accordance with the share for share agreement exchange dated 30 March 2006; and

- Captain Paris Dragnis transferred all of the shares of common stock in Goldenport to Starla Shipholding Corporation (Starla), a company wholly owned by Captain Paris Dragnis; as a result Starla was, prior to admission to the Official List of the London Stock Exchange, the sole shareholder of the Company;
- Following completion of the reorganisation, the Contributed Companies were wholly-owned subsidiaries of Goldenport Holdings Inc.

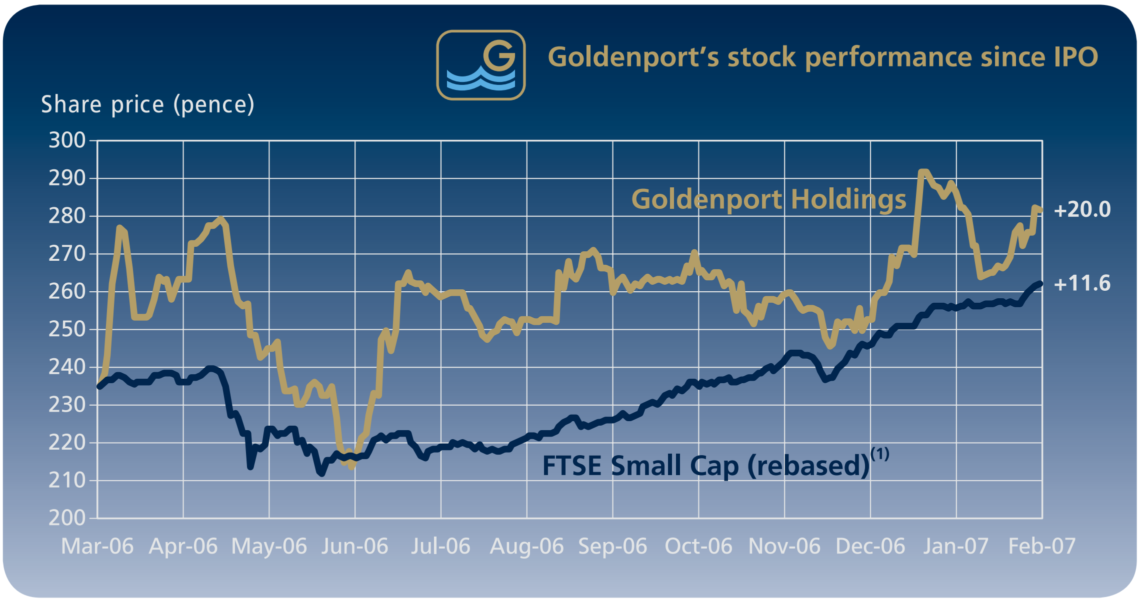
OFFICIAL LISTING

Goldenport Holdings Inc was admitted to the Official List and admitted to trading on the main market of the London Stock Exchange on 5 April 2006 with ticker GPRT. The offer was for £60 million excluding the Over-Allotment option. On 11th April 2006 the Over Allotment option was exercised providing the Company with a total of £66 million (or $115.5 million), which were raised in order to partially repay debt and for fleet expansion.

Upon admission the Company owned and operated 17 vessels consisting of nine dry bulk carriers that had cargo-carrying capacities ranging from 52,266 to 136,638 DWT and eight container vessels ranging from 485 to 2,258 TEU.

Effective 19th of June 2006 the stock was included in the FTSE Small Cap and FTSE All-Share Indices of the London Stock Exchange.

STOCK PERFORMANCE SINCE LISTING



Note: (1) FTSE Small Cap index has been rebased to the Goldenportshare price
(2) The Goldenportshare price as at 7 February 2007 was 281.75p

'The only pure shipping Company listed in the global Capital of Shipping Services'

Our Company

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Our Philosophy

Our primary objective is to manage our fleet in a manner that allows us to maintain profitability across the shipping cycle and thus to maximise returns for our shareholders. To accomplish this objective, we have identified the following strategies, which build upon our existing strengths:

- employment of our vessels in a manner that provides us with stable cash flows;
- effective management of the size and nature of our fleet with a view to expansion of the Group;
- maintenance of exposure to both the dry bulk and container sectors;
- attraction and retention of blue-chip customers;
- execution of a specific and effective vessel acquisition strategy;
- maintenance of efficient operations and a high fleet utilisation;
- capitalisation on our established reputation; and
- maintenance of a strong balance sheet with low leverage, although future acquisitions may be financed partially through debt. ◀

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Our Strengths

We believe that we possess a number of strengths that provide us with a competitive advantage in the shipping industry:

- we have experienced management team with a proven track record;
- we have a high proportion of our charter coverage medium-to-long-term;
- we have long-term, high-quality customer relationships;
- we are an efficient operator of vessels of all ages;
- we operate vessels in two major sectors of the shipping industry;
- we operate a number of sister ships; and
- we have a strong balance sheet. ◀

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'Maintain profitability across the shipping cycle'

Our Markets

The shipping industry is a vital link in international trade with ocean-going vessels representing the most efficient and often the only means of transporting large volumes of basic commodities and finished products.

Seaborne cargo is categorized as either tanker or dry cargo. Dry cargo includes dry bulk cargo, container cargo, non-container cargo and other cargo, while tanker cargo includes oil, refined oil products, gases and chemicals.

The Dry market is the most diversified one dominating the world's sea-borne trade. This market is split into:

The Dry bulk Market and the Containers Market

▶ We operate a well diversified fleet of both dry-bulk carriers and containers

A. The Dry Bulk Market: Overview and developments

The dry bulk industry is fragmented with many owners and operators of ships, including proprietary owners, shippers of dry bulk commodities, state controlled shipping companies and independent shipping companies. Dry bulk cargoes consist of major bulk commodities (iron ore, coal and grain) and minor bulk cargoes such as steel products, forest products, agricultural products, bauxite, alumina, petcoke, cement, sugar, salt, minerals, scrap metal, pig iron etc. In 2006 more than 2.5 billion tons of bulk cargoes were transported via sea.

Historically, charter rates for dry bulk carriers have been influenced by the supply of, and demand for vessel tonnage.

Demand for dry bulk carriers is dependent on a number of factors including:

- World and regional economic and political conditions
- Developments in international trade
- Changes in seaborne and other transportation patterns
- Weather patterns, crop yields
- Armed conflicts
- Port congestion, canal closures and other diversions of trade

On the other hand, supply is primarily driven by changes in the size of the global dry bulk carrier fleet due to new building vessel deliveries and vessel scrapping.

i) The Supply

As of December 2006 (according to Lloyds Fairplay), the worldwide dry bulk carrier fleet of vessels (exceeding 15,000 dwt each) was comprised of 5,867 vessels representing approximately 360 million dwt. The average age of the current worldwide dry bulk carrier fleet as of December 31, 2006 was approximately 15 years (by dwt).

The world dry bulk fleet subdivides into 4 main vessel size categories that are based on cargo carrying capacity.

- **Capesize:** vessels over 100,000 dwt focusing on long haul iron ore and coal trade routes.
- **Panamax:** vessels between 60-80,000 dwt defined as those with maximum beam 32.2 m permitting them to cross the Panama canal.
- **Supramax/Handymax:** vessels between 40-60,000 dwt operating in a large number of geographically dispersed global trades mainly with built on board cranes enabling them to call in ports with

limited infrastructure

- **Handysize:** vessels 15-40,000 carrying exclusively minor bulk cargoes

As on December 31st 2006 the world fleet comprised of approximately 714 capes, 1,428 panamaxes (including 117 Post Panamaxes, between 60-105k dwt with beams greater than 32.2m) 1,815 supra/handymaxes and 1,910 handies.

The supply of vessels is manly affected by the net result of the new deliveries less the number of vessels removed either through demolition or loss

The last few years have been characterized by:

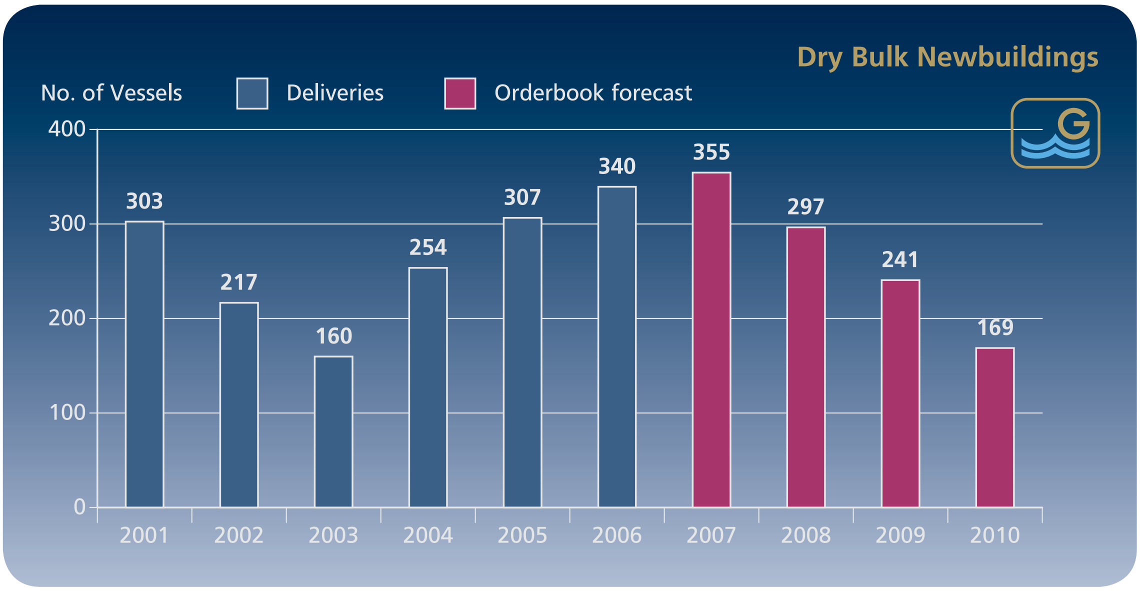
- the extraordinary low level of demolition sales
- the unprecedented volume of new orders in all sizes

The dry bulk fleet recorded its largest ever expansion in 2006.

In total 340 new ships were delivered aggregating about 26 million dwt. On the other side, only 53 vessels (2.5 million dwt) were either lost or sold for demolition. The net result for the world bulk fleet within 2006 was an unprecedented increase amounting to about 6.94%

Newbuilding tonnage on order as of December 31, 2006 was approximately 1,000 vessels of about 80 million dwt which constitutes approximately 23% of the world's existing fleet by dwt. More specifically (according to Lloyds Fairplay) there are 126 Capes 212 panamaxes 286 Handymaxes ordered for delivery within 2007, 2008 and 2009

(N.B The current Orderbook figures, taken at the end of 2006, are fluid, and can expand or contract between now and final delivery time.)



ii) The Demand

Dry bulk shipping demand is a "derived" demand (measured in tons x miles) depending upon the distance over which cargo is transported and determined by the underlying demand for commodities transported (mainly raw materials). Overall in 2006 about 2.5 billion tons of dry bulk cargoes have been shipped around the world an approximate increase of 7% basis 2005. It is worth to note that over the last couple of years it is the global steel industry that accounts for around half of all dry bulk demand (iron ore - coking coal - limestone - finished products).

Iron ore

The iron ore seaborne trade reached a new high of about 715million tons within 2006 (some +7% year-on-year basis). It goes without saying that the driving force behind this tremendous growth in subject trade remained China. Chinese iron ore imports soared for another year reaching the level of close to 326 million tons.

Coal

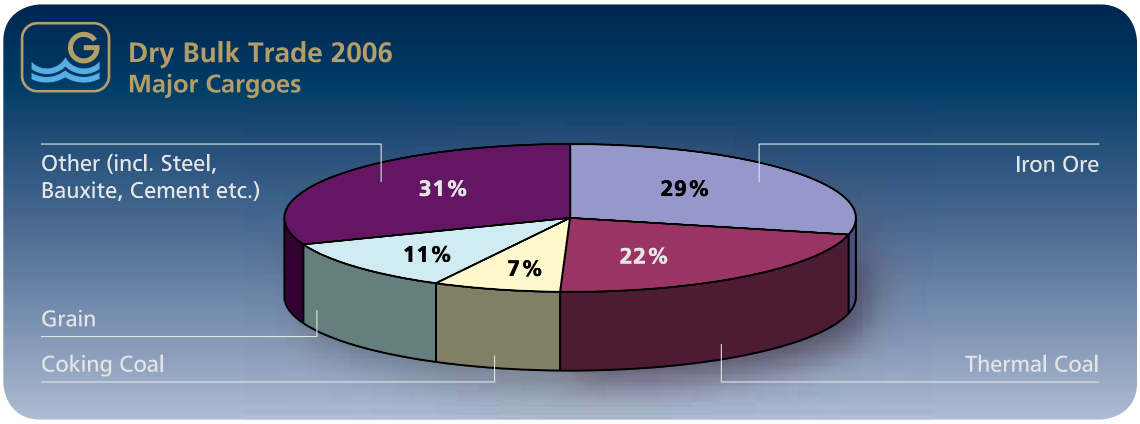
Coal is an abundant commodity divided into steam coal (used for power generation) and coking coal (to produce coke for feeding blast furnaces in the production of steel). In 2006 total coal seaborne trade (Steam + Coking) reached the level of approximately 732 million tons a 7% increase compared to 2005.

Steel trades (finished products)

Over the last few years China, despite their government's wishes, boosted by the huge growth of its steel production (average annual growth of about 25%) became a net exporter of steel products. Provisional estimates for Chinese steel exports in 2006 suggest they have risen by some +20% reaching the level of about 45 million tons whereas at the same time steel imports have fallen by some 8 million tons to about 18m million tons.

Grain

Grains' trade including wheat, coarse grains and oil seeds, has contributed as well to the overall volume of growth in 2006. The overall increase was about 11million tons (+4%)



iii) The Charter Market

Shipping industry participants refer to the Baltic Dry Index, or "BDI", as a general measure of charter rates in the global dry bulk carrier markets. The Baltic Exchange Limited, an international, self-regulated shipbroking market, publishes the BDI daily. The BDI is a composite average of indices of daily freight rates across various sectors of the dry bulk shipping market. The BDI replaced the Baltic Freight Index, or BFI, which was introduced in 1985. From 1985 through 2002, the BDI/BFI has fluctuated between a low 554 (May 1986) to a high of 2,353 (January 1995).

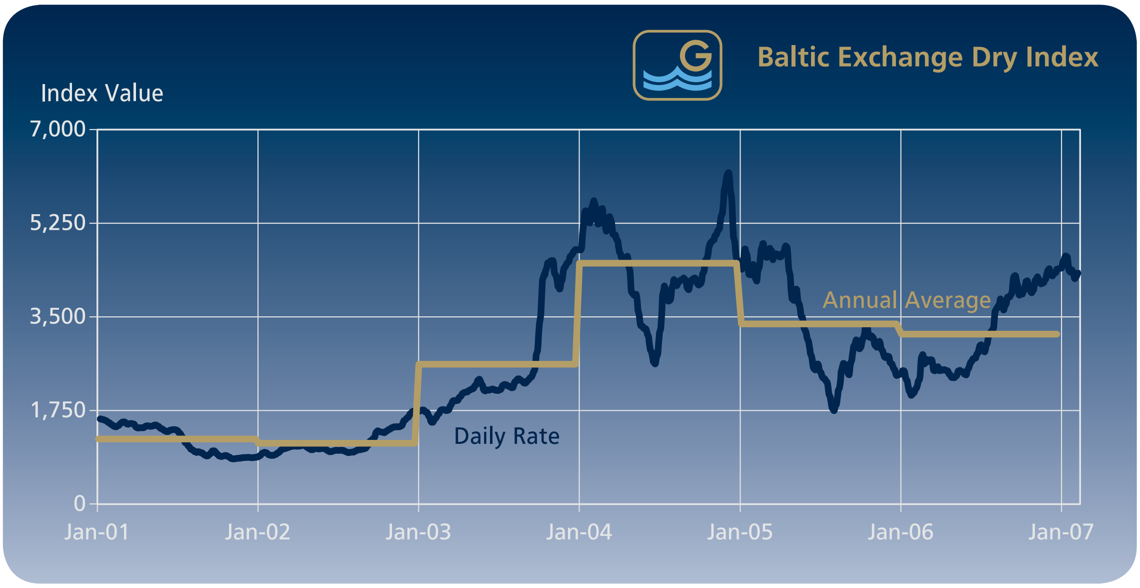
Since mid-2003, the dry bulk carrier markets have soared, primarily driven by a surge in demand for iron ore and coal, which are commodities, used in the booming global steel production and electricity generation industries. The BDI reached a record level of 6,231 in early December 2004. Since then it has mainly fluctuated over and above the previous high of 2,353 (January 1995)

Over the last year 2006, volatility remained significant although neither the highs (4,880) nor the lows (1,747) of 2005 were revisited. Year opened at 2,438 points, fell to a low of the year on January the 25th (2,033) reached a high of 4,407 on December the 5th and closed the year at 4,397 points. Its average for the year was 3,180 (-6% the 2005 average).

For comparison purposes BDI's averages for the last 7 years stand as follows:

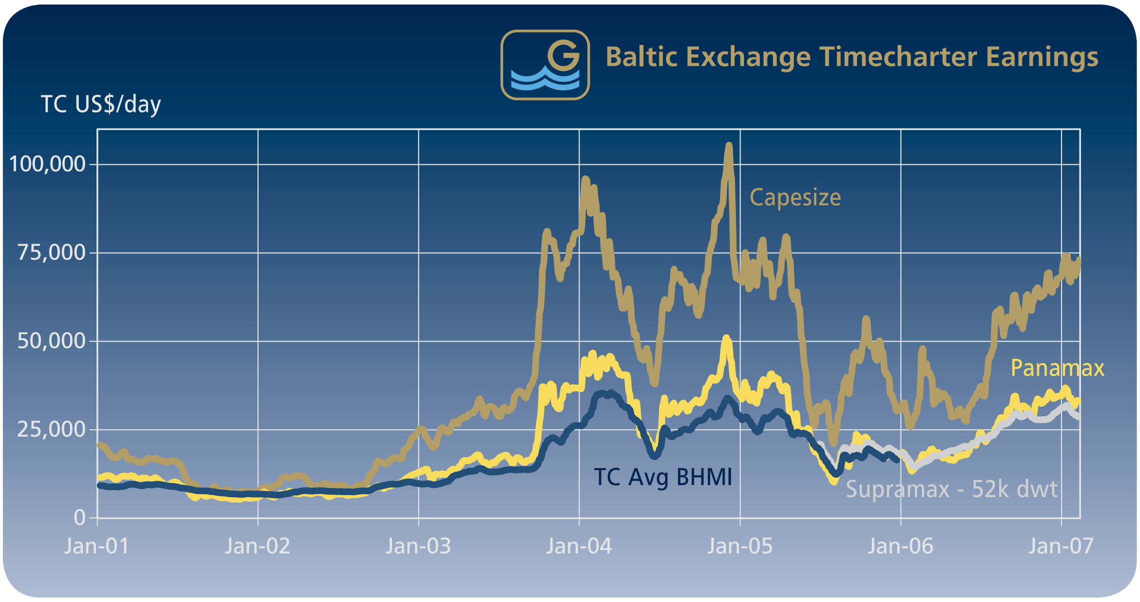
2000: 1,608	**2003:** 2,617	**2006:** 3,180
2001: 1,217	**2004:** 4,510	
2002: 1,137	**2005:** 3,371	

Since January 1st 2007 BDI has fluctuated between 4,300 and 4,600 points (February the 14th BDI: 4,366)



Source: Baltic Exchange

In 2006 the average daily earnings for modern capesize vessels were $45,100, for the panamaxes $23,800 and for the supramaxes $22,700 (all figures "about").



Source: Baltic Exchange

Our Markets

iv) Market Outlook

Market is presently enjoying the strong recovery experienced since July 2006. Market prospects are hard to call. 2007 had been considered a few years ago as the "year of correction" but not any more.

If demand continues to run in line with the pattern of the last few years the downside risk should be at acceptable levels. Chinese steel output will remain the key arbiter of the dry bulk fortunes in 2007. As long as China continues its industrialization at the same pace of the last few years, despite the aforementioned supply side expansion, and the fact that at current market levels scrapping should remain unjustified, no fundamental change must be expected in the months to come. Second hand values (which reached new record levels over the last few months) are expected to remain relatively firm despite charter market volatility as well.

