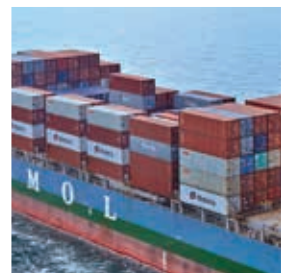




CHARTING A COURSE IN UNCERTAIN SEAS





CHARTING A COURSE IN UNCERTAIN SEAS

THE CONTAINER SHIPPING INDUSTRY IS GOING THROUGH THE MOST SEVERE DOWNTURN EVER, AND 2016 WAS A CHALLENGING YEAR FOR RICKMERS MARITIME. THE PERFORMANCE OF THE TRUST WAS SEVERELY AFFECTED, PREVENTING IT FROM MEETING ITS DEBT OBLIGATIONS TO ITS SECURED AND UNSECURED LENDERS. THE TRUSTEE-MANAGER'S IMMEDIATE FOCUS IS TO ACHIEVE A CONSENSUAL RESTRUCTURING OF THE TRUST'S DEBT TO ELIMINATE THE OVERHANG AND PUBLIC ATTENTION SURROUNDING THE TRUST'S SOLVENCY, WHICH HAS HAMPERED EFFORTS TO SECURE NEW EMPLOYMENTS FOR THE TRUST'S VESSELS.

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CORPORATE PROFILE



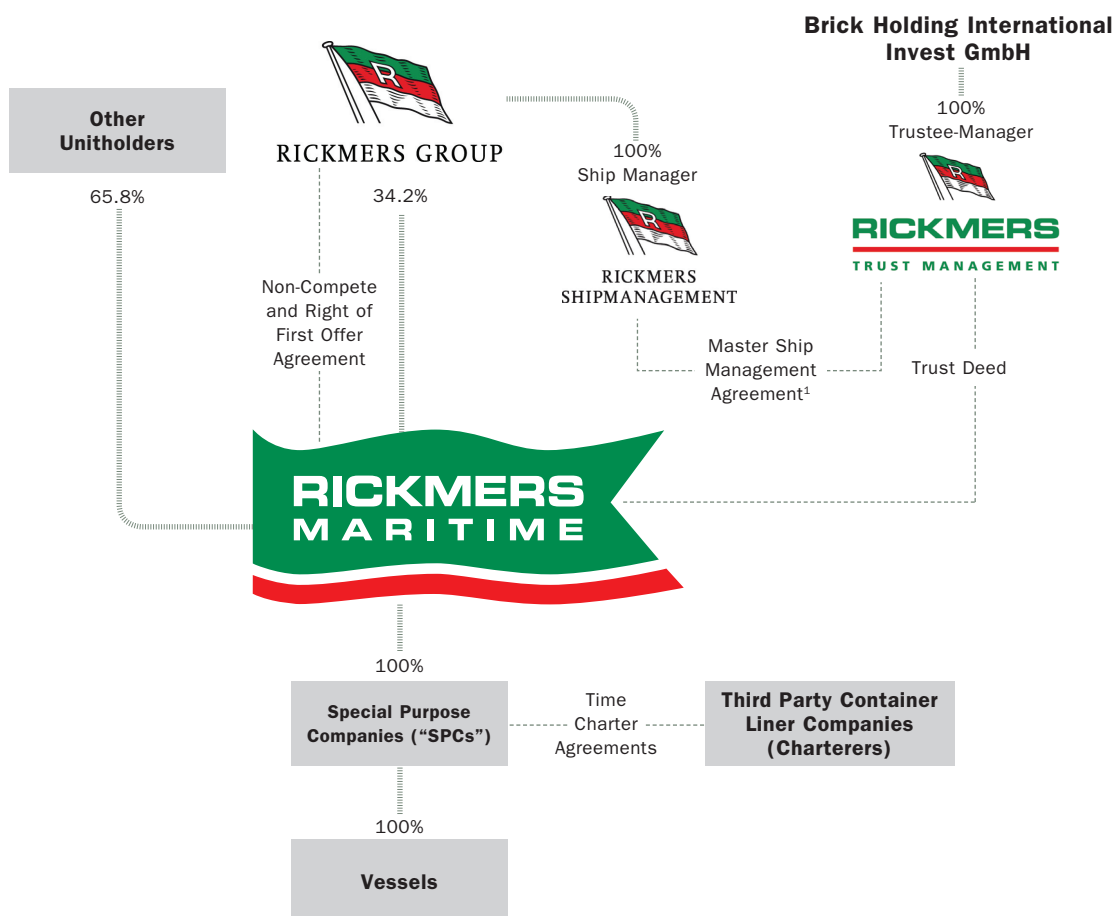
RICKMERS MARITIME IS A SINGAPORE BUSINESS TRUST FORMED TO OWN AND OPERATE CONTAINERSHIPS MAINLY UNDER FIXED-RATE TIME CHARTERS TO LEADING CONTAINER LINER COMPANIES.

The Trust owns a portfolio of 14 modern and high-quality containerships ranging from 3,450 TEU to 4,250 TEU, offering a total capacity of 57,100 TEU. The vessels are chartered to leading container liner companies including CMA CGM, Mitsui O.S.K. Lines Ltd., and Mediterranean