From another perspective, considering that the derivatives' market view (FFA's market) is linked to the prevailing market consensus about fleet and trade developments, market's outlook for the year to come is anything but pessimistic.

As on February the 14th the Forward market average rates for the balance of the year (February – December 2007) as opposed to the average spot market rates per day, per sector stand as follows:

	Spot Market (per day)	FFA (February/December2007)	FFA Market for 2007
	(as on 14 February 2007)	(as on 14 February 2007)	(as on 14 February 2006)
Capesize	$72,300	$61,400	$23,600
Panamax	$34,250	$30,400	$12,000
Supramax	$28,800	$27,450	$12,000

B. The Containers Market: Overview and developments

Containerization was introduced in the late 1960s as an efficient means of transporting general cargo, i.e., cargo other than dry bulk commodities and oil products. Container shipping is the fastest growing sector of the shipping market accounting for more than 70% of the international seaborne trade by value. Demand, as measured by port handling movements, has increased at a compound annual growth rate of approximately 9% since 1993. In 2006 there was an estimated 200 million TEU of full container port handling movements.

The container market is still developing. Growth in demand is driven not only by increasing world trade, but also by continuing penetration of the general cargo market by containers and an increasing incidence of transhipment to deliver containers to their ultimate destination.

Container shipping is dominated by approximately 25 liner companies, which together control about 84% of container capacity. The continuing concentration process of recent years is resulting in an increased carrying capacity being deployed by the top liner companies. The liner companies operate round-the-world arterial services using the biggest container vessels available, serving a limited number of hub ports and provide a door-to-door service for shippers and consignees, who pay a fee per box shipped. Broadly speaking the actual control of the world fleet is divided between the liner companies (dominating the +4,000 TEU sector) and the independent Owners (owning the majority of the sub 4,000 TEU vessels).

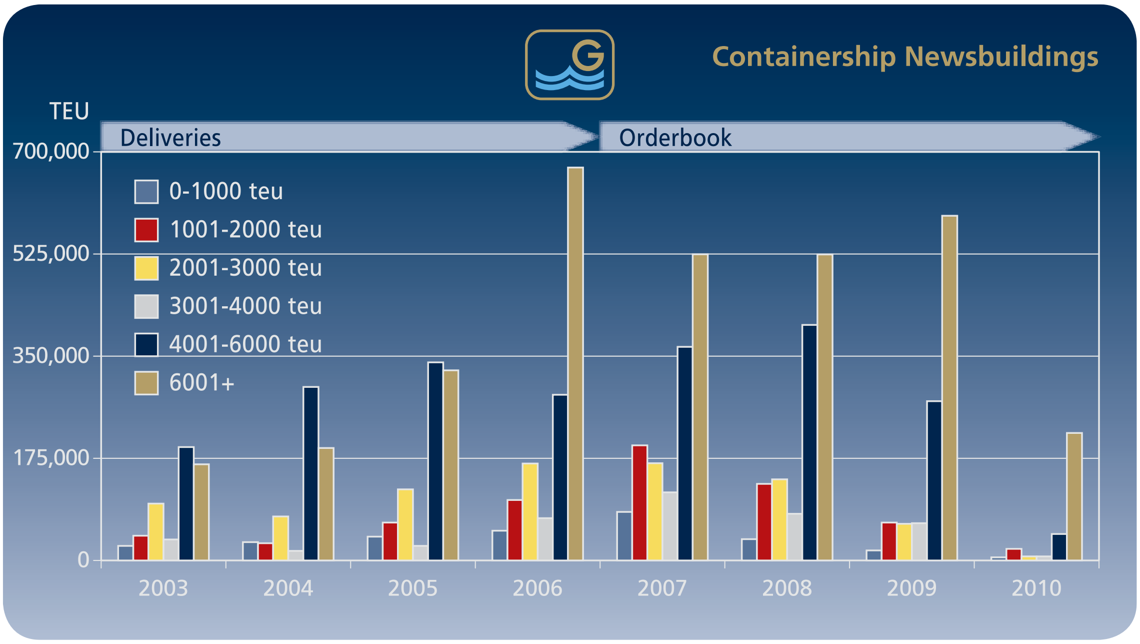
The liner companies charter-in feeder container vessels from owners to provide regional distribution of containers to and from the hub ports. Charter rates for feeder container vessels are affected by global economic factors to a lesser extent than dry bulk carriers because demand is also affected by changes in the demand of liner companies for feeder services. As a result the container market is less volatile than the dry.

i) The Supply

As of December 2006 the containership fleet is comprised of around 4,524 ships of about 10 million TEU capacity. It must be stressed that subject figures refer not only to the fully cellular containerships but any other vessel that are predominantly deployed as containerships. Year-on-year (2005-2006) the growth in capacity was equivalent to 7.7% in vessel terms and 14.9% on the basis of slot capacity deployed. The average age of the current worldwide container fleet as of December 31, 2006 was around 11 years.

The supply of container vessels is mainly affected by the net result of the new deliveries less the number of vessels removed due to demolition or loss. However port productivity (efficiency of the operating systems) and the fleet performance in terms of speed are the two key factors which determine the voyage duration and increase or decrease the available carrying offered by each vessel over time.

Over the course of 2006 another 375 containerships were ordered of a combined capacity of about 1.45 million TEU. As of early January 2007 the orderbook stood at 4.3 million TEU (around 43% of the existing fleet) for delivery within the next 3-4 years.



ii) The Demand

Containership demand is related to the world economy itself and its organic growth. Another important parameter is the "conversion procedure" of minor bulk, general and reefer cargoes traditionally using other modes of transport, which irrespective of the WGDP growth increase the container cargo volume. Another important driver though behind demand is the growth in demand in the direction with the largest volume (so called 'dominant leg' of each route). Sanctions, tariffs and / or other protection measures imposed by governments may change the trading pattern of the industry and impact demand as well. At the same time, growth of transhipment is another key factor since an increasing incidence of transhipment will generate an ever-greater rise in the number of slots required to move the same volume of cargo.

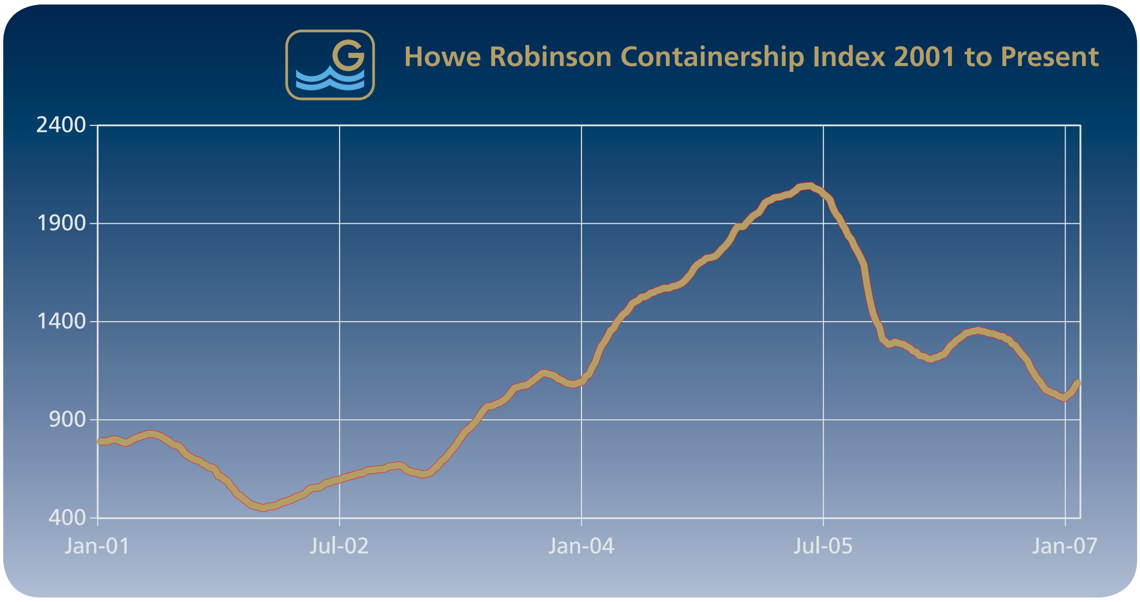
Over the last few years though the most important parameter affecting (positively) the demand for containerships is the process of outsourcing of production capacity from traditional high cost production areas (Japan, Western Europe, North America) to countries with a lower cost base, mainly China. China has changed forever the "geography of manufacturing" creating a marine increase in the ton–mile relationship for the finished products.

iii) The Charter Market

One of the main characteristics of subject market as opposed to the Dry Bulk is the absence of a "Spot Market". The Containership market is less volatile if compared to other traditional shipping markets such as dry bulk or tanker. The average period of charter for a containership (regardless size) has been around 10 months for the last 10 years. This is customarily reduced in weak markets respectively increased in healthy markets. Nowadays the average period cover is 7.8 months (235days). Such extended period cover provides protection from short term imbalances and provides secured income for the relevant parties.

Since spring of year 2002, charter rates after recovering from the lowest level experienced in the second half of year 2001 have broken any previous record within June 2005. Since then market turned south losing 62% (June 2005 to December 2005) respectively 105% by the end of the year (June 2005 vs. December 2006).

As a reflection of the actual underlying market in 2006, Howe Robinson's containership charter index "HRCI" (following the movement of the 12 Month Time Charter rates for vessels between 500-4,500 TEU) started at 1,284 index points, slipped back to 1,209 points by late March (same level to the pro 2004 historic high or August 1995). It then recovered to 1,358 by middle of June (year's high) only to fall down to 1,022 points by the end of the year (year's low). The average of the index for 2006 was 1,248 points.



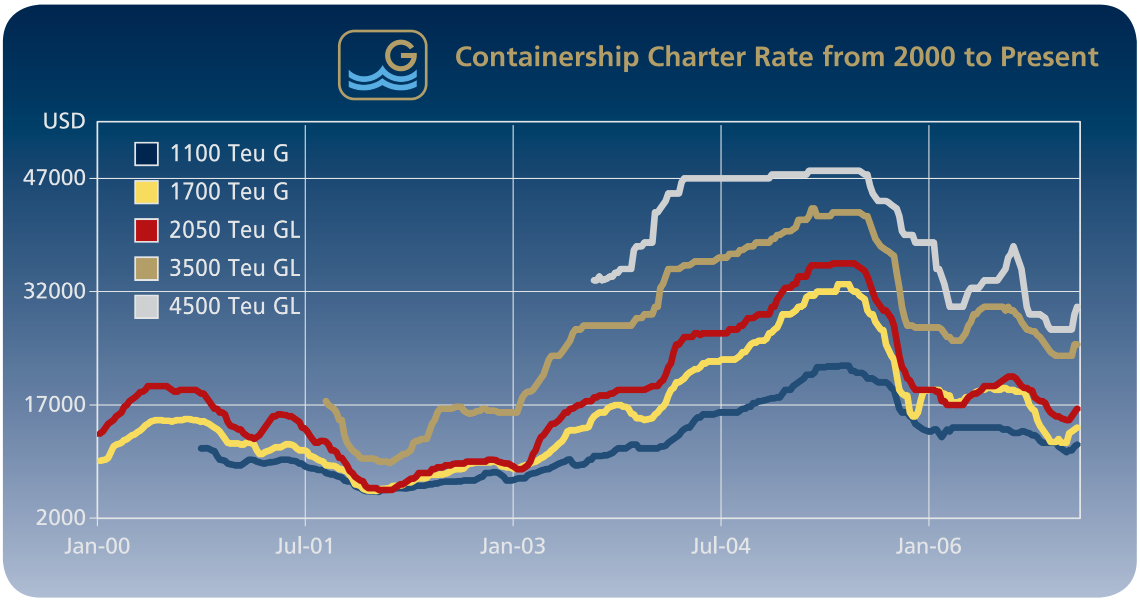
Source: Howe Robinson

For comparison purposes please note HRCI's average index for years 2000 onwards:

2000: 868	**2003:** 939	**2006:** 1,248
2001: 708	**2004:** 1,537	
2002: 576	**2005:** 1,835	

As on December 2006 the indicative rates (for 1 year charter – modern vessels) were as follows:

1,100 TEU geared:	$11,250/day	**1,700 TEU geared:**	$12,000/day
3,500 TEU gearless:	$23,500/day	**4,500 TEU gearless:**	$27,000/day



Source: Howe Robinson

iv) Market Outlook

At present market is enjoying a short recovery experienced since the beginning of this year. As on early February HRCI stands at 1,094 points. Market's outlook though will depend on the actual supply/demand balance in the years to come.

In short term though, apart from the fundamentals (cargo flow, level of contracting and scrapping) market may be affected by a rather unquantifiable but nonetheless significant parameter: sentiment.

When the supply/demand balance is at critical levels the outcome of the "game of nerves" between Owners and Charterers may intensify any upward/downward trend at a given time. At present, market seems to have enough momentum to power through the oncoming China holiday season (end February) leaving a sense of optimism to prevail for the next months to come. A pattern similar to last year's trend (second quarter rally) may well be repeated with charter market firming up right after Chinese New Year throughout spring.

From a macro perspective with supply pretty much set for the next two, three years the determining call is demand. For the time being it looks like charter rates have bottomed out however it remains to be seen whether demand growth will be able to absorb the 1.6 million TEU expected to enter the market within 2007. There is a consensus among the major market players that the spectre of oversupply will continue throughout 2007 although at a less effective level. Forecasts by OECD, IMF and World Bank suggest that growth in world output and trade will be stronger in 2008. If that comes to be true growth in fleet should run marginally ahead of growth in demand and rate levels should be maintained more or less unaltered. ◀

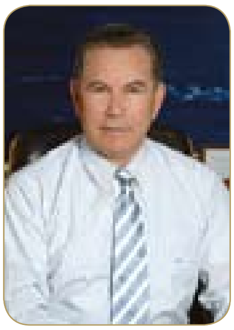
'Global Market, Global presence'

Our Board

Mr. Chris Walton

Non-Executive Chairman, Age - 49

Chris has served as our Non-executive Chairman since admission. Prior to joining Chris was Finance Director & CFO of EasyJet Plc from 1999 to 2005, where he successfully directed its IPO in 2000. Prior to that, he held senior posts at Qantas Airways, Air New Zealand, Australia Post and Australian Airlines. He has also worked for BP Australia, the Australian Senate, RTZ Hamersley Iron and the Western Australian Government. He was a member of the Bank of England's Regional Economic Advisory Panel (South East England & Anglia) from 2002 to 2005. Chris is currently a Non-executive director and Audit Committee Chairman of Rockhopper Exploration Plc. He is a Special Advisor to Otus & Co, a firm which offers strategic advice and corporate finance for the hospitality, travel and transport industries. Also, Chris undertakes consulting related to venture capital investments and has undertaken projects in central Europe, Middle East and India. ◀



Captain Paris Dragnis

Founder - Chief Executive Officer, Age - 62

Captain Paris Dragnis has served as our Chief Executive Officer since inception. Captain Dragnis has over 30 years experience in shipping. He started his career as an officer and a Master on ocean-going vessels and he holds a master mariner degree from the Greek Merchant Marine Academy and a degree from the Maritime College in London. Since 1978, he has been involved in shipowning activities through companies that he owned, and in 1992 he established Goldenport Shipmanagement Ltd, which has served as our fleet manager. Over the years, Captain Dragnis has been involved in the acquisition and management of more than 200 vessels. Captain Dragnis is the founder of the Company. ◀

Mr. Christos Varsos

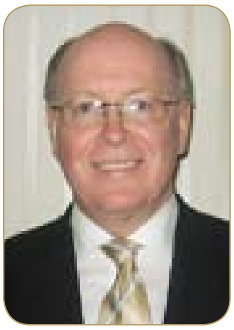
Chief Financial Officer and Company Secretary, Age - 35

Christos has served as our Chief Financial Officer and Company Secretary since 1 November 2005. Prior to joining the Company Christos held finance positions on a regional and local level with Coca-Cola HBC, in Greece. He also worked as a Manager and Senior auditor at Arthur Andersen and Deloitte and Touche in Athens, where he gained four years shipping audit experience and Baker Tilly in London. He holds a degree in Banking and Financial Management from the University of Piraeus, Greece and is a member of the Association of Chartered Certified Accountants. ◀

Mr. Konstantinos Kabanaros

Chief Accounting Officer, Age - 53

Konstantinos has served as our Chief Accounting Officer since 1 November 2005. Prior to that, Mr Kabanaros served 22 years within the Dragnis Group, being employed most recently as the Chief Accounting Officer of Goldenport Shipmanagement Ltd. In total he has over 26 years of shipping expertise, focused on ship financing and accounting. Mr Kabanaros holds a degree in economics from the University of Piraeus, Greece. ◀



Mr. Robert Crawley

Non-Executive Director, Senior Independent Director, Age - 51

Bob was been appointed as a Non-executive Director on Admission. Since August 2002, Bob has been providing advisory services to banks and companies in the maritime sector through his company, IOW Marine Consultants Ltd. Prior to that he served as co-head of European shipping for JP

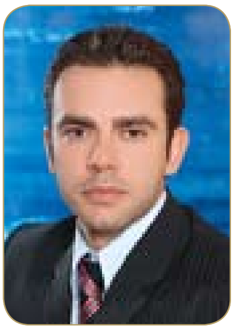
Morgan Chase since 2000. In total he has over 30 years of banking experience, both commercial and investment banking, the last 20 years of which have been in the maritime sector. ◀

Mr. Andreas Karaindros

Non-Executive Director, Age - 62

Andreas was been appointed as a Non-executive Director on admission. Andreas has more than 35 years of experience in the shipping industry, with a focus on vessel management and marine insurance. Mr Karaindros is the founder of the Karaindros Insurance Group, which represents leading insurance brokers and A.K. Shipping and Trading, Inc., which currently owns and operates a fleet of two bulk vessels and three tankers. ◀

Our Management Team



Mr. John Dragnis

Commercial Director, Age - 29

John was appointed as the Commercial Director of the Company on admission. Prior to that John has been the Commercial Manager of Goldenport Shipmanagement Ltd. for three years and has been employed by them for a total of five years. In the last five years he has also been involved in setting up and managing a yachting management and chartering business. He holds a degree in Business Administration and a Masters degree in Shipping Trade and Finance from City Business School (City University), London. ◀

Mr. Nicholas Rescos

Project Manager, *Age - 35*

Nicholas was appointed as the Project Manager of the Company on admission. Prior to that Nicholas has served as the Project Manager of Goldenport Shipmanagement Ltd. for four years. Mr Rescos has a total of 12 years shipping experience. He holds an Honors Degree from the University of Manchester, Institute of Science and Technology (UMIST), School of Management and a Masters degree in Shipping Trade and Finance from City Business School (City University), London. ◀

'Well balanced Board and Management with over 80 years total shipping experience'

Our Fleet

	Vessel Containers	Type	Built	Year Acquired	Capacity TEU	Sister Vessels [3] [4]
1	Fortune	Post Panamax	1996	2006	5,551	
2	West Gate Bridge [1]	Sub Panamax	1986	2007	3,032	
3	MSC Scotland	Sub Panamax	1992	2006	3,007	
4	MSC Socotra	Sub Panamax	1980	2002	2,258	
5	Howrah Bridge	Sub Panamax	1985	2003	2,257	
6	MSC Himalaya	Sub Panamax	1978	1999	2,108	
7	Achim	Handy	1978	2001	930	A
8	Beauty	Handy	1978	2001	962	A
9	MSC Emirates	Handy	1979	2001	934	A
10	Glory D	Handy	1978	1997	946	A
11	Tuas Express	Feeder	1978	1998	485	
	Dry Bulk				**DWT**	
1	Vasos	Capesize	1990	2006	152,065	
2	Samos	Capesize	1982	2002	136,638	
3	Ios	Panamax	1981	2002	69,737	
4	Gianni D	Panamax	1998	2002	69,100	IC
5	Athos	Panamax	1977	2002	67,515	
6	New Building 1 [2]	Supramax	2008	2007	53,800	
7	New Building 2 [2]	Supramax	2008	2007	53,800	
8	Vana [5]	Handymax	1977	1999	53,522	
9	Alex D	Handymax	1989	1999	52,315	B, IC
10	Limnos	Handymax	1992	2004	52,266	B, IC
11	Lindos	Handymax	1990	2003	52,266	B, IC
12	Tilos	Handymax	1991	2004	52,266	B, IC

(1) West Gate Bridge to be delivered in mid-March 2007. At that point will be renamed to MSC Finland

(2) 50% ownership through a Joint Venture

(3) Each vessel with the same letter is a sister ship of each other vessel that has same letter

(4) Each vessel with the letters IC, is an Ice-Class vessel

(5) Vana to be sold within 2007

'Diversified & Self-sustained Fleet'

Our Charterers

Over the decades the Founder of the Company Captain Paris Dragnis and his team have invested in long term relationships with worldwide clients always ensuring that any new addition in the fleet is accompanied by long-term employment opportunities.

Notably, Goldenport has performed transportation contracts within the past five years, among others, for the following first class Charterers:

Container Fleet	Dry-bulk Fleet
A.P. MOLLER	ALCAN
K-LINE	ARPENI
M.S.C	BOCIMAR
MITSUI OSK	CARGILL
WAN HAI LINES	ENERGY
YI TONG	ESSAR
ZIM LINES	GLENCORE
	KOREA LINE
	STX-PANOCEAN

'Investing in strong relationships'

Our Fleet expansion since IPO

Since the Initial Public Offering in April 2006, Goldenport expanded the fleet with four additional vessels, of which three were containers and one bulk carrier. The vessel acquisitions were completed by December 31st 2006, with one vessel to be delivered in March 2007. Currently Goldenport controls 21 vessels and has doubled the TEU capacity in the container segment and increased by 25% the DWT capacity in the dry-bulk segment, compared to the IPO fleet.

On 13th March 2007 Goldenport entered into a Joint Venture agreement with Glencore International AG, for the acquisition of two new-building 53,800 DWT bulk carriers (to be delivered in 2008). This is an illustration of our strategy to establish strong relationships with key charterers and to expand the existing fleet. We view the opportunity of acquiring an interest in two new-buildings, as particularly appropriate compared to the current market conditions with the second-hand vessels' prices at record levels.

The fleet expansion in 2006 is described below:

In June 2006, Goldenport acquired two vessels.

- The first vessel, the MV 'Bengal Sea', has 47,120 deadweight, with nominal intake of 3,007 TEU. The vessel was delivered in 1992 to HDW shipyards Germany, and was acquired for a total consideration of US$ 29.1 million. At the time of acquisition the vessel was employed until September 2006, with Zim Lines at a daily rate of US$ 22,500. Since September the vessel entered into a three year time charter contract for a daily rate of US$ 20,770 and was renamed to MSC Scotland.
- Goldenport has also successfully participated in the tender process, invited by Hyundai Marine & Fire and Insurance Co. Ltd., for the acquisition of the fire damaged 'Hyundai Fortune' 68,537 deadweight with nominal intake of 5,551 TEU. The vessel was built in 1996 at Hyundai Ulsan, Korea and suffered cargo fire damage on March 21st, 2006. The bid for the acquisition of the damaged vessel was US$ 13 million.

  After intermediary repairs was towed from Dubai to China and is currently in COSCO Zhouzhan yard for the final repairs and reconstruction phase of the project. The repairs in accordance with our initial plan should be concluded in late 2007 or early 2008 so the vessel is expected to contribute to 2008 profitability.

In July 2006, Goldenport acquired one cape-size bulk carrier.

- The acquired vessel was the cape-size bulk carrier MV 'Orient Alliance', 152,065 deadweight. The vessel was delivered in 1990 to Mitsui Tamano Shipyards Japan and was acquired for an aggregate purchase price of US$ 27.3 million. Upon delivery, the 'Orient Alliance' was immediately renamed to 'Vasos' and employed under the existing time-charter with Bocimar NV at a daily rate of US $16,000 until February 2007. A time charter agreement was agreed with Glencore International AG for a period of forty-five to fifty-one months at a daily rate of US$ 23,950 commencing in May 2007. In the interim the vessel is employed under short term time charters benefiting from the current strong spot market conditions.

In December 2006, Goldenport agreed to acquire one more container vessel.

- The acquired vessel was the West Gate Bridge, a sub-panamax container vessel, with 40,928 MT deadweight and nominal intake of 3,032 TEU. The vessel was first delivered in 1986 to Kawasaki Heavy Industries, Japan and was acquired for an aggregate purchase price of US$ 17.0 million. The vessel will be delivered to Goldenport in mid-March 2007 and has been chartered for three years from delivery at a daily rate of US$16,500. The vessel will be renamed to MSC Finland.

In February 2007, Goldenport entered into negotiations for the sale of the 1977-built Handymax vessel Vana, as part of the renewal program.

'A continuous fleet expansion program in order to provide versatile fleet'

Our Fleet Employment & Forward Coverage

Our fleet employment as of 13th March 2007:

Vessel Containers	Type	Capacity TEU	Rate (US$) per day	Charter Expiration Earliest	Charter Expiration Latest (1)
Fortune	Post Panamax	5,551	Under reconstruction		
West Gate Bridge (2)	Sub Panamax	3,032	16,500	Feb-10	Apr-10
MSC Scotland	Sub Panamax	3,007	20,770	Sep-09	Nov-09
MSC Socotra	Sub Panamax	2,258	8,000	Jan-08	Mar-08
Howrah Bridge	Sub Panamax	2,257	14,180	Jul-09	Sep-09
MSC Himalaya	Sub Panamax	2,108	12,700	Dec-08	Jan-09
Achim	Handy	930	9,600	Feb-09	Apr-09
Beauty (6)	Handy	962			
MSC Emirates	Handy	934	7,000	Jan-09	Feb-09
Glory D	Handy	946	9,600	Feb-09	Apr-09
Tuas Express	Feeder	485	8,900	Dec-07	Dec-08
Dry Bulk		**DWT**			
Vasos (3)	Capesize	152,065	50,000	May-07	May-07
			23,950	Feb-11	Aug-12
Samos	Capesize	136,638	22,750	May-07	Jun-07
Ios	Panamax	69,737	12,500	Sep-07	Sep-07
Gianni D	Panamax	69,100	26,000	Sep-07	Nov-07
Athos	Panamax	67,515	16,750	Jun-07	Sep-07
New Building 1 (4)	Supramax	53,800	To be delivered in 2008		
New Building 2 (4)	Supramax	53,800	To be delivered in 2008		
Vana (5)	Handymax	53,522	17,000	Mar-07	Mar-07
Alex D (6)	Handymax	52,315	25,000	Mar-07	Mar-07
Limnos (6)	Handymax	52,266	30,000	Apr-07	Apr-07
Lindos	Handymax	52,266	14,500	Jul-09	Nov-09
Tilos	Handymax	52,266	26,000	Apr-07	Apr-07
			27,750	Aug-07	Nov-07

(1) Represents last day on which the charter may redeliver the vessel assuming exercise of all additional hire periods under charter

(2) To be renamed to MSC Finland

(3) Charterer has an option to extent for another 12 months after the initial period of 45 to 51 months

(4) 50% owned through a joint venture

(5) Goldenport is in firm negotiations to sell the vessel Vana, to an unaffiliated third party after the completion of the charter

(6) Goldenport is in advanced negotiations to extend or re-charter the vessels Beauty, Alex D and Limnos

FORWARD CHARTER COVERAGE:

The percentage of available days of the fleet already fixed under contracts (assuming latest charter expiration and exercise of all additional hire periods under charter) is as follows as of 13 March:

	2007 (1) (2)	2008 (1) (2)	2009 (2)
Total Fleet	83% (75%)	60% (60%)	37% (37%)
Containers	91% (90%)	91% (91%)	54% (54%)
Bulk Carriers	75% (58%)	25% (25%)	24% (24%)

(1) Percentage of available days of the fleet fixed under contract as reported on 11 January 2007 is given in brackets

(2) The percentages above do not include the vessel 'Fortune' which is under repairs and the two new-building bulk carriers which will be delivered in 2008

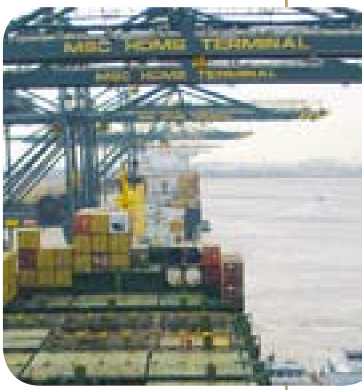
'Forward Coverage is a key element of our acquisitions strategy'

Our Fleet Manager

The technical and day-to-day commercial management of our fleet is currently the responsibility Goldenport Shipmanagement Ltd ('GSL'). GSL has BIMCO standard ship management agreements in place with each of the vessel-owning companies. Under the various ship management agreements GSL provides the following to our fleet:

- commercial management of day-to-day vessel operations;
- performance of general vessel maintenance;
- ensuring regulatory and classification society compliance;
- sourcing and training of our qualified officers and crew;
- arrangement and supervision of special surveys, dry-dockings, vessel reconditioning and repair work;
- arrangement of insurance for vessels;
- purchasing of stores, supplies, spares and new equipment for vessels;
- appointment of supervisors and technical consultants;
- providing chartering services in accordance with our instructions (including assistance with seeking and negotiating employment for our fleet and managing certain relationships with charterers);
- freight collection;
- providing voyaging estimates and calculation of hire, freights, demurrages;
- appointment of stevedores;

Goldenport Shipmanagement Ltd. has maintained high vessel deployment standards with an average of **98%** fleet utilisation. Fleet utilisation has been a critical benchmark of both charterers and cargo owners on the Company's technical and operational performance.



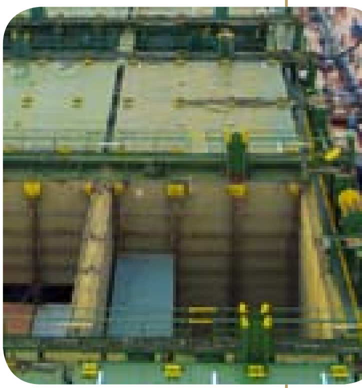
With employment in excess of 1,000 qualified officers and ratings, a recruitment office in Odessa, Ukraine was established by GSL in 1997 for sourcing, training and handling of personal affairs of all sea-going personnel.

The contribution of this effort has been significant in raising the quality of our seafarers and maintaining a significant workforce pool readily available throughout the year.

In order to satisfy regulatory requirements of ISM/ISPS, GSL has established safety and quality management system that includes extensive instructions, guidelines and training programs in accordance with international requirements and standards. GSL's in house Quality Assurance Department, comprised of experienced personnel, and has developed a proactive role beginning with its affiliated crew recruitment centers in the Ukraine and Greece.

Each Goldenport vessel is attended periodically throughout the year by GSL's Safety Officer, who in coordination with Masters and Officers completes full audits to ensure compliance with planned arrangements and standards.

GSL has ISM accreditation, which ensures compliance with national and in-



ternational regulations in order to provide safe practices to the marine industry and environment. All personnel ashore and onboard are committed to support this effort on a continuous basis.

Over the years GSL has built and strengthened long-standing business relationships based on first class transportation services. The company emphasises both flexibility and reliability in its service while being committed to environmentally sound corporate policies.

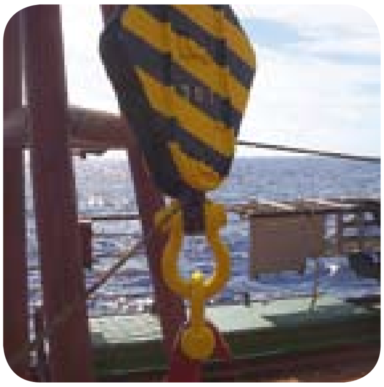
Goldenport Shipmanagement Ltd. is owned by Captain Paris Dragnis and under the agreements that it holds with the vessel owning companies, charges US$ 15,750 per vessel per month for technical management services and 2% on the total daily hire for the provision of brokerage management services. For 2007 GSL waived the right to a 5% increase for the technical services provided and the monthly fee will remain at US$ 15,750 per month per vessel.

Under the agreements currently held between GSL and the vessel owning companies, Goldenport Holdings can terminate them without incurring further costs with respect to the termination.

The terms of these arrangements are comparable to terms which would be negotiated with other, similar third party providers of such ship management services.

It is our current intention that within two years from Admission the day-to-day commercial and technical management of our fleet and certain administrative services will be brought within the Group at no additional cost.

The Senior Independent Director, Mr. Robert Crawley is charged with monitoring the relationship between the Company and GSL and regularly report on the relationship to the Board. ◀



'24 Hours-a-Day 365 Days-a-Year'

Quality & Safety

Goldenport Shipmanagement ('GSL') has identified safety and the environment as two key areas in its sphere of operations that are of paramount importance and need to be effectively controlled to prevent unnecessary injuries, loss of life, damage to health, property and degradation of the environment.

To meet this requirement GSL has embraced the IMO's International Safety Management Code. The Safety Management System is designed to ensure the Company's activities are sufficiently controlled to protect personnel, property and the environment from all risks and hazards that can be reasonably expected. Compliance with all National and International rules is the corner stone of the success and the effectiveness of our system.

The management is committed to making all personnel ashore and onboard more safety conscious through continuous training and encourages all to become actively involved in identifying possible hazards, implementing corrective action and constantly monitoring all facets of their working environment to ensure Safety and Health conditions prevail.

An incident is indicative of a failure in the operating system and the company is committed to fully investigating all accidents or near miss incidents. The results of such investigations and any necessary corrective action will be brought to the attention of all concerned in order to avoid re-occurrence.

GSL is certified, by Bureau Veritas, according to the provisions of the International Safety Management System and has obtained a full term Document of Compliance (DOC) and Safety Management Certificate (SMC) for each of its Managed Ship.

GSL is committed to manage and mitigate the identifiable environmental impacts and to comply with all National and International rules and regulations associated with company's activities.

ENVIRONMENTAL POLICY

GSL is committed to manage and mitigate the identifiable environmental impacts and to comply with all National and International rules and regulations associated with Company's activities.

An Environmental Management System is being developed in order to identify all operational processes and ensure achievement of our objectives and targets set, trough the monitor and constantly review of these procedures

It is Company's commitment to operate its ships by safeguarding environment following these principles:

- To comply with all National and International rules and regulations, such as MARPOL, Flag State, Port State, in all operational activities related to the environmental protection.
- Continuously improve and commit to the objectives set.
- Minimizing the risk from all shipboard operations and activities such as: bunkering operations, garbage disposal, engine room liquid waste, by following all applicable regulations and procedures set for these activities.
- To minimize air pollution by following maintenance instructions and to provide all time adequate recourses and personnel to keep all equipment in good working order.
- Provide appropriate maintenance in order to minimize leakages and residues from wear and tear.
- To provide a system and instructions, and to assign responsibilities for the implementation and operation of a Garbage Management Plan aboard the ships, for the prevention of pollution.

O

- To provide continuous training both ashore and on board personnel, in order to keep familiar with all described procedures, as well as all National and International rule and regulations.
- To minimize paper consumption by using electronic methods of reporting and filing where applicable.
- Old electronics and office equipment/materials/paper to be given to recycling reception facilities or to be donated for further use in institutions.

The company is currently under a process for the final certification under the ISO 14001/2004 with Bureau Veritas, which expected to be on May 2007.

QUALITY POLICY

The policy of GSL is to supply its customers with services which consistently meet their needs and requirements.

GSL is totally committed to achieving the highest management standards and aims to remain a leading Ship Management Company by continuous improvement and innovation. This involves the active participation, endeavor and ideas of all shore and seagoing personnel.

These high standards of work and safety achieved by operating a Quality System which meet the requirements of the International Standard ISO 9001, 2000 .

Compliance with this policy, the quality procedures and shipboard instructions is essential and binding upon all shore and sea personnel. Quality is the responsibility of everyone working for and on behalf of GSL.

GSL is certified as per ISO 9001/2000 by Bureau Veritas and has obtained Certification for its activities, since February of 2005.

CLASSIFICATION SOCIETIES

Our fleet is classified under the following societies:

- 25% of the fleet is classified with DET NORSKE VERITAS
- 20% of the fleet is classified with NIPPON KAIJI KYOKAI (NKK)
- 15% of the fleet is classified with CHINESE CLASSIFICATION SOCIETY
- 10% of the fleet is classified with LLOYDS REGISTER OF SHIPPING
- 10% of the fleet is classified with KOREAN REGISTER OF SHIPPING
- 20% of the fleet is classified with other societies including BUREAU VERITAS, AMERICAN BUREAU OF SHIPPING, GERMANISHER LLOYD, etc.

CREWING

We understand that continuing crew supply is a major factor in ensuring long-term sustainability. As the group seeks to accelerate growth and profitability we are committed to growing our crewing output and developing capabilities to service expansion in the Goldenport managed fleet.

Goldenport Odessa Ltd was established as a wholly owned subsidiary of Goldenport Shipmanagement Ltd. in 1997 for the purposes of recruiting, evaluating and training new and existing crew for its vessels in the Ukraine.

Ukraine was identified by Goldenport as one of the major hubs for manning purposes for commercial vessels. Odessa is the main south port for all ex-Eastern Block (ex USSR) countries and hence provided many opportunities to source good quality crew for our vessels at competitive salaries. At the time of establishment, Goldenport Odessa was one of the very few major manning offices in the area. That allowed the company to get a strong foothold in the currently very competitive manning market of the area.

In time, this opportunity was identified by the majority of all international shipping and manning companies that were quick to set up offices in the area. Currently, Odessa hosts more than 150 such major offices. This fact has established Odessa as one of the major centers for sourcing quality crew members for commercial vessels. Goldenport Odessa with its early and continuous presence in that market holds a competitive advantage against other competitors.

Specific developments are being made to target and improve retention (currently at 85%), such as a programme of crew seminars, career management initiatives, the refinement of terms and conditions of employment contracts, the introduction of minimum employment standards and family welfare programmes. Encouraging senior officers to take up shore-based management positions ensures that both Goldenport benefit from the vast experience gained during a shipboard career.

The Goldenport crew management network is well placed to meet the growth demands of the managed fleet. The size and diversity of the Goldenport fleet allows us to provide training, development and career progression for crew. As the industry continues to face an ever increasing shortage of qualified crew, our ability to recruit, train and retain the best seafarers is one of our most important core competencies.

TECHNICAL MANAGEMENT

A major part of the Goldenport Shipmanegement technical team philosophy is the rigorous practise of preventive maintenance. It is our belief that this approach pays great dividend to the quality of our services through improved ship technical conditions. It is better to spend a little to improve minor engine or steel parts than to wait for a small problem to become a major one, which will inevitable lead to expensive repairs, missed details and loss of revenue. This falls under the continuous maintenance program that GSL applies to all the vessels in Goldenport Holdings' Fleet.

Technical expertise is provided through experienced multi-functional teams consisting of qualified key personnel and support staff. The main function categories that cover the needs of our fleet through the Technical Department are:

- Drydock - Conversions - Repairs
- Regulations - Flag - Class
- Budget planning & control
- Planned Maintenance System

Ships are inspected at regular intervals of three months by technical superintendents to ensure a very close follow-up of shipboard activities. The attending technical superintendents then file comprehensive reports regarding the technical condition of our fleet in order to facilitate improved decision making processes regarding our fleet development and constantly updated budgeting controls for the technical expenditure required to maintain our ships.

Moreover, Goldenport Shipmanagent has set up Goldenport Shanghai, which acts as a representative office for the technical department of the company. The continuous presence of a large part of the fleet in Far Eastern ports, coupled with the significant ship repairing and building capability of China, constitutes the two main reasons behind the decision of setting up an office in the area. ◀

'Quality and safety key priorities'

Our Fleet Manager Key Personnel

Captain George Karavas

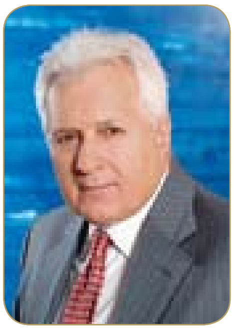
Managing Director, Age - 48

Captain George Karavas is the Managing Director of Goldenport Shipmanagement since September 1999. He graduated from Greek Public Merchant Marine Academy on 1978 and started his career as Cadet and Officer on Oceangoing Passengers and RoRo vessels and later as Officer and Master on Oceangoing Bulkcariers with 10 years sea service. He holds a Master Mariner degree from Greek Public Merchant Marine Academy and has attended various seminars and courses on Shipping Law, Chartering, ISM and ISO. Captain Karavas since April 1991 has started his career ashore as Port Captain, Operator, Operations Manager and in Administration in various shipping companies. He joined Goldenport Shipmanagement on May 1996 as Manager in Operations Department and since Sept 1999 he became Managing Director of the company and holding the position of Head of Operations Department as well. He has a total experience of 28 years–on board and ashore-in Shipping Business. ◀

George Andriopoulos

Technical Manager, Age - 59

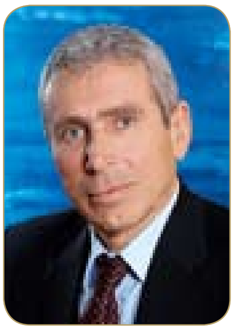
George is the Technical Manager of Goldenport Shipmanagement since October 2001. He graduated from Merchant Marine Academy on 1969. He served in various rank capacities onboard world wide trading tankers, chemical tankers and cargo vessels. He holds a Chief Engineer degree. George has held administrative tech positions ashore as member of Technical Departments of various shipping companies in Greece and abroad since 1990.He joined Goldenport Shipmanagement on March, 2000, as Superintendent Engineer and since 2001 he is in charge of Technical Department as Technical Manager. He has a total technical experience of 35 years. ◀



Captain Anthony Vikos

Operations Manager, Age - 59

Captain Anthony Vikos is the Operations Manager of Goldenport Shipmanagement since July 2003. He graduated from Hydra Merchant Marine Academy on 1966, and started his career as Cadet and officer on oceangoing general cargo and bulk carrier vessels and thereafter as Master on oceangoing bulk carrier vessels. He is holder of a Master Mariner's license of "A" degree since January 1976, and as Master he has served on large bulk carriers and panamax vessels with two major Shipping companies for 14 years. Captain Vikos started his career ashore on June 1989, and ever since and prior joining the company he held positions of Operator, Port Captain and Operations Manager with four shipping companies in Greece. He has a total experience of about 35 years in Shipping Business (at sea and ashore) and has attended various seminars and courses on Shipping Matters, while he is a member of HELMEPA. ◀



Captain Alexandros Dragnis

Manager Supply Department, Age - 56

Captain Alexandros Dragnis is the Supply Department Manager since 1995. He graduated from the Greek Merchant Marine Academy in 1973 and started his career as Cadet and Officer on oceangoing vessels, with 8 years of sea service. Captain Alexandros Dragnis holds a Chief Officer Degree from Greek Marine Academy and he started successfully his career ashore in 1981, as Managing Director in "Renewal Shipping Agency" and continued as Technical Director in a company providing technical equipment for ships. He joined Goldenport Shipmanagement in 1995 and until now he holds the position of Manager Supply Department. He has a total experience of 33 years-on board and ashore-in shipping business. ◀

Mr. Yannis Kioleoglou

Chartering Manager, Age - 36

Yannis has joined Goldenport Shipmanagement in 1997. As Chartering Manager, Yannis is responsible for chartering as well as the post-fixture activities of the fleet. He is also responsible for maintaining existing relationships with Charterers and marketing to expand its clientele base. He holds 2 Master degrees; (1) in Naval Architecture & Marine Engineering from the National Technical University of Athens and (2) in Shipping Trade & Finance from City University Business School. Mr. Kioleoglou started his career as Assistant Shiprepair Manager in Elefsis Shipyard Greece and served for two years at sea as an NCO/ Engineer in the Greek Navy. ◀

Mr. Stathis Lerios

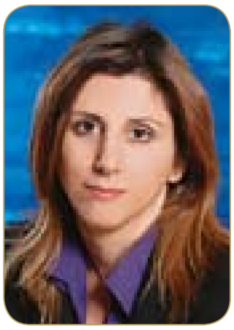
Crew Manager, Age - 52

Stathis has served as Crew Manager since July 1995. He started his vocational training in 1968 in Cotzias Ship Agencies and Crewing, where he stayed until 1974. Since then he worked as Crew Manager in three major Greek shipping companies before joining Goldenport Shipmanagement Ltd. He has over 35 years of experience in crewing. ◀

Mr. Alexander Papagiannopoulos

Quality & Safety Manager, Age - 37

Alexander has served as Designated Person Ashore since July 1997 and as Quality and Safety Manager since January 2005. Prior to joining the company Alexander held Deck Officer's position in cargo ships for two years. He also worked as Port Captain for two years at a ship managing company based in Greece, dealing with ship repairs and class surveys. He holds a Master C class diploma and he graduated from Merchant Marine Academy of Aspropyrgos, Greece. ◀



Ms. Theoni Kousi

Legal Manager, Age - 35

Theoni started her career in 1992 in one of the leading Piraeus shipping law firms, charter member of the Hellenic Society of Maritime Lawyers, where she became part of the litigation team, dealing with dispute resolution in a wide range of shipping matters and shipping litigation. Thereafter she acted for four years as an in-house lawyer of a tanker management company in Athens, where she obtained an experience in non-contentious shipping matters. Since joining Goldenport in April 2006, Theoni has been working on a number of non-contentious shipping matters ranging from ship finance and ship sale and purchase, to newbuilding projects and related corporate transactions. She holds a degree in Law from the University of Athens, Greece and an LL.M from the University of Manchester. ◀

'Key personnel with over 200 years total shipping experience'

Report of Directors

The Directors present their report and the Group financial statements of Goldenport Holdings Inc., for the financial year ended 31 December 2006.

PRINCIPAL GROUP ACTIVITIES

Goldenport is an international shipping company that owns and operates a fleet of dry bulk and container vessels that transport cargo worldwide. The fleet consists of ten dry bulk carriers and eleven container vessels, (including the vessel West Gate Bridge to be delivered in March 2007). Goldenport is listed on the London Stock Exchange under the ticker GPRT.

OPERATIONAL & FINANCIAL REVIEW

Summary of Selected Financial and Operating Data:

	Year ended	
INCOME STATEMENT DATA (in US$ thousand):	**31 December 2006**	**31 December 2005**
Revenue	90,651	83,649
EBITDA	54,888	53,815
EBIT	41,747	45,156
Net Income	45,188	43,256
FLEET DATA:		
Average number of vessels	18	17
Number of vessels at end of period	20	17
Number of vessels in operation at end of period	19	17
Ownership days	6,558 (1)	6,205
Available days	6,355 (1)	5,986
Operating days	6,249 (1)	5,951
Fleet utilisation	98.3%	99.4%
AVERAGE DAILY RESULTS (in US$):		
Time Charter Equivalent (TCE) rate	13,243 (2)	13,009
Average daily vessel operating expenses	3,791 (1)	3,311

(1) Ownership days and average daily vessel operating expenses exclude the vessel 'Fortune' which was not operating within the period and the vessel 'West Gate Bridge' which will be delivered to the Company in mid-March 2007

(2) TCE rate excludes other income of US$457 relating to income from insurance claim for the vessel 'Alex D'

Time and Voyage Charter Revenues: Revenues increased by US$ 7.0 million or 8.4% to US$ 90.7 million for the year ended 31 December 2006 (2005: US$ 83.7 million). The main reasons for this increase were: (i) the revenue generated from the newly acquired vessels 'Vasos' and 'MSC Scotland' in the second half of the year; (ii) the strengthening of the dry-bulk market in the second half of the year, which Goldenport took advantage off through a mix of short and medium charters especially of the vessels 'Alex D', 'Limnos' and 'Gianni D'. The strong second half in the dry-bulk segment outperformed the weak first half and brought a balance to the year's profitability.

Voyage expenses: The voyage expenses, including related party voyage expenses, increased by US$ 0.2 million or 4.4% to US$ 6.0 million for the year ended 31 December 2006 (2005: US$ 5.8 million) mainly due to increased revenue figure to which these expenses apply.

Vessel operating expenses and general and administrative expenses: Vessel operating expenses increased by US$ 3.8 million or 18.4% to US$ 24.8 million for the year ended 31 December 2006 (2005: US$ 21.0 million). The main reasons for the increase were: (i) the addition of two vessels which operated in the second half of the year, (ii) both vessels acquired were of a larger size than the vessels previously in the fleet, affecting the mix of the operating expenses, in all categories; (iii) a stepped increase in crew wages of the Ukrainian crew, that became effective in early 2006; (iv) the increase in cost of lubricants mainly due to the movement of oil prices; (v) the increase in insurance premiums for the newly acquired vessels, due to higher vessels' prices. General and administrative expenses increased by US$ 1.5 million reflecting incremental listing related expenses.

Depreciation and amortisation of dry-docking: The depreciation charge increased for the year to 31 December 2006 by US$ 2.3 million to US$ 7.5 million (2005: US $5.2 million), due to the impact of the depreciation of the newly acquired vessels. Depreciation of dry-docking costs increased by US$ 2.2 million or 63% to US$ 5.7 million for the year ended 31 December 2006 (2005: US$ 3.5 million) mainly due to: (i) the dry-docking of five vessels in 2006 and (ii) in the second part of 2005 six vessels underwent dry-docking and the amortisation of this expense is affecting 2006 numbers. In the first half of 2005 no vessel underwent scheduled dry-docking.

Financing costs: Finance expense increased by US$ 0.6 million or 18% to US$ 4.1 million for the year ended 31 December 2006 (2005: US$ 3.5 million), mainly due to the increased debt utilised for the expansion of the fleet. During the year the Company achieved lower margins on the loans for new ships and reduced the margins for the existing loans, controlling the Company's interest rate exposure. Finance income increased significantly by US$ 2.2 million to US$ 3.1 million due to higher interest rates on a higher level of deposits generated from operations and the residual proceeds of the initial public offering.

Free cash flow: The Company as of December 31st 2006 has a marginal net cash position (2005: net debt position). From the initial public offering net proceeds of US$ 107 million, US$ 25.8 were utilised to repay debt, US$ 36.1 million were utilised as equity participation in the acquisition of the three vessels acquired in the year and for the deposit to secure the acquisition of the 'West Gate Bridge' and finally US$ 10 million were paid for the reconstruction of the vessel 'Fortune'. As of December 31st, 2006 Goldenport had US$ 81.4 million of cash which includes the balance of the proceeds from the IPO, cash generated through operations and interest income and the second trance of US$ 10 million of the loan for the reconstruction of 'Fortune' that was drawn in late December 2006.

Dividends

Goldenport has adopted an annual dividend payment ratio of at least of 50% of net income. A higher payout ratio may occasionally be appropriate in times of cyclical lower earnings so as to better provide investors with a regular income on their investment. The Board of Directors has proposed on 14th March a final dividend of 11.9 pence per share, (making a final payout of £ 8.3 million). In total, including the interim dividend already paid in October 2006, the total dividend for 2006 comes to 17.5 pence per share (or £ 12.2 million), representing about 52% of the Company's net income for the year (assuming £1=$1.93). The dividend payment will be proposed for approval to the shareholders in the AGM to be held on 17 May 2007 and subsequently will be payable on May 21st, 2007 to shareholders of record as of 20 April 2007. Please look at section 'Financial Calendar' for the full dates.

Directors and interests in shares

The current members of the Board are listed in section 'Our Board'.

Marshall Islands legislation does not normally require the directors to retire and offer themselves for re-election at the Annual General Meeting. However in order to comply with the UK corporate governance standards, the by-laws of the Company provide for all directors to resign at each Annual General Meeting. As a result all the directors will retire and offer themselves for re-election in the first Annual General Meeting to be held on 17 May 2007.

The Interests of the Directors, the Senior Management and their respective immediate families in the share capital of the Company (all of which are beneficial unless otherwise stated), were as at 31 December 2006 as follows:

Name	Number of shares at admission	Percentage of shares at admission	Number of shares as at 31 Dec 2006	Percentage of shares as at 31 Dec 2006
Captain Paris Dragnis (1)	41,800,000	59.81%	41,800,000	59.81%
Chris Walton	2,128	0.003%	2,128	0.003%

(1) Through Starla

As at 31 December 2005, Captain Paris Dragnis was the sole owner of the share capital of the Company.

There have been no changes in directors' interests from 1 January 2007 to 14th March 2007, other than those reported above.

During the financial year the Company has maintained cover for its Directors under Directors' liability insurance policy.

Related party transactions

Transactions with related parties consisted of the following for the year ended 31 December:

Voyage expenses – related party	2006 U.S.$'000	2005 U.S.$'000
Goldenport Shipmanagement Ltd (a)	1,813	1,673
Management fees – related party		
Goldenport Shipmanagement Ltd (a)	3,393	3,060
	5,206	4,733

Balances due from related parties as at 31 December comprise the following:

Due from related parties	2006 U.S.$'000	2005 U.S.$'000
Goldenport Shipmanagement Ltd (a)	811	9,860
Total	811	9,860

Goldenport Shipmanagement Ltd. (GSL): All vessel-operating companies included in the consolidated financial statements have a management agreement with GSL, a Liberian corporation directly controlled by Captain Paris Dragnis, to provide, in the normal course of business, a wide range of shipping managerial and administrative services, such as commercial operations, chartering, technical support and maintenance, engagement and provision of crew, financial and accounting services and cash handling in exchange for a management fee of US.$15,750 per vessel per month (2005: US$15,000). In addition GSL charged the Group, US$ 0.1 million for the services rendered for the reconstruction of M/V Fortune.

For the year ended 31 December 2006, commission charged by GSL for chartering services amounted to US$1.8 million (2005: US$1.7 million).

The amounts receivable from GSL, shown in the table above, represent the vessel-operating companies' cash surplus handled by GSL. The cash surplus handled by GSL was US$9.9 million as at 31 December 2005, as GSL held on behalf of the Group a significant portion of funds raised through operations and financing. In 2006 since bank accounts were opened in the name of Goldenport Holdings Inc., significant transactions, like payments for acquisitions of vessels and for reconstruction were performed by the Company directly. As a result the cash surplus handled by GSL was kept to minimum amounting to US$0.8 million relating to the working capital requirements of the vessels.

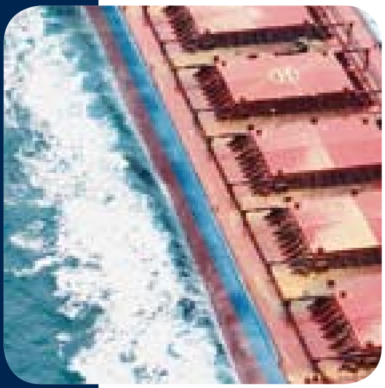
No other contract in relation to the Group's business in which the Directors of the Company had an interest existed at 31 December 2006 or at any other time during 2006

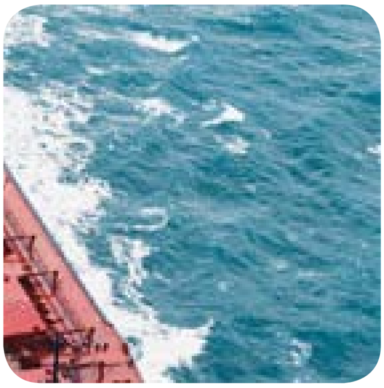
By order of the Board

Christos Varsos

CFO & Company Secretary

14 March 2007





Corporate Governance Statement

Goldenport Holdings Inc. is a Marshall Islands shipping company which has voluntarily undertaken to comply with UK corporate governance standards, in order to assure the investment community that it operates in the same way as a UK company listed on the main market of the London Stock Exchange:

- Amendments to Board structure with the appointment of Chris Walton as UK based Non-executive Chairman and Robert Crawley and Andreas Karaindros as Non-executive Directors
- Appropriate establishment and constitution of board committees
- Although outside of the Takeover Code, commensurate investor protection measures have enshrined in the Company's Articles
- Pre-emption rights were also included within the Company's Articles

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance. This statement describes how the principles of corporate governance are applied to the Company.

COMBINED CODE

The Combined Code provides that the board of directors of a United Kingdom public company should include a balance of executive and non-executive directors (and, in particular, independent non-executive directors), with smaller companies having at least two independent non-executive directors. The Combined Code states that the board should determine whether a director is independent in character and judgment and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the director's judgment.

The Combined Code does not apply to Goldenport and Marshall Islands do not have a formal corporate governance regime; however, the Directors support high standards of corporate governance. Since Admission, and save as described below, the Company complies with the principal requirements of the Combined Code, and has put in place the procedures required to comply with the internal control aspects of the Combined Code in accordance with the Turnbull Report. The Company's Board comprises of three Executive Directors (including the Chief Executive Officer) and as of Admission, three Non-executive Directors (including the Chairman). The Company regards Chris Walton, Robert Crawley and Andreas Karaindros as independent Non-executive Directors, within the meaning of "independent" as defined in the Combined Code.

Apart from the relationship between Captain Paris Dragnis and Goldenport Shipmanagement Ltd., and save as disclosed below in respect of Andreas Karaindros, none of the Directors or members of Senior Management have any potential conflict of interest between the duties they owe to the Company and their private interests or duties owed to third parties. The insurance broker for certain of the Company's policies is a company related to Andreas Karaindros. Andreas Karaindros will abstain from voting, at any meeting of the Board or any Committee, on any issue relating to the placing of any insurance of our vessels. Andreas Karaindros is the founder of A.K. Shipping and Trading, Inc., which owns and operates a fleet of two bulk vessels and three tankers. In certain circumstances, those vessels may compete with vessels in our fleet.

The Combined Code recommends that the Board should appoint one of its independent non-executive directors to be the senior independent director (SID). The Company on Admission, appointed Robert Crawley as the SID.

The Board has established Audit, Remuneration, Nomination and Disclosure committees. The Combined Code requires that all the members of the Audit Committee and Remuneration Committee and a majority of the members of the Nomination Committee should be independent non-executive directors.

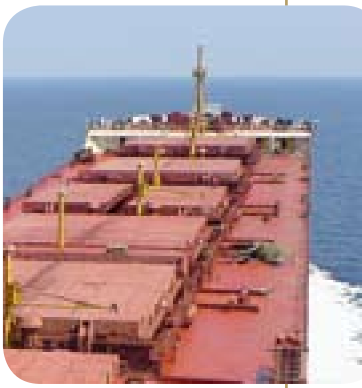
The Company does, other than as set out in page 41 comply with these requirements following the appointments described above.

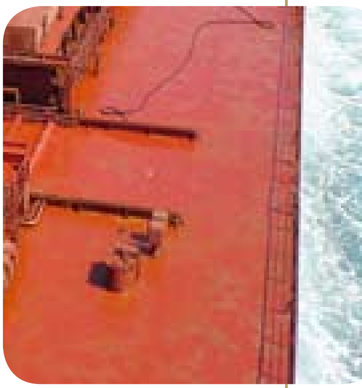
BOARD OF DIRECTORS

The board is the principal decision making forum for the Company. It has overall responsibility for leading and controlling the Company and is accountable to shareholders for financial and operational performance. The board approves group strategy and monitors performance. The board has adopted a formal schedule of matters detailing key aspects of the Company's affairs reserved for it to decide including setting and monitoring group strategy, setting commercial policies, reviewing trading performance, ensuring adequate financing, examining potential acquisitions, formulating policy on key issues and reporting to shareholders. Developing key opportunities and negotiating them is delegated to the Chief Executive Officer, but final approval for any group acquisitions or disposals needs to be given by the Board. Agreeing suitable financing for further fleet acquisitions is delegated to Chief Financial Officer, with the Board having the final approval on each loan agreement to be entered into. Other operational decisions are given to the executive members of the board.

The roles of Non-Executive Chairman and Chief Executive Officer are distinct and separate with clear division of responsibilities. All directors participate in discussing strategy, performance and financial and risk management of the Company and meetings of the board are structured to allow open discussion. The board expects to meet at least six times per calendar year, however as this Board has only been constituted for a portion of the year only four meetings have occurred. In order to ensure that the board is able to discharge its duties, all directors receive appropriate and timely information with papers being issued to the board in advance of the board meetings including financial and business reports covering the Company's principal activities. The non-executive directors meet at least once per year without the executive directors being present.

The performance evaluation of the Board, the Committees and the individual directors is to occur annually. The current Board is less than twelve months since constitution, so the evaluation process was undertaken for the first time in March 2007. The methodology was as follows: using a common framework of questions, the Non-Executive Chairman met individually with the Directors and then reported his findings to the full Board for discussion. All directors receive regular update on changes of regulation or legislation that affect their capacity as board members.





BOARD BALANCE AND INDEPENDENCE

The Board comprises, since admission, the Non-Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, the Chief Accounting Officer and two other non-executive directors. In total the board comprises three executive and three independent non-executive directors with none having a casting vote. The board functions effectively and efficiently and is considered to be an appropriate size in view of the scale of the Company and the diversity of its business. The board considers that each director demonstrates a range of experience and is of high calibre, which is vital to the success of the Group.

The board considers that non-executive directors combine broad business and commercial experience to bring independent and objective judgement to bear on issues of strategy, performance, resource and standards of conduct. The balance between the executive and non-executive directors maintains the highest standards of integrity across the Company's business activities. The names and biographies of the Board members are set in the section 'Our Board'.

The board considers that all non-executive directors are independent for the purposes of the code.

Mr. Robert Crawley is the Senior Independent Non-Executive Director.

AUDIT COMMITTEE

In accordance with the requirements of the Combined Code the Audit Committee is made up of at least three members who are all independent Non-executive Directors and includes one member with recent and relevant financial experience. The Audit Committee is chaired by Robert Crawley and its other members are Chris Walton and Andreas Karaindros. All members of the Audit Committee are considered qualified as they have recent and relevant experience (please refer also to 'Our Board' section for their full resumes). The Audit Committee will normally meet at least three times a year. The Committee has responsibility for, amongst other things, the planning and review of the Group's annual report and accounts and half-yearly reports and the involvement of the Group's auditors in that process. It focuses, in particular, on compliance with legal requirements, accounting standards and the rules of the FSA and the UKLA and ensuring that an effective system of internal financial control is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

The terms of reference of the Audit Committee covers such issues as membership and the frequency of meetings, as mentioned above, together with the role of the secretary and the requirements of notice of and quorum for and the right to attend meetings. The terms of reference of the Audit Committee are: internal controls and risk management systems, internal audit, external auditors, financial statements and reporting responsibilities. The terms of reference also set out the authority of the Committee to carry out its duties.

The Smith Guidance on Audit Committee composition states that the Chairman should not be a member of the Audit Committee. Our chairman, Chris Walton, is a member of the Audit Committee, because it is believed that the benefit of having three Non-executive Directors on the Audit Committee together with the benefit of his financial experience and expertise, out-weighs any disadvantage of our chairman being on this Committee.

The terms of reference of the Audit Committee are available for inspection in the website of the company and at the Athens Head-Office.

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by Andreas Karaindros and its other members are Chris Walton and Captain Paris Dragnis. During a portion of the year, Andreas Karaindros was unavailable due to illness. In his absence, Chris Walton acted as Chairman of the Committee and Robert Crawley (the Senior Independent Director) was invited to attend meetings as an observer.

The Remuneration Committee has responsibility for the determination of specific remuneration packages for each of the directors and senior management, including pension rights, any compensation payments, recommending and monitoring the level and structure of remuneration, and the implementation of share option schemes.

The terms of reference of the Remuneration Committee cover such issues as membership and frequency of meetings, as mentioned above, together with the role of secretary and the requirements of notice of and quorum for and the right to attend meetings. The duties of the Remuneration Committee covered in the terms of reference relate to the following: determining and monitoring policy on and setting level of remuneration, contracts of employment, early termination, performance-related pay, pension arrangements, authorising claims for expenses from the chief executive officer and chairman, reporting and disclosure, and remuneration consultants. The terms of reference also set out the reporting responsibilities and the authority of the Committee to carry out its duties.

The Combined Code states that the Remuneration Committee should be comprised solely of Non-executive Directors. Captain Paris Dragnis, an Executive Director, sits on the Remuneration Committee. The Company believes that Captain Paris Dragnis's experience will be beneficial to the operation of the Committee. The terms of reference of the Remuneration Committee provide that no Director will take any part in any decision in relation to his own remuneration. This restriction has been complied with.

The terms of reference of the Remuneration Committee are available for inspection in the website of the company and at the Athens Head-Office.

NOMINATION COMMITTEE

In accordance with the requirements of the Combined Code, the majority of members of the nomination Committee are independent Non-executive Directors. The nomination Committee is chaired by Andreas Karaindros and its other members are Chris Walton and Captain Paris Dragnis. The nomination Committee leads the process of board appointments and makes recommendations to the Board on, amongst other things, board composition and balance. No board appointments have been made since the constitution of the present board at the Company's Initial Public Offering, however the Company has begun the process of seeking an additional Non-Executive Director.

The terms of reference of the Nomination Committee are available for inspection in the website of the company and at the Athens Head-Office.

DISCLOSURE COMMITTEE

The disclosure Committee is chaired by Captain Paris Dragnis and its other members are Chris Walton and Christos Varsos. The disclosure Committee establishes and implements policies with a view to ensuring that information required to be disclosed under the Listing Rules and Disclosure and Transparency Rules is identified in a timely manner and is properly considered by the Board. The Committee also has responsibility for compiling and maintaining insider lists and operating the Company's code for dealing in securities.

The terms of reference of the Disclosure Committee are available for inspection in the website of the company and at the Athens Head-Office.

MODEL CODE

The Company has since Admission, adopted a code of securities dealings in relation to the Shares and other securities which is based on, and is no less exacting than, the Model Code published in the Listing Rules. The code applies to all directors and employees of the Company.

TAKEOVER REGULATION

Because it is incorporated in the Marshall Islands, the Company is not subject to the City Code. As a result, a takeover of the Company, stake-building and certain other shareholder activity, would not be regulated by the United Kingdom's Panel on Takeovers and Mergers.

The Company has therefore incorporated certain provisions in its articles of incorporation and bylaws which will be administered by the Board to regulate certain acquisitions of Shares in the Company. The relevant provisions of the articles of incorporation and by-laws are summarised below. Broadly, the provisions provide that a person must not without making an offer to all shareholders on matching terms:

(a) acting by himself or with persons determined by the Board to be acting in concert with him, seek to acquire Shares which, taken together with Shares held or acquired by persons determined by the

Board to be acting in concert with him, carry 30% or more of the voting rights attributable to the Shares; or **(b)** acting by himself or with persons determined by the Board to be acting in concert with him, and holding not less than 30% but not more than 50% of the voting rights attributable to the Shares, seek to acquire, by himself or with persons determined by the Board to be acting in concert with him, additional Shares which, taken together with the Shares held by the persons determined by the Board to be acting in concert with him, increase his voting rights, except as a result of a "permitted acquisition" (meaning an acquisition either consented to by the Board, or made in compliance with certain provisions which broadly replicate Rule 9 of the City Code, or arising from the repayment of a stock borrowing arrangement). Furthermore, where the Board has reason to believe that any of the circumstances described above has taken place, the Board may, amongst other things, determine that some or all of the Shares acquired in breach of the articles of incorporation and by-laws of the Company will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period.

In addition to the protections included in the articles of incorporation and by-laws of the Company, it is also the current intention of the Directors to use reasonable endeavours (in so far as they are able, and subject to applicable law and their fiduciary duties at the relevant time) to ensure that:

(a) Shareholders are treated equally in respect of any takeover offer for Shares in the Company which is recommended by the Board to Shareholders (an offer);

(b) during the course of an offer, or when an offer is in contemplation, the Company does not furnish information to some Shareholders which is not made available to all Shareholders other than information furnished by the Company in confidence to a bona fide potential offeror or vice versa;

(c) Shareholders are given sufficient information and advice to enable them to reach a properly informed decision with respect to an offer and are given sufficient time to do so;

(d) the Directors do not, without the prior approval of the Shareholders in general meeting, take any action actively to frustrate a bona fide takeover offer at any time after such offer has been communicated to the Directors or the Directors have reason to believe that such an offer may be imminent; and

(e) the Directors, in advising the Shareholders on an offer, act only in their capacity as directors and do not have regard to their personal or family Shareholdings or to their personal relationships with the Company.

COMPOSITION OF COMMITTEES

Below is a summary of our committee structure:

	Audit Committee	Disclosure Committee	Nomination Committee	Remuneration Committee
Non Executive Directors				
Mr.Robert Crawley	Chairperson			
Mr. Andreas Karaindros	Member		Chairperson	Chairperson
Mr. Chris Walton	Member	Member	Member	Member
Executive Directors				
Captain Paris Dragnis		Chairperson	Member	Member
Mr. Christos Varsos		Member		

Chairperson Member

STATEMENT OF COMPLIANCE WITH THE CODE

The directors consider that the Company has complied with the code since admission to the Official List of London Stock Exchange, on 5 April 2006, except as detailed below:

- The Combined Code states that the Remuneration Committee should be comprised solely of Non-executive Directors. Captain Paris Dragnis, an Executive Director, sits on the Remuneration Committee. The Company believes that Captain Paris Dragnis's experience will be beneficial to the operation of the Committee. The terms of reference of the Remuneration Committee provide that no Director will take any part in any decision in relation to his own remuneration. This restriction has been complied with.
- The Smith guidance on the Combined Code recommends that a company's chairman should not sit on the Audit Committee. Our chairman, Chris Walton, is a member of the Audit Committee, because it is believed that the benefit of having three Non-executive Directors on the Audit Committee together with the benefit of his financial experience and expertise, out-weighs any disadvantage of our chairman being on this Committee.

MEETINGS

The number of the meetings of the Board, the Audit, Remuneration committees and individual attendance by members is shown below:

	Board	Circular Board	Audit Committee	Remuneration Committee
Total number of meetings	4	1	2	1
Non Executive Directors				
Mr. Robert Crawley	3	1	2	1 (1)
Mr. Andreas Karaindros	2	– (3)	– (3)	– (3)
Mr. Chris Walton	4	1	2	1
Executive Directors				
Captain Paris Dragnis	4	1	-	1
Mr. Christos Varsos	4	1	2 (2)	-
Mr. Konstantinos Kabanaros	4	1	-	-

(1) Mr. Crawley attended the Remuneration Committee meeting by invitation from the Non-Executive Chairman as observer;

(2) Mr. Varsos attended both the Audit Committee meetings by invitation from the Chairman of the Audit Committee as observer;

(3) Mr. Karaindros did not attend several meetings, due to illness. In his absence, Mr. Walton acted as Chairman of the Remuneration Committee. The Company is in process to appoint an additional Non-Executive Director, who will be able to join the Remuneration Committee.

The first Board Meeting was held on 23 March 2006, as part of the Initial Public Offering process. All the other meetings were held after 5 April 2006, which was the day that the shares of the Company started trading on the main market of the London Stock Exchange.

RELATIONS WITH SHAREHOLDERS

The Company communicates with shareholders through the annual report, interim report, quarterly trading updates, fleet expansion announcements, other major transactions announcements and the Company web site. The Board takes the opportunity at the Annual General Meeting to meet and communicate with private and institutional shareholders and welcomes their involvement. Furthermore, communication with the Company's largest institutional shareholders is undertaken as part of the Company's investment relations program. In order to ensure that the Non-Executive Directors, develop an understanding of the views of the major shareholders about the Company, the Chairman has met and held discussions with major shareholders as part of the Company's investor road-shows. The Chairman was also present during the interim results presentation to the analysts and discussed with them their views on the Company's performance and strategy.

Although the Board has been constituted for less than a full year and there has not been a full twelve month cycle of investor relations activity, the Senior Independent Director attended IPO road-show meetings with investors during the months leading up to the IPO.

During the year, Non-Executive Directors have been offered the opportunity to meet with shareholders and they have expressed a willingness to be available if shareholders request a meeting. Directors receive copies of investment analyst research reports and of press clippings concerning the Company.

INTERNAL CONTROL

The board of directors is responsible for the Group's system of internal control that is designed to provide them with reasonable assurance to facilitate effective and efficient operations and to ensure the quality of internal and external reporting and compliance with applicable laws and regulations. However, there are inherent limitations in any system of internal control and accordingly even the most effective system can provide only reasonable and not absolute assurance.

The board has established an on-going process for the identification, evaluation and management of significant risks facing the Group, which operated since admission. Risk management is included as an agenda item in the board meetings where there is an opportunity to discuss risk management and internal control issues and to determine a control strategy for the significant risks. A full risk assessment is made to the board before any decision on major projects is made.

The board has adopted a schedule of matters which are required to brought to it for decision, thus ensuring that it maintains the full and effective control over appropriate strategic, investment, financial, organizational and compliance issues. Controls and procedures have been implemented which include defined procedures for seeking and obtaining approval for major transactions.

The board, at least annually, conducts a review of the effectiveness of the Group's system of internal controls. Upon admission, the board had a thorough review of the effectiveness of the internal controls. A review was conducted in March 2007.

The Company does not have an Internal Audit function. The board has reviewed the need for an Internal Audit function and believes that due to the size and the complexity of the business this is not necessary. The board will reconsider the need for an Internal Audit function annually and act accordingly.

WHISTLE-BLOWING POLICY

The Board has approved and implemented a whistle-blowing policy whereby employees may express their concerns in confidence to a designated officer.

RE-ELECTION OF DIRECTORS

Marshall Islands legislation does not normally require the directors to retire and offer themselves for re-election at the Annual General Meeting. However in order to comply with the UK corporate governance standards, the by-laws of the Company provide for all directors to resign at each Annual General Meeting. As a result all the directors will retire and offer themselves for re-election in the first Annual General Meeting to be held on 17 May 2007. ◀

'Goldenport has taken voluntary all necessary steps to comply with UK corporate governance standards'

Directors' Remuneration Report

The directors' remuneration report covers all directors, both executive and non-executive.

The report has been approved by the Board and signed on its behalf by the Chairman of the Remuneration Committee. A resolution to approve this report will be proposed to the Company's Annual General Meeting to be held on 17 May 2007.

EXECUTIVE DIRECTORS' REMUNERATION POLICY

We have a long-standing policy of rewarding achievement, experience and hard work. We also seek to provide incentives for delivering high growth and high returns for shareholders. The Remuneration Committee believes that a significant proportion of total remuneration should be performance-related. In addition, performance-related rewards should where possible be delivered largely in shares to more closely align the interests of shareholders and all Executive Directors. In determining the balance between the fixed and variable elements of the Executive Directors' remuneration packages, the Remuneration Committee has regard to policy and also market practice. Our policy is for performance related elements to form a major part of the total remuneration opportunity for all Executive Directors.

ELEMENTS OF REMUNERATION

The executive directors' total remuneration currently consists of base salary and annual bonus. As the Company is in transition from operating as a privately owned business to functioning as a UK listed company, the two incentive plans adopted upon admission to London Stock Exchange were not activated in 2006. The Company intends to put a new annual bonus plan with a share based incentive element in place and a resolution to approve this plan will be proposed to the Company's Annual General Meeting to be held on 17 May 2007.

BASE SALARY

Base salaries are a fixed annual sum payable monthly or quarterly (upon executive's discretion) in cash.

ANNUAL CASH BONUS

Each executive director is entitled to participate in an annual performance-based bonus scheme. The Remuneration Committee reviews and sets bonus targets and eligibility annually. 50% of the bonus is based on financial targets derived from the strategic and annual plan and 50% of the bonus is based on individual achievements and personal objectives.

The financial targets are measured with the growth of EBITDA. The Remuneration Committee believes that EBITDA is the proper indicator to measure the Company's performance as this drives predominantly the free cash flow of the business. Especially during the growth phase of the Company with the continuous expansion, EBITDA is considered to be the main driver of free cash flow generation, fuelling further vessel acquisitions.

The maximum level of bonus that could be earned by an Executive Director for 2006 was 40% of base salary.

NON-EXECUTIVE DIRECTORS' REMUNERATION POLICY

Non-Executive Directors receive only base salary and are not entitled to bonus or participation in any incentive plan. They are also entitled to reimbursement of expenses incurred in connection with their directorship of the Company.

SERVICE AGREEMENTS

It is Company's policy that Executive Directors are employed on contracts (service agreements) subject to no more than 6 months notice. Executive Directors are also bound under a 6-month non-compete agreement with the Company. Therefore upon termination each Executive Director would receive compensation for six months of service.

The service agreements have initial fixed term of 3 years for the Chief Executive Officer and 2 years for the other Executive Directors. Non-Executive Directors do not have a service agreement but instead have a letter setting out the terms of their appointment. Based on this letter the Non-Executive Chairman has a 3-year term whereas the other Non-Executive Directors have 2-year terms. There is no termination compensation for Non-Executive Directors.

Marshall Islands legislation does not normally require the directors to retire and offer themselves at the Annual General Meeting. However, the Company has voluntary undertaken to comply with the UK corporate governance standards and as a result the by-laws of the Company provide for all directors to retire and offer themselves for re-election in the first Annual General Meeting after admission to be held on 17 May 2007.

Details of the service agreements for the Executive Board and unexpired terms for Non-Executive Board are set below as of December 31, 2006:

	Agreement Date	Unexpired term [1]
Executive Directors		
Captain Paris Dragnis	5 April 2006	28 months
Mr. Christos Varsos	5 April 2006	16 months
Mr. Konstantinos Kabanaros	5 April 2006	16 months
Non-Executive Directors		
Mr. Chris Walton	5 April 2006	28 months
Mr. Robert Crawley	5 April 2006	16 months
Mr. Andreas Karaindros	5 April 2006	16 months

(1) Assuming re-election occurs in the AGM

The table below shows the current balance of fixed and performance related elements for each executive director in 2006 and the fixed remuneration of each Non-Executive Director, since admission on 5 April:

Amounts expressed in US$	Fixed service agreement	Performance related	Performance as a % of Total
Executive Directors			
Captain Paris Dragnis	265,850	82,913	24.0%
Mr. Christos Varsos	114,075	36,180	24.0%
Mr. Konstantinos Kabanaros	104,571	22,110	17.5%
	484,496	141,203	22.6%
Non-Executive Directors			
Mr. Chris Walton	90,772	–	–
Mr. Robert Crawley	28,424	–	–
Mr. Andreas Karaindros	28,218	–	–
Total Emoluments	631,910	141,203	

PROPOSAL FOR THE GOLDENPORT ANNUAL INCENTIVE PLAN

As already mentioned the Remuneration Committee believes that a significant proportion of total remuneration should be performance-related. In addition, performance-related rewards should be deliverable largely in shares to more closely align the interests of shareholders and all Executive Directors and Management.

In order to achieve this, the Board proposes to terminate the existing Annual Cash Bonus arrangements and to replace them with a new plan called the *Annual Incentive Plan* ('AIP'), which will be administrated by the Remuneration Committee. It is proposed that under the terms of the AIP the eligible employees (i.e Executive Directors and Management) can elect to have their annual cash bonus delivered in the form of restricted shares in the Company. The performance criteria will be the same as for the current Annual Cash Bonus. Again, it is intended that the maximum limit for each participant will be 40% of annual base salary. The Remuneration Committee may select in future years, to adjust the maximum but it will not in any event exceed 75% of annual base salary. In each year the Remuneration Committee will propose to the Board the percentage of base salary applicable to each participant for the purposes of the AIP ("Base Award").

Under the AIP, a participant may apply his Base Award in one of three ways:

- ***Full Cash Award ('FCA'):*** If the participant selects the FCA, then the AIP will pay cash but only at 90% of the Base Award.
- ***Full Shares Award ('FSA'):*** If the participant selects the FSA, then the under the AIP 110% of Base Award will be given in the form of shares.
- ***Half Cash-Half Shares Award ('HCHS'):*** If the participant selects the HCHS, then on 50% of Base Award the 90% rule will apply and will be paid cash and on the other 50% the 110% rule will apply and will be paid in shares.

There are no other choices for the participants.

At the Board meeting where the financial statements of the respective year are approved, the Remuneration Committee will determine the Base Award for each participant and, at the Board ratification, will inform the relevant person. At that point, the participant will select the type of award (i.e. FCA, FSA or HCHS) and notify the Board of his choice in writing. In the case of the FCA, the payment in cash will be made the next working day. In the case of the HCHS, 50% of the base award multiplied by 90% will be paid to the participant on the next working day. In the case of FSA and for the share part of the HCHS, the amount of shares to be granted (the "AIP Shares") will be calculated by reference to the closing market value of the Company's Shares on the date of the announcement to the market of the full year results for the respective year. The AIP Shares will be allotted and then registered in the participant's name on the ex-dividend date for the relevant financial year. The maximum number of shares which may be issued or allotted under the AIP in any ten year period may not exceed 5% of the Company's issued share capital from time to time.

The participant shall have the right to receive dividends and the right to vote in respect of AIP Shares but during a restricted period, a participant may not sell, assign, exchange, transfer, pledge, hypothecate or otherwise dispose of or encumber any of the AIP Shares. The restricted period is fixed and applies even in the case of termination of employment. It is proposed that the restricted period will be one calendar year from the date that the AIP Shares are registered in the eligible employee's name.

Under the AIP, awards will be made annually. However, the Board (after a proposal by the Remuneration Committee) reserves the right to Award shares in other circumstances which could include, without being limited to, subsequent offers of shares (primary or secondary).

If there is a capitalization issue, rights issue or open offer, subdivision or consolidation of shares or reduction of capital or any other variation, of share capital after the allotment of shares but before being registered to the participants' name, then the Board will adjust the number of shares to be allotted on a fair and reasonable basis.

If a participant leaves during the year as a "good leaver" (i.e. death, injury, sale of a subsidiary or business to a third party, retirement or any other reason that the Remuneration Committee decides) he will still be eligible (unless the Board determines otherwise) to receive an award in respect of that year. The award will, however, be pro-rated in accordance with the length of service, in complete months, during the performance period. If a participant leaves other than as a good leaver he will cease to be eligible to participate in the AIP unless the Committee determines otherwise.

Under the AIP no Award may be granted after 10 years from adoption of the AIP.

The Board will have the authority to amend the rules of the AIP, provided that no amendment to the advantage of participants may be made to provisions relating to:

- who can be a participant;
- the limits of the maximum base award and the number of Shares which can be issued under the AIP;
- the basis for determining a participant's maximum entitlement and the basis on which any entitlement to cash and Shares and the terms on which they can be acquired; and
- any adjustment of such entitlement in the event of a variation in the Company's share capital.
- without the prior approval of Shareholders in general meeting unless the amendment is minor and made to benefit the administration of the plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment.

The benefits under the AIP are not pensionable. ◀

'Clear remuneration structure to attract and retain talent'

Statement of Directors' Responsibilities

The Directors are responsible to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and the Group, and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- prepare financial statements on a going-concern basis, unless it is inappropriate to presume that the group will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the IFRS regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Annual Report includes the information required by the Listing Rules of the Financial Services Authority.

The Directors confirm that they have complied with the above requirements in preparing the financial statements and the Annual Report. ◀

Independent Auditors' Report
to the Shareholders of Goldenport Holdings Inc.

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We have audited the accompanying financial statements of Goldenport Holdings Inc. and its subsidiaries ('the Group'), which comprise the consolidated balance sheet as at 31 December 2006 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement, the Chief Executive Officer Statement, the Report of Directors, the Corporate Governance Statement, the Directors' remuneration, the Statement of Directors' responsibilities and the Company, Board, Management Team, Fleet, Charterers and Fleet Manager information pages. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young (Hellas) Certified Auditors – Accountants S.A.

13 March 2007

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2006

	Notes	2006 U.S.$'000	2005 U.S.$'000
Revenue		90,651	83,649
Expenses:			
Voyage expenses	3	(4,221)	(4,105)
Voyage expenses – related party	3,21	(1,813)	(1,673)
Vessel operating expenses	3	(24,860)	(20,996)
Management fees – related party	21	(3,393)	(3,060)
Depreciation	9	(7,488)	(5,198)
Depreciation of dry-docking costs	9	(5,653)	(3,461)
General and administrative expenses	6	(1,476)	–
Operating profit		41,747	45,156
Finance expense	4	(4,145)	(3,502)
Finance income	5	3,158	922
Foreign currency gain, net		4,428	680
Profit for the year attributable to Goldenport Holdings Inc. shareholders		45,188	43,256
Earnings per share (U.S.$):			
Basic and diluted EPS for the year	7	0.72	1.03
Weighted average number of shares		62,533,312	41,800,000

The accompanying notes 1 to 24 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

as at 31 December 2006

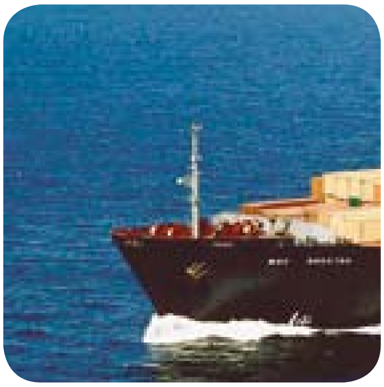
	Notes	2006 U.S.$'000	2005 U.S.$'000
ASSETS			
Non-current assets			
Vessels	9	131,720	84,421
Vessel under reconstruction	11	23,068	–
Advances for vessel acquisition	10	1,700	–
Other non-current assets	14	185	184
		156,673	84,605
Current assets			
Inventories		-	324
Trade receivables	12	1,275	320
Insurance claims	13	1,305	259
Due from related parties	21	811	9,860
Prepaid expenses and other assets		887	458
Unpaid share capital	17	–	418
Restricted Cash	16	1,166	1,396
Cash and cash equivalents	15	81,372	–
		86,816	13,035
TOTAL ASSETS		**243,489**	**97,640**
EQUITY AND LIABILITIES			
Equity attributable to shareholders of Goldenport Holdings Inc.			
Issued share capital	17	699	418
Share premium	17	106,991	–
Retained earnings		41,838	4,492
Total equity		149,528	4,910
Non-current liabilities			
Long-term debt	18	60,727	52,538
		60,727	52,538
Current liabilities			
Trade payables		6,941	5,057
Current portion of long-term debt	18	19,900	23,150
Accrued liabilities and other payables	19	3,754	2,310
Deferred revenue		2,639	3,175
Dividends payable	8	–	6,500
		33,234	40,192
Total Liabilities		93,961	92,730
TOTAL EQUITY AND LIABILITIES		**243,489**	**97,640**

The accompanying notes 1 to 24 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2006

	Number of shares	Par value U.S.$	Issued share capital U.S.$'000	Share premium U.S.$'000	Retained earnings U.S.$'000	Total equity U.S.$'000
At 1 January 2005	41,800,000	0.01	418	–	–	418
Profit for the year	–	–	–	–	43,256	43,256
Dividends declared and approved to equity shareholders	–	–	–	–	(38,764)	(38,764)
At 31 December 2005	41,800,000	0.01	418	–	4,492	4,910
Pulling of interest adjustment	–	–	–	–	(418)	(418)
Proceeds from initial public offering, gross (note 17)	28,085,106	0.01	281	115,184	–	115,465
Transaction costs on initial public offering, (note 17)	–	–	–	(8,193)	–	(8,193)
Profit for the year	–	–	–	–	45,188	45,188
Dividends declared, approved and paid to equity shareholders	–	–	–	–	(7,424)	(7,424)
At 31 December 2006	69,885,106	0.01	699	106,991	41,838	149,528



The accompanying notes 1 to 24 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2006

	Notes	2006 U.S.$'000	2005 U.S.$'000
Operating activities			
Profit for the year		45,188	43,256
Adjustments to reconcile profit to net cash flows:			
Depreciation		7,488	5,198
Depreciation of dry-docking costs		5,653	3,461
Finance expense		4,145	3,502
Finance income		(3,158)	(922)
Foreign currency gain, net		(4,428)	(680)
		54,888	53,815
Inventories		324	(324)
(Increase)/decrease in trade receivables, prepaid expenses and other assets		(1,274)	271
(Increase)/decrease in insurance claims		(1,046)	207
Increase in trade payables, accrued liabilities and other payables		3,221	216
Decrease in deferred revenue		(536)	(377)
Net cash flows from operating activities before movement in amounts due from related parties		55,577	53,808
Due from related parties		9,049	(9,195)
Net cash flows from operating activities		64,626	44,613
Investing activities			
Acquisition/ improvement of vessels		(56,475)	(39)
Dry-docking costs		(3,965)	(5,937)
Advances for vessel under reconstruction	11	(22,975)	-
Advances for vessel acquisition		(1,700)	-
Interest received		3,036	922
Net cash flows used in investing activities		(82,079)	(5,054)
Financing activities			
Proceeds from issue of long -term debt		54,707	59,803
Repayment of long-term debt		(49,925)	(45,485)
Proceeds from initial public offering		115,465	-
Issuance costs		(8,193)	-
Restricted cash		230	(638)
Interest paid		(3,471)	(3,777)
Dividends paid		(13,924)	(49,462)
Net cash flows provided by/(used in) financing activities		94,889	(39,559)
Net increase in cash and cash equivalents		77,436	-
Net foreign exchange difference		3,936	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December	15	81,372	-

The accompanying notes 1 to 24 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Formation, Basis of Presentation and General Information

Goldenport Holdings Inc. ('Goldenport' or the 'Company') was incorporated under the laws of Marshall Islands, as a limited liability company, on 21 March 2005. On April 5 2006 Goldenport Holdings Inc. was admitted in the Official List and started trading at the London Stock Exchange ("LSE") at a price of GBP 2.35 per share. On 11 April 2006 the over allotment option was exercised at a price of GBP 2.35 per share. In total, the Company, received from its listing in the LSE an amount of GBP 66million (or U.S.$115.5 million) with the intention to partially repay debt and to fund further fleet expansion.

The address of the registered office of the Company is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960. The address of the head office of the Company is Status Center, 41 Athinas Avenue, 166-71 Vouliagmeni, Greece.

Goldenport as of 31 December 2006 is the holding Company for twenty (20) intermediate holding companies, each in turn owning a vessel-owning company, as listed in the table below. Goldenport is also the holding Company of one more intermediate holding company, owning Cierzo Maritime Co., which will be the vessel-owning company of M/V West Gate Bridge, upon delivery of the vessel (expected to take place within March 2007).

Each of the vessel-owning companies, listed below, operate dry bulk carriers and container vessels that transport cargo worldwide.

The annual consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 13 March 2007 and is expected to be approved by the Annual General Meeting of the shareholders. It includes the financial statements of the Company and the following wholly owned subsidiaries (altogether the "Group"):

Intermediate holding company	Vessel – owning company	Country of Incorporation of vessel-owning company	Name of Vessel owned by Subsidiary	Year of acquisition of vessel	Type of Vessel
Marta Trading Co.	Superb Maritime S.A.	Panama	Glory D	1997	Container
Daphne Marine Corp.	Dancing Waves Co. Ltd.	Malta	Tuas Express	1998	Container
Oates Trading Corp.	Risa Maritime Co. Ltd.	Malta	Vana	1999	Bulk Carrier
Portia Navigation Co.	Borealis Shipping Co. Ltd.	Malta	MSC Himalaya	1999	Container
Aloe Navigation Inc.	Karana Ocean Shipping Co. Ltd.	Malta	Alex D	1999	Bulk Carrier
Dumont International Inc.	Black Rose Shipping Ltd.	Malta	Beauty	2001	Container
Royal Bay Marine Ltd	Opal Maritime Limited	Malta	Achim	2001	Container
Audrey Marine Corp.	Wild Orchid Shipping Ltd.	Malta	MSC Emirates	2001	Container
Sicuro Shipmanagement SA	Hampton Trading S.A.	Liberia	MSC Socotra	2002	Container
Platinum Shipholding SA	Coral Sky Marine Ltd.	Malta	Gianni D	2002	Bulk Carrier

Intermediate holding company	Vessel – owning company	Country of Incorporation of vessel-owning company	Name of Vessel owned by Subsidiary	Year of acquisition of vessel	Type of Vessel
Nemesis Maritime Inc.	Samos Maritime Ltd.	Malta	Samos	2002	Bulk Carrier
Meredith Trading Corporation	Guilford Marine S.A.	Panama	Ios	2002	Bulk Carrier
Rawlins Trading Ltd	Fairland Trading S.A.	Panama	Athos	2002	Bulk Carrier
Blaze Navigation Corp.	Nilwood Comp. Inc.	Panama	Howrah Bridge	2003	Container
Carrier Maritime Co.	Black Diamond Shipping Ltd.	Malta	Lindos	2003	Bulk Carrier
Medina Trading Co.	Carina Maritime Co. Ltd.	Malta	Tilos	2004	Bulk Carrier
Savannah Marine Inc.	Serena Navigation Ltd.	Malta	Limnos	2004	Bulk Carrier
Sirene Maritime Co.	Alvey Marine Inc.	Liberia	MSC Scotland (ex.Bengal Sea)	2006	Container
Kariba Shipping SA	Kosmo Services Inc.	Marshall Islands	Fortune	2006	Container
Muriel Maritime Co.	Ipanema Navigation Corp.	Marshall Islands	Vasos (ex. Orient Alliance)	2006	Bulk Carrier
Baydream Shipping Inc.	Cierzo Maritime Co.	Marshall Islands	West Gate Bridge	2007*	Container

* The vessel West Gate Bridge is expected to be delivered by March 2007.

2. Summary of significant accounting policies

(a) ***Basis of preparation:*** The Group's financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in US dollars and all financial values are rounded to the nearest thousand ($000) except the per share information.

(b) ***Statement of compliance:*** The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

(c) ***Basis of Consolidation:*** The consolidated financial statements comprise the financial statements of the Company and its subsidiaries listed in note 1. The financial statements of the subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies. All material inter-company balances and transactions have been eliminated upon consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(d) ***Transactions between companies under common control:*** Transactions between companies under common control are excluded from the scope of IFRS 3.

(e) ***Use of Estimates:*** The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

The estimates and assumptions that have the most significant effect on the amounts recognised in the consolidated financial statements, are estimations in relation to useful lives of vessels (vessels have a carrying amount of U.S.$131,720 and U.S.$84,421 as at 31 December 2006 and 2005, respectively), provision for doubtful trade receivables (trade receivables have a carrying amount of U.S.$1,275 and U.S.$320 as at 31 December 2006 and 2005, respectively) and estimations about the result of insurance claims (insurance claims have a carrying amount of U.S.$1,305 and U.S.$259 as at 31 December 2006 and 2005, respectively).

(f) ***Revenues and Related Expenses:*** The Group generates its revenues from charterers for the charter hire of its vessels. Vessels are chartered using either voyage charters, where a contract is made in the spot market for the use of a vessel for a specific voyage for a specified charter rate; or time charters, where a contract is entered into for the use of a vessel for a specific period of time and a specified daily charter hire rate. If a charter agreement exists and collection of the related revenue is reasonably assured, revenue is recognised as it is earned, rateably over the duration of the year of each voyage or time charter. A voyage is deemed to commence upon the completion of discharge of the vessel's previous cargo and is deemed to end upon the completion of discharge of the current cargo.

Deferred revenue represents cash received prior to the balance sheet date which relates to revenue earned after such date. On time-charters, the charterer per industry practice pays the revenue related to the specific agreement in advance. Therefore, as of balance sheet date, the amount of revenue relating to the next financial year that was paid by the charterer is presented in deferred revenue.

Vessel voyage expenses primarily consisting of port, canal and bunker expenses that are unique to a particular charter are paid for by the charterer under time charter arrangements or by the Group under voyage charter arrangements. Furthermore, voyage expenses include commission on income. This commission is paid by the Group. The Group defers bunker expenses under voyage charter agreements and amortises them over the related voyage charter year to the extent revenue has been recognised. Port and canal costs are accounted for on an actual basis. Other operating expenses are accounted on an accrual basis.

(g) ***Foreign Currency Translation:*** The functional currency of the Company is the U.S. dollar which is also the presentation currency of the Group because the Group's vessels operate in international shipping markets, whereby the U.S. dollar is the currency used for transactions. Transactions involving other currencies during the year are converted into U.S. dollars using the exchange rates in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities, which are denominated in currencies other than the U.S. dollar, are translated into the functional currency using the year-end exchange rate. Gains or losses resulting from foreign currency transactions are included in foreign currency gain or loss in the consolidated income statements.

(h) ***Cash and Cash Equivalents:*** The Group considers highly liquid investments such as time deposits and certificates of deposit with an original maturity of three months or less to be cash equivalents.

(i) ***Restricted Cash:*** Certain of the Group's loan agreements require the Group to deposit funds into a loan retention account in the name of the borrower. The amount deposited is equivalent to the monthly portion of the next capital and interest payment. The amount is not freely available to the Group, and it is used for repaying interest and principal on the loan.

(j) ***Inventories:*** Inventories consist of bunkers and are stated at the lower of cost or net realisable value. Cost is determined by the first-in first-out method. Since all vessels were under time-charter agreements no bunkers inventory is shown as of 31 December 2006. Within 2006 the amount of U.S$ 324 of bunker inventories as at 31 December 2005, was expensed in the income statement.

(k) ***Trade Receivables:*** The amount shown as trade receivables at each balance sheet date includes estimated recoveries from charterers for hire, freight and demurrage billings, net of an allowance for doubtful accounts. Trade receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. At each balance sheet date, all potentially uncollectible accounts are assessed individually for the purpose of determining the appropriate allowance for doubtful accounts.

(l) ***Insurance Claims:*** The Group recognises insurance claim recoveries for insured losses incurred on damage to vessels. Insurance claim recoveries are recorded, net of any deductible amounts, at the time the Group's vessels suffers insured damages. They include the recoveries from the insurance companies for the claims, provided the amounts are certain to be received. Claims are submitted to the insurance company, which may increase or decrease the claim amount. Such adjustments are recorded in the year they become known and have not been material to the Group's financial position or results of operation in 2006 and 2005.

(m) ***Vessels:*** The vessels are stated at cost, net of accumulated depreciation and accumulated impairment. Vessel cost consists of the contract price for the vessel and any material expenses incurred upon acquisition of the vessel (initial repairs, improvements, delivery expenses and other expenditures to prepare the vessel for its initial voyage). Subsequent expenditures for major improvements are also capitalised when it is probable that future economic benefits associated with the improvement will flow to the entity and the cost of the improvement can be measured reliably. The cost of each of the Group's vessels is depreciated beginning when the vessel is ready for its intended use, on a straight-line basis over the vessels' remaining economic useful life, after considering the estimated residual value. Management estimates the useful life of new vessels at 25 years, which is consistent with industry practice. Acquired second-hand vessels are depreciated from the date of their acquisition over their remaining estimated useful life. The remaining useful life of the Group's vessels, other than those fully depreciated, is between 1 and 17 years. A vessel is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the vessel (calculated as the difference between the net disposal proceeds and the carrying amount of the vessel) is included in the income statement in the year the vessel is derecognized.

(n) ***Impairment of vessels:*** The Group's vessels are reviewed for impairment in accordance with IAS 36, "Impairment of Assets." Under IAS 36, the Group assesses at each reporting date whether there is an indication that a vessel may be impaired. If such an indication exists, the Group makes an estimate of vessels recoverable amount. Any impairment loss of the vessel is assessed by comparison of the carrying amount of the asset to its recoverable amount. Recoverable amount is the higher of the vessel's fair value less costs to sell and its value in use.

If the recoverable amount is less than the carrying amount of the vessel, the asset is considered impaired and an expense is recognised equal to the amount required to reduce the carrying amount of the vessel to its then recoverable amount. Fair value of vessels is determined by independent marine appraisers. If on receipt of valuation from appraiser impairment is indicated, the Group proceeds to prepare impairment analysis.

The impairment analysis is made at the individual vessel level since separately identifiable cash flow information is available for each vessel. In developing estimates of future cash flows, the Group makes assumptions about future charter rates, vessel operating expenses, and the estimated remaining useful lives of the vessels. These assumptions are based on historical trends as well as future expectations. The Group regularly reviews its vessels for impairment on a vessel by vessel basis. No impairment loss was recognised by the Group for the years ended 31 December 2006 and 2005.

(o) ***Deferred Dry-Docking Costs:*** From time to time the Group's vessels are required to be dry-docked for inspection and re-licensing at which time major repairs and maintenance that cannot be performed while the vessels are in operation are generally performed. The Group defers the costs associated with dry-docking as they occur by capitalising them together with the cost of the vessel and depreciates these costs on a straight-line basis over the year until the next scheduled dry-docking, generally 2.5 years. In the cases whereby the dry-docking takes place earlier than 2.5 years since the previous one, the carrying amount of the previous dry-docking is derecognised. In the event of a vessel sale, the respective carrying values of dry-docking costs are written-off at the time of sale.

At the date of acquisition of a second-hand vessel, management estimates the component of the cost that corresponds to the economic benefit to be derived until the first scheduled dry-docking of the vessel under the ownership of the Group, and this component is depreciated on a straight-line basis over the remaining period to the estimated dry-docking date.

(p) ***Long-term debt:*** Long-term debt is initially recognised at the fair value of the consideration received net of issue costs directly attributable to the borrowing. After initial recognition, long-term debt is subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognized in net profit or loss when the liabilities are derecognized or impaired, as well as through the amortization process.

(q) ***Borrowing costs:*** The borrowing costs are expensed to the income statement, except from borrowing costs on loans specifically used to finance the construction, or reconstruction of vessels which are capitalised during the construction period.

(r) ***Derivative financial instruments and hedging:*** The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the income statement.

(s) ***Segment Reporting:*** The Group reports financial information and evaluates its operations by charter revenues and not, for example, by (i) the length of ship employment for its customers, i.e. spot or time charters; or (ii) type of vessel. Management, including the chief operating decision maker, reviews operating results solely by revenue per day and operating results of the fleet and thus the Group has determined that it operates under one reportable segment. Furthermore, when the Group charters a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, the disclosure of geographic information is impracticable.

(t) ***Accounting for joint ventures (see note 24):*** A joint venture is an entity jointly controlled by the Group and one or more other ventures in terms of a contractual arrangement. The Group's interest in jointly controlled entities is accounted for by the proportional consolidation method of accounting. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures.

(u) ***IFRS and IFRIC Interpretations not yet effective:*** The Group has not applied the following IFRS and IFRIC Interpretations that have been issued but are not yet effective:

- **IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures** (effective for financial years beginning on or after 1 January 2007). The Group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital.
- **IFRS 8, Operating Segments** (effective for financial years beginning on or after 1 January 2009). It is not relevant to the Group's operations. This Standard has not yet been endorsed by the EU.
- **IFRIC7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperin-**

flationary Economies (effective for financial years beginning on or after 1 March 2006).It is not relevant to the Group's operations.

- **IFRIC8, Scope of IFRS 2** (effective for financial years beginning on or after 1 May 2006). It is not relevant to the Group's operations.
- **IFRIC 9, Reassessment of Embedded Derivatives** (effective for financial years beginning on or after 1 June 2006). It is not relevant to the Group's operations.
- **IFRIC10, Interim Financial Reporting and Impairment** (effective for financial years beginning on or after 1 November 2006). This Interpretation has not yet been endorsed by the EU. It is not expected to affect the Group's financial position.
- **IFRIC11, IFRS 2-Group and Treasury Share Transactions** (effective for financial years beginning on or after 1 March 2007). It is not relevant to the Group's operations. This Interpretation has not yet been endorsed by the EU.
- **IFRIC12, Service Concession Arrangements** (effective for financial years beginning on or after 1 January 2008). It is not relevant to the Group's operations. This Interpretation has not yet been endorsed by the EU.

(v) *IFRS and IFRIC Interpretations that became effective in the year ended 31 December 2006:* The following Standards and Interpretations became effective within the year ended 31 December 2006. None of the Standards and Interpretations (other than IFRIC 4) had an impact in the consolidated financial statements.

- **IAS 1 and IAS 19 Amendment – Actuarial Gains and Losses, Group Plans and Disclosures**
- **IAS 21 Amendment – The Effects of Changes in Foreign Exchange Rates**
- **IAS 39 Amendment – Cash Flow Hedge Accounting of Forecast Intra-group Transactions**
- **IAS 39 Amendment – The Fair Value Option**
- **IAS 39 and IFRS 4 Amendment – Financial Guarantee Contracts**
- **IFRS 6 – Exploration for and Evaluation of Mineral Resources**
- **IFRIC4 – Determining whether an Arrangement Contains a Lease:** The Group adopted IFRIC Interpretation 4 as of 1 January 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied.
- **IFRIC 5 – Rights to Interests arising from Decommissioning, Restoration, and Environmental Rehabilitation Funds**
- **IFRIC 6 – Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment**

3. Voyage & vessel operating expenses

The amounts in the accompanying consolidated income statement are analysed as follows:

Voyage expenses	2006 U.S.$'000	2005 U.S.$'000
Voyage expenses	(4,221)	(4,105)
Voyage expenses– related party	(1,813)	(1,673)
	(6,034)	(5,778)
Voyage expenses consist of:		
Port charges	(52)	(197)
Bunkers (fuel costs)	(227)	(110)
Commissions	(5,755)	(5,471)
Total voyage expenses:	(6,034)	(5,778)

Vessel operating expenses	2006 U.S.$'000	2005 U.S.$'000
Crew wages & related costs	(8,360)	(6,790)
Other crew expenses	(376)	(344)
Deck stores	(668)	(576)
Travelling	(532)	(427)
Crew victualling	(949)	(824)
Repairs & maintenance	(1,127)	(840)
Spares	(2,155)	(1,706)
Engine stores	(651)	(497)
Lubricants	(3,182)	(2,072)
Insurance	(4,418)	(3,995)
Other operating expenses	(2,144)	(2,622)
Taxes (other than income tax)	(298)	(303)
Total vessel operating expenses:	(24,860)	(20,996)

4. Finance Expense

The amounts in the accompanying consolidated income statement are analysed as follows:

	2006 U.S.$'000	2005 U.S.$'000
Interest payable on long-term borrowings	(3,999)	(3,563)
Amortisation of debt discount	(147)	(187)
Gain on fair value of derivatives	1	248
Total	(4,145)	(3,502)

5. Finance Income

Finance income is earned from the Group's short term deposits. Finance income increased in the year ended 31 December 2006, because of the cash received and deposited from the registration of the Company's shares in the London Stock Exchange.

6. General and administrative expenses

	2006 U.S.$'000	2005 U.S.$'000
Directors and Management team Remuneration	(940)	–
Audit fees	(233)	–
Legal fees	(85)	–
Other	(218)	–
Total general and administrative expenses	(1,476)	–

The above amounts of remunerations cover the period since the official listing of the Company and up to 31 December 2006.

7. Earnings per share

Basic earnings per share ("EPS") are calculated by dividing the profit for the year attributable to Goldenport Holdings Inc. shareholders (U.S.$45,188 and U.S.$43,256 for the years ended 31 December 2006 and 2005, respectively) by the weighted average number of shares outstanding (62,533,312 for the year ended 31 December 2006 and 41,800,000 for the year ended 31 December 2005). The weighted average number of shares outstanding reflects the issuance of shares for the Contributed Companies in the reorganisation described in note 17 as if they had been issued at the beginning of the earliest year presented.

Diluted EPS reflects the potential dilution that could occur if share options or other contracts to issue shares were exercised or converted into shares. Since no such options or contracts existed as at 31 December 2006 and 2005 the numerators and denominators used to calculate Diluted EPS are the same with those used to calculate basic EPS, as disclosed above.

8. Dividends declared

The Board of Directors of the Company will declare to the Annual General Meeting for approval, a final dividend for 2006 of 11.9 pence per share (GBP 8,316).

Dividend rights: Under the Company's by-laws, each ordinary share is entitled to dividends if and when dividends are declared by the Board of Directors. There are no restrictions on the Company's ability to transfer funds (other than funds denominated in Marshall Islands dollars) in and out of Marshall Islands. The payment of dividends is subject to the approval of the Annual General Meeting of Shareholders. The proposed by the Board of Directors dividend, is expected to be approved by the AGM to be held on 17 May 2007. The payment of dividends was U.S.$13,924 in 2006 (15.6 cents per share before the admission of the Company's shares in the London Stock Exchange and 10.6 cents per share or 5.6 pence per share as interim dividend for 2006) and U.S.$38,764 (93 cents per share) in 2005

9. Vessels

Vessels consisted of the following at 31 December:

Cost	2006 U.S.$'000	2005 U.S.$'000
At 1 January	94,260	94,221
Additions	56,475	39
At 31 December	150,735	94,260
Depreciation		
At 1 January	(18,051)	(12,853)
Depreciation charge for the year	(7,488)	(5,198)
Accumulated depreciation	(25,539)	(18,051)
Net carrying amount of vessels	125,196	76,209
Net carrying amount of deferred dry-docking costs	6,524	8,212
Net carrying amount	131,720	84,421

	U.S.$'000
Net carrying amount as at 1 January 2005	87,104

Acquisitions

On 26 June 2006, the Group acquired the M/V MSC Scotland (ex. Bengal Sea), a container vessel of 3,007 TEU and 47,120 DWT built in 1992 for U.S.$29,100 (including U.S.$208 of unamortised dry-docking component).

On 19 July 2006, the Group acquired the M/V Vasos (ex. Orient Alliance), a 152,200 DWT cape size bulk carrier built in 1990 for a purchase price of U.S.$27,300 (including U.S.$337 of unamortised dry-docking component).

Vessel additions include the cost of acquisition of the vessels (net of unamortised dry-docking component), capitalised initial costs associated with the acquired vessels of U.S.$ 184 and capital improvements on existing vessels of U.S.$ 435.

The gross carrying amount of vessels, which have been fully depreciated to their residual value and are still in use, was U.S.$15,844 (2005: U.S.$12,841).

Dry-docking costs

During 2006 dry-docking and special survey costs were carried out for five vessels of the Group with total cost U.S.$3,420. In addition, the dry-docking component for the two new vessels amounted to U.S.$545. Net carrying amount of deferred dry-docking costs consists of cost of U.S.$15,786, U.S.$11,821, and accumulated depreciation of U.S.$9,262, U.S.$3,609 each for the years ended 31 December 2006 and 2005, respectively. Depreciation of dry-docking costs is U.S.$5,653 and U.S.$3,461, for each of the years ended 31 December 2006 and 2005 respectively.

10. Advances for vessel acquisition

On 29 November 2006 the Group entered into an agreement to acquire M/V West Gate Bridge, a 42,000 DWT container type vessel built in 1986 that is expected to be delivered to the Group in March 2007 for a total consideration of U.S.$17,000. On 30 November 2006, under the terms of the agreement, the Group paid U.S.$1,700 representing the 10% deposit on the purchase price of the vessel.

11. Vessel under reconstruction

The balances as at 31 December were as follows:

	2006 U.S.$'000	2005 U.S.$'000
Purchase Price	13,000	–
Capital expenditure for reconstruction	9,975	–
Capitalised interest and other borrowing costs	93	–
Total cost and expenditure for vessel under construction	23,068	–

On 16 June 2006, the Group acquired the M/V Fortune, a container vessel of 5,551 TEU and 68,537 DWT built in 1996, for U.S.$13,000. The vessel was damaged in a fire on 21 March 2006. The vessel is expected to become operational by the end of 2007 or early 2008 (see also note 20).

Depreciation on the vessel will commence upon the completion of the reconstruction.

All of the Group's vessels, and vessels under construction having a total carrying value of U.S.$154,788 (U.S.$84,421 at 31 December 2005), have been provided as collateral to secure the loans discussed in note 18.

12. Trade receivables

	2006 U.S.$'000	2005 U.S.$'000
Charterers	1,275	320
Total	1,275*	320

* Out of the above amount, U.S.$967 was collected within January 2007.

13. Insurance Claims

	2006 U.S.$'000	2005 U.S.$'000
Claim Alex D	457	–
Claim Msc Emirates	547	–
Other Claims (H&M, P&I, Hire and Crew Claims)	301	259
Total	1,305	259

M/V Alex D – Grounding at Trombetas River: On 17 November 2005, M/V Alex D went aground at Bacabal Passage in Trombetas River tributary to Amazon River in Brazil whilst proceeding outbound from the Port of Trombetas River with pilots aboard in loading condition with cargo.

The re-floating of the vessel was effected by means of discharging part of the cargo into barges and then reloading it. The Group has appointed claim adjusters to handle the claim. The claim adjuster is preparing his report to submit to the underwriters in order to have the claim reimbursed to Owners.

M/V Msc Emirates-Main Engine damage: On 8 April 2006, M/V MSC Emirates whilst on passage from Singapore to Laem Chabang sustained damage on main engine crankshaft. The vessel was towed to a shipyard for repairs. The Group has appointed claim adjusters to handle the claim. The claim adjuster is preparing his report to submit to the underwriters in order to have the claim reimbursed to Owners.

14. Other non-current assets

The amounts in the accompanying balance sheets at 31 December are analysed as follows:

	2006 U.S.$'000	2005 U.S.$'000
Fair value of derivative instruments	185	184

Variability can appear in floating rate assets, floating rate liabilities or from certain types of forecasted transactions, and can arise from changes in interest rates or currency exchange rates. During 2003, the Group entered into an interest rate swap for one of its bank loans representing approximately 26% of its outstanding bank loans. The notional amount of this contract amounted to U.S.$10,400. Under the swap agreement, the Group exchanges variable to fixed interest rates at 3.60%. The swap agreement requires the Group to pay additional interest when LIBOR exceeds 6.00% in any twelve-month year until 2009. It is noted that the bank loan for which the interest rate swap agreement was entered into, was repaid in full in 2005, however, the Group chose to keep the swap.

The Group did not designate the swap agreement as an accounting hedge and accordingly, gains or losses resulting from changes in the fair value of this derivative instrument, which approximated U.S.$1 and U.S.$248 gain for the years ended 31 December 2006 and 2005 respectively, are recorded in interest expense in the consolidated income statement. The fair value of the derivative financial instruments at 31 December 2006 and 2005 was an asset of U.S.$185 and U.S.$184 respectively, which was included in other non-current assets in the accompanying consolidated balance sheets.

15. Cash and cash equivalents

	2006 U.S.$'000	2005 U.S.$'000
Cash at bank	303	–
Short term deposits	81,069	–
	81,372	–

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

16. Restricted Cash

	2006 U.S.$'000	2005 U.S.$'000
Restricted cash	1,166	1,396

The restricted cash concerns the amounts held in bank accounts of the management company that were retained for the future instalment of Group's loans. See also note18.

17. Share capital

Share capital consisted of the following at 31 December:

	2006 U.S.$'000	2005 U.S.$'000
Authorised		
Shares of $0.01 each	1,000	1,000
Issued and unpaid		
Shares of $0.01 each	–	418
Issued and paid		
Shares of $0.01 each	699	–
Total issued share capital	**699**	**418**

Formation: The Company was formed on 21 March 2005, and prior to the reorganisation analysed below, its share capital consisted of 500 shares authorised, issued and outstanding, without par value. On 30 March 2006, conditional on admission to the Official List of the London Stock Exchange, the Company amended its Articles of Incorporation. Under the Company's Amended and Restated Articles of Incorporation, the Company has an authorised share capital of 100,000,000 shares (all in registered form) consisting 100,000,000 shares with a par value of U.S.$0.01 per share. The Company has cancelled the existing 500 shares with no par value. Prior to the reorganisation, seventeen holding companies (the "Contributed Companies"), each in turn owning a vessel-owning company, were wholly- owned by Captain Paris Dragnis. The reorganization was a transaction between companies under common control, and has been accounted for in a manner akin to a pooling of interests for the years prior to the reorganisation. Accordingly, the financial statements of the Group have been presented using historical carrying costs of the Contributed Companies. The consolidated financial statements have also been prepared on the basis that Goldenport existed for all years prior to the reorganisation and was the parent company of the Contributed Companies in all such years.

The reorganisation that took place on 30 March 2006 as well and involved the following steps:

a. Captain Paris Dragnis contributed all of the shares held by him in the seventeen intermediate holding companies to Goldenport, in exchange for shares in Goldenport, fulfilling his obligation for the Company's share capital , in accordance with the share for share exchange agreement dated 30 March 2006; and

b. Captain Paris Dragnis transferred all of the shares in Goldenport to Starla Shipholding Corporation (Starla), a company wholly owned by Captain Paris Dragnis; as a result Starla was, prior to admission to the Official List of the London Stock Exchange, the sole shareholder of the Company beginning of the earliest year presented. Starla is the ultimate holding company of the Group.

c. Following completion of the reorganisation, the Contributed Companies were wholly-owned subsidiaries of Goldenport.

d. On April 5 the Company was admitted to the Official List of London Stock Exchange, issuing 25,531,915 shares of U.S.$0.01 each. On 11 April 2006 the over allotment option was exercised for 2,553,191 shares at GBP 2.35 per share bringing the total offer to GBP 66,000 (or U.S.$115,500).

The analysis of the share premium is as follows:

	U.S.$'000
Proceeds from Initial Public Offering, gross	115,465
Issuance costs	(8,193)
Proceeds from Initial Public Offering, net	107,272
Nominal share capital cost	(281)
Share premium	**106,991**

18. Long-term Debt

The amounts in the accompanying balance sheets are analysed as follows:

	Bank Loan	Vessel(s)	2006 Amount	2006 Rate %	2005 Amount	2005 Rate %
a.	Issued 1 November 2000, maturing 30 August 2006	Tuas Express, Msc Himalaya, Glory D	–	–	1,080	5.43%
b.	Issued 12 July 2002, maturing 18 July 2007	Samos	–	–	2,940	5.66%
c.	Issued 31 October 2002, maturing 4 February 2007	Ios, Athos	–	–	3,155	5.78%
d.	Issued 13 February 2003, maturing 30 May 2009	Lindos	3,150	6.13%	3,850	5.75%
e.	Issued 31 March 2004, maturing 30 September 2010	Tilos, Limnos	7,400	6.09%	18,600	5.63%
f.	Issued 17 May 2005, maturing 17 May 2009	Vana, Beauty, Msc Emirates, Achim, Alex D, Gianni D, Msc Socotra, Howrah Bridge	17,000	6.09%	46,250	5.70%
g.	Issued 26 June 2006, maturing 26 September 2011	Msc Scotland (ex.Bengal sea)	15,900	6.42%	–	–
h.	Issued 19 July 2006, maturing 16 July 2011	Vasos (ex.Orient Alliance)	17,500	6.49%	–	–
i.	Issued 14 November 2006, maturing 28 November 2009	See below*	20,000	6.38%	–	–
Total			80,950		75,875	
Less: current portion			19,900		23,150	
Less: debt discount			323		187	
Long-term portion			60,727		52,538	

* The vessels included in this loan agreement are Fortune, Tuas Express, Athos, Ios, Msc Himalayia, Glory D and Samos.

The upcoming repayment terms of loans with balances outstanding at 31 December 2006 are:

- *Loan d:* This loan is repayable in five six-monthly instalments of U.S.$350 each, the first one being due on 30 May 2007 and the final one being due on 30 November 2008 plus a balloon payment of U.S.$1,400, being due on 30 May 2009.
- *Loan e:* This loan is repayable in eight six-monthly instalments of U.S.$700 each, the first one being due on 31 March 2007 and the final one being due on 31 March 2010, plus a balloon payment of U.S.$1,800 being due on 30 September 2010.

- *Loan f:* This loan is repayable by eleven quarterly instalments of U.S.$1,300 each, the first one being due on 17 November 2006 and the final one being due on 17 August 2009 along with a balloon payment of U.S.$2,700.
- *Loan g:* On 26 June 2006 the Group signed an agreement for a secured term loan facility of U.S.$17,500 (out of which an amount of U.S.$ 1,600 was repaid within 2006) in order to acquire the new vessel MSC Scotland (ex. Bengal Sea). This loan is repayable by ten quarterly instalments of U.S.$800 each, the first one paid on 26 September 2006 and the tenth on 26 September 2009, eight quarterly instalment of U.S.$600 each, the first one being due on 26 September 2009 and the final one being due on 26 September 2011 along with a balloon payment of U.S.$3,100.
- *Loan h:* On 19 July 2006 the Group signed an agreement for a secured term loan facility of U.S.$17,500 in order to acquire the new vessel M/V Vasos (ex.Orient Alliance). This loan is repayable by one semi-annual instalment of U.S.$950 on 16 January 2007, nine semi-annual instalments of U.S.$1,450 each, the first one being due on 16 July 2007 and the final one being due on 16 July 2011 along with a balloon payment of U.S.$3,500.
- *Loan i:* On 14 November 2006 the Group signed an agreement for a secured term loan facility of U.S.$30,000. The Group will utilise the U.S.$25,000 in order to reconstruct the M/V Fortune and the rest was used for repayment of existing loans (the vessels involved in the agreement were used as collateral to the loan).U.S$20,000 have already been drawn (U.S.$ 10,000 in November 2006 and U.S.$10,000 in late December 2006). The remaining U.S.$10,000 will be drawn in 2007. The amount of U.S.$ 10,000 drawn in November 2006, was partially utilised to repay existing loans and partially to finance the reconstruction of M/V Fortune. The amount of U.S.$ 10,000 drawn in late December 2006, was not utilised as of 31 December 2006 and is included in cash at bank. The total loan is repayable by eight quarterly instalments of U.S.$1,750 each, the first one being due on 28 February 2007 and the last one to be due on 30 November 2008 and four quarterly instalments of U.S.$1,000 each with the first one being due on 28 February 2009 and the last one to be due on 28 November 2009 along with a balloon payment of U.S.$12,000.

All loans are denominated in U.S. dollars. The bank loans denominated in U.S. dollars bear interest at LIBOR plus a margin payable quarterly.

During 2003, the Group entered into interest rate swap for one of its loans that in 2005 was fully repaid. Under the swap agreements, the Group exchanges variable to fixed interest rates at 3.60% (see also note 14).

All loans are secured by a first preferred mortgage on the respective vessel as well as general assignment of the earnings, insurances and requisition compensation of the respective vessel. The Group weighted average interest rate for the years ended 31 December 2006 and 2005 was 6.25% and 4.35%, respectively. Total interest paid was U.S.$3,471 and U.S.$3,777 for the years ended 31 December 2006 and 2005 respectively.

The loan agreements contain covenants including restrictions as to changes in management and ownership of the vessels, additional indebtedness and mortgaging of vessels without the bank's prior consent as well as minimum requirements regarding hull cover ratio. The restricted net assets of the vessel-owning subsidiary companies at 31 December 2006 and 2005 consisted of restricted cash and amounted to U.S.$1,166 and U.S.$1,396 respectively.

19. Accrued liabilities and other payables

The amounts in the accompanying balance sheets at 31 December are analysed as follows:

	2006 U.S.$'000	2005 U.S.$'000
Accrued interest	783	173
Accrual for supplementary calls	663	610
Accrued wages	90	-
Accrued audit fee	185	-
Other accrued expenses	668	186
Other payables	1,365	1,341
	3,754	2,310

20. Commitments and contingencies

a. Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance providers and from other claims with suppliers relating to the operations of the Group's vessels. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the consolidated financial statements.

b. The Group has paid an advance of 10%, of the purchase price, for the acquisition of M/V West Gate Bridge and upon delivery in March 2007, is committed to pay the remaining 90% of the agreed price, amounting to U.S.$15,300 (including U.S.$11,000 of debt as mentioned in note 24).

c. As explained in note 11, on 16 June 2006, the Group acquired the M/V Fortune, a container vessel of 5,551 TEU and 68,537 DWT built in 1996, for U.S.$13,000. The vessel was damaged in a fire on 21 March 2006. The vessel is expected to become operational by the end of 2007 or early 2008. The total estimated cost of reconstruction, excluding the initial acquisition cost of U.S.$ 13,000, is approximately U.S.$ 30,000. As of 31 December 2006, the expenditure incurred for reconstruction amounted to U.S.$9,975. The remaining amount of approximately U.S.$ 20,000, to reach the total estimated reconstruction cost of U.S.$ 30,000, is to be incurred periodically until the delivery of the vessel.

The main component of the remaining reconstruction costs of U.S.$ 20,000, is the cost of the yard that will undertake the major repairs. The Group has entered to this respect, into an agreement with COSCO Zhouzhan yard for an amount of U.S.$12,490, which will be payable based on the progress of the repairs. The remaining estimated cost mainly concerns spare parts for the vessel, for which the Group has not yet entered into any contractual agreement with suppliers.

As described in note 18, at 31 December 2006, the Group had available U.S.$10,000 of committed but not drawn borrowing facility in respect of loan i., for the reconstruction of the vessel 'Fortune'.

The Group has entered into time charter arrangements on some of its vessels. These arrangements have remaining terms between 1-36 months as of 31 December 2006 (2-38 months as of 31 December 2005).

Future minimum charters receivable upon time charter arrangements as at 31 December 2006, are as follows (it is noted that the vessel off-hires and dry-docking days that could occur but are not currently known are not taken into consideration; in addition early delivery of the vessels by the charterers are not accounted for):

	2006 U.S.$'000	2005 U.S.$'000
Within one year	67,602	57,189
After one year but not more than five years	84,968	46,955
More than five years	–	–
	152,570	104,144

21. Related party transactions

Transactions with related parties consisted of the following for the year ended 31 December:

	2006 U.S.$'000	2005 U.S.$'000
Voyage expenses – related party		
Goldenport Shipmanagement Ltd (a)	1,813	1,673
Management fees – related party		
Goldenport Shipmanagement Ltd (a)	3,393	3,060
	5,206	4,733

Balances due from related parties as at 31 December comprise the following:

	2006 U.S.$'000	2005 U.S.$'000
Due from related parties		
Goldenport Shipmanagement Ltd (a)	811	9,860
Total	811	9,860

(a) Goldenport Shipmanagement Ltd. (GSL): All vessel-operating companies included in the consolidated financial statements have a management agreement with GSL, a Liberian corporation directly controlled by Captain Paris Dragnis, to provide, in the normal course of business, a wide range of shipping managerial and administrative services, such as commercial operations, chartering, technical support and maintenance, engagement and provision of crew, financial and accounting services and cash handling in exchange for a management fee of U.S.$15.75 per vessel per month (2005: U.S.$15). In addition GSL charged the Group, U.S.$ 115, for the services rendered for the reconstruction of M/V Fortune. This amount is included in the capital expenditure for reconstruction (see note 11).

On 1 January 2005 the management agreements with GSL were amended, and in addition to the monthly management fee GSL charged a commission equal to 2% of time and voyage revenues relating to charters it organises. For the year ended 31 December 2006 commission charged by GSL amounted to U.S.$1,813 (2005:U.S.$1,673) and was included in Voyage expenses- related party. GSL has a branch office registered in Greece under the provisions of Law 89/1967.

The amounts receivable from GSL, shown in the table above, represent the vessel-operating companies' cash surplus handled by GSL. The cash surplus handled by GSL was U.S.$9,860 as at 31 December 2005, as GSL held on behalf of the Group a significant portion of funds raised through operations and financing. In 2006 since bank accounts were opened in the name of Goldenport Holdings Inc., significant transactions, like payments for acquisitions of vessels and for reconstruction were performed by the Company directly. As a result the cash surplus handled by GSL was kept to minimum amounting to U.S.$811 relating to the working capital requirements of the vessels.

(b) The Company during 2006 paid the following amounts to Directors and management team (which include remunerations and annual cash bonus):

	2006 U.S.$'000
Short term employee benefits	940

Although two incentive plans: 'The Goldenport Discretionary Share Option Plan' and the 'Goldenport Share Award Plan' were approved prior to official admittance to the London Stock Exchange, none of them was activated in 2006.

The Goldenport Discretionary Share Option Plan (DSOP):

The DSOP allows the Company to grant options to acquire shares to eligible employees, which become exercisable on the third anniversary of the date of the grant, subject to the satisfaction of any performance conditions and remain exercisable until 10 years after the date of grant. The Board has discretion under the plan to allow the exercise of options following the cessation of employment. The use of new issue or treasury shares under the DSOP is limited to 10% of the issued share capital of the Company from time to time, taking into account shares issued or to be issued under all employee share schemes adopted by the Company over the previous ten year period.

The Goldenport Group Share Award Plan (GSAP):

The Plan provides for the grant of performance share awards. An Award may not generally vest before the third anniversary of its date of grant nor unless any specified performance targets have been met at the end of the three year period, beginning on the first day of the financial year in which the Award is made. Any performance targets will be objective and stated at the day of the grant. If a participant ceases employment or office with the Company before an Award has vested at the end of the relevant period, his Award(s) will generally lapse. No Award may be granted after 10 years from the adoption of the Plan. Under the terms of the Plan, in any 10 year period the use of new issue or treasury shares under the Plan and any employees' share scheme established by the Company is limited to 10% of the issued share capital of the Company from tome to time, of which not more than 5% may be used for the Plan and those employees' share schemes operated on a selective basis.

(c) **Annual cash bonus**

Each executive director is entitled to participate in an annual performance-based bonus scheme. The remuneration committee reviews and sets bonus targets and eligibility annually. 50% of the bonus is based on financial targets derived from the strategic and annual plan and 50% of the bonus is based on individual achievements and personal objectives.

The financial targets are measured with the growth of EBITDA (defined as the Group's operating profit before depreciation and depreciation of dry-docking costs). The Board believes that EBITDA is the proper indicator to measure the Group performance as this drives predominantly the free cash flow of the business. Especially during the growth phase of the Group with the continuous expansion, EBITDA is considered to be the main driver of free cash flow generation, fuelling further vessel acquisitions.

The maximum level of bonus that could be earned by an executive director for 2006 was 40% of base salary. The amounts included in (b) above include the Annual cash bonus.

(d) The Interests of the Directors, the Senior Management and their respective immediate families in the share capital of the Company (all of which are beneficial unless otherwise stated), were as at 31 December 2006 as follows:

Name	Number of shares at admission(after overallotment)	Percentage of shares at admission	Number of shares as at 31 Dec 2006	Percentage of shares as at 31 Dec 2006
Captain Paris Dragnis (1)	41,800,000	59.812%	41,800,000	59.812%
Chris Walton (2)	2,128	0.003%	2,128	0.003%

(1) Through Starla (see also note 17)

(2) Chris Walton is a non-executive member of the Board of Directors

As at 31 December 2005, Captain Paris Dragnis was the sole owner of the share capital of the Company.

22. Income Taxes

Under the laws of the Republic of Marshall Islands and the respective jurisdictions of the Consolidated Companies in the Group is not subject to tax on international shipping income, however, the Consolidated Companies are subject to registration and tonnage taxes, which have been included in vessel operating expenses in the accompanying consolidated statement of income.

Pursuant to the United States Internal Revenue Code of 1986, as amended (the ''Code''), U.S. source income derived by a foreign corporation from the international operation of ships generally is exempt from U.S. tax if the company operating the ships meets both of the following requirements, (a) the company is organized in a foreign country that grants an equivalent exception to corporations organized in the United States and (b) either (i) more than 50% of the value of the company 's shares is owned, directly or indirectly, by individuals who are ''residents'' of the company's country of organization or of another foreign country that grants an ''equivalent exemption'' to corporations organized in the United States (50% Ownership Test) or (ii) the company's shares are ''primarily and regularly traded on an established securities market'' in its country of organization, in another country that grants an ''equivalent exemption'' to United States corporations, or in the United States (Publicly-Traded Test). Under the regulations, company's shares will be considered to be ''regularly traded'' on an established securities market if (i) one or more classes of the its shares representing more than 50% of its outstanding shares, by voting power and value, is listed on the market and is traded on the market, other than in minimal quantities, on at least 60 days during the taxable year; and (ii) the aggregate number of shares traded during the taxable year is at least 10% of the average number of shares outstanding during the taxable year. Notwithstanding the foregoing, the regulations provide, in pertinent part, that each class of the company's shares will not be considered to be ''regularly traded'' on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding shares of such class are owned, actually or constructively under specified stock attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the value of such class of the company's outstanding shares, (''5 Percent Override Rule'').

The Group in 2006 has filed for 2003, 2004 and 2005 tax years and Management believes that based on current legislation the Group will be exempt from U.S. source income tax.

23. Financial instruments

Risk management objectives and policies

The Group's principal financial instruments are bank loans. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial instruments such as cash and cash equivalents, restricted cash, trade receivables and trade payables, which arise directly from its operations.

From time to time, the Group also uses derivative financial instruments, principally interest rate swaps. It is the Group's policy that no trading in financial instruments shall be undertaken, other the one explained in note 14.

The main risks arising from the Group's financial instruments are interest rate risk and credit risk. The majority of the Group's transactions are denominated in U.S. dollars therefore its exposure to foreign currency risk is minimal.

Cash flow interest rate risk

Cash flow interest rate risk arises from the possibility that changes in interest rates will affect the future cash outflows of the Group's long-term debt. The interest rate profile of the financial liabilities of the Group as at 31 December 2006 is as follows (figures are stated gross of debt discount):

Financial liabilities – term loans	2006 U.S.$'000	2005 U.S.$'000
Within 1 year	19,900	23,150
1 to 2 years	20,400	17,775
2 to 3 years	21,450	12,700
3 to 4 years	8,500	16,250
4 to 5 years	10,700	6,000
	80,950	75,875

Interest rate swap	2006 U.S.$'000	2005 U.S.$'000
2 to 3 years	185	184

Credit risk

The Group's maximum exposure to credit risk in the event the counterparties fail to perform their obligations as of 31 December 2006 in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet.

Concentration of Credit Risk

Financial instruments, which potentially subject the Group to significant concentrations of credit risk, consist principally of cash and cash equivalents, and trade accounts receivables. The Group places its cash and cash equivalents, consisting mostly of deposits, with financial institutions. The Group performs annual evaluations of the relative credit standing of those financial institutions. Credit risk with respect to trade accounts receivable is generally managed by the chartering of vessels to major trading houses (including commodities traders), established container-line operators, major producers and government-owned entities rather than to more speculative or undercapitalised entities. The vessels are normally chartered under time-charter agreements where as per the industry practice the charterer pays for the transportation service in advance, supporting the management of trade receivables.

Fair Values

The historical cost carrying values of financial assets and financial liabilities in the consolidated balance sheet of the Group approximate fair values both as at 31 December 2006 and 2005.

Fair values of financial assets and financial liabilities

Financial assets and financial liabilities of the Group are carried at fair values in the balance sheet, unless otherwise disclosed in the consolidated financial statements.

Foreign currency risk

The majority of the Group's transactions are denominated in U.S. dollars therefore its exposure to foreign currency risk from operations is minimal. However, following the admission of the Company's shares to the London Stock Exchange, part of the proceeds (in GBP) were placed in short term deposit accounts. As at 31 December 2006 an amount of GBP 17,947 (U.S.$35,137) was held in short term time deposits.

Liquidity risk

The Group aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets throughout the Group. The vessels are normally chartered under time-charter agreements where as per the industry practice the charterer pays for the transportation service in advance, supporting the management of cash generation. Investment is carefully controlled, with authorisation limits operating up to Group's board level and cash payback periods applied as part of the investment appraisal process. In this way the Group aims to maintain a good credit rating to facilitate fund raising.

In its funding strategy, the Group objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group's policy in new investments is that not more than 70% of the value of each investment will be funded through borrowings. In all the acquisitions within 2006 the bank financing was kept below 65% of the total investment cost.

Excess cash used in managing liquidity is only invested in financial instruments exposed to insignificant risk of changes in market value, being placed on interest-bearing deposit with maturities fixed at no more than 3 months. Short term flexibility is achieved if required by overdraft facilities.

24. Events after the balance sheet date

Waiver of increase in management fee: On 5 January 2007 Goldenport Shipmanagement agreed with the Group to waive the right to a 5% increase in the management fee. Therefore, the management fee for 2007 will remain at U.S.$15.75 per vessel per month.

Loan repayments: On 16 January 2007 the Group paid U.S.$950 in relation to the outstanding balance of loan (h). On 20 February 2007 U.S.$1,300 in relation to loan (f) and on 28 February 2007 the Group paid U.S.$1,750 in relation to the outstanding balance of loan (i) (see also note 18).

Loan agreements: On 28 February 2007 a new loan agreement was signed for a total amount of U.S.$11,000 for the partial finance of the acquisition of M/V West Gate Bridge. The loan will be fully drawn within March 2007 upon delivery of the vessel.

The repayment will be effected by twenty quarterly instalments, the first twelve being equal to U.S$600 each, followed by eight equal quarterly instalments of U.S.$470 each. The first instalment will be repaid three months after drawdown but not later than 31 July 2007.

Sale of vessel: On 8 February 2007 the Group entered into a Memorandum of Agreement with an unaffiliated party to sell the 1977 built vessel 'Vana' for a gross consideration of U.S.$5,500. Under the terms of the agreement the buyer, on 16 February 2007, deposited a 15% of the consideration in a joint account with a bank selected by the Group. The deposit was transferred to the joint account on the same date and the remaining of the agreed price is to be paid to the Group, upon completion, before the delivery of the vessel in April 2007.

Joint Venture agreement: On 13th March 2007 the Group entered into a joint venture with the unaffiliated third party with the objective to construct two 53,800 DWT bulk carrier vessels in Jiangsu Eastern Shipyard of China, which are expected to be delivered in the second part of 2008. The construction price for each vessel is U.S.$32,000 (U.S.$64,000 in total). The construction of the vessels will be financed by a mixture of cash reserves and specifically allocated to the joint venture bank financing. Payments will be done to the yard based on the construction progress schedule on trances of 20% of the total value. The last 20% will be paid upon delivery of the vessels.

Dividends: On 13th March 2007 the Company proposed a dividend of 11.9 pence per share, amounting to £8,316. The dividend is expected to be approved by the AGM to be held in Athens on 17 May 2007. As a result the total dividend for 2006 will become 17.5 pence per share, amounting to total of £12,230. ◀

Financial Calendar & Analyst Coverage

FINANCIAL CALENDAR

14 March 2007	Announcement of 2006 Full Year results
18 April 2007	Ex-dividend date
20 April 2007	Record date
17 May 2007	Annual General Meeting
21 May 2007	Payment of 2006 final dividend
September 2007	Announcement of 2007 interim results

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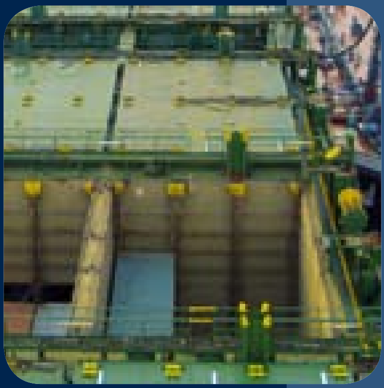

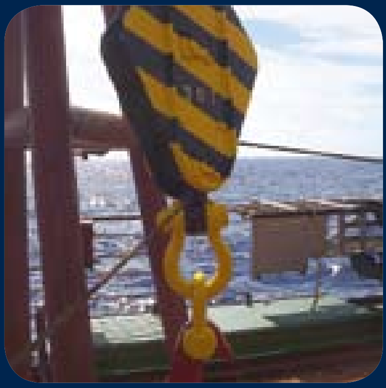









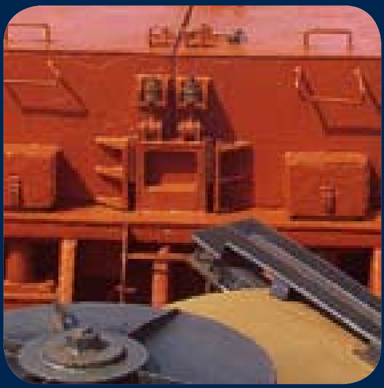




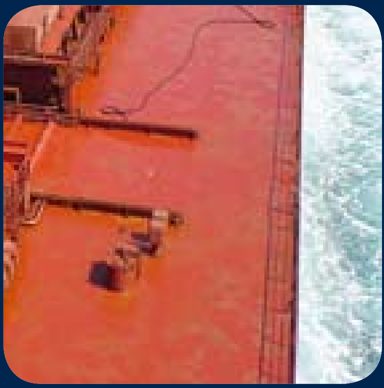
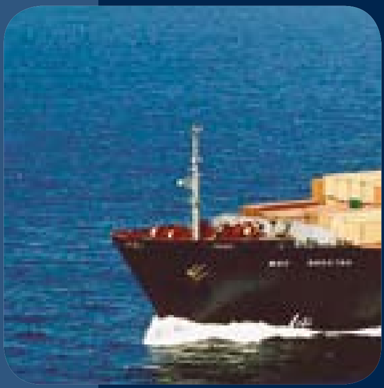


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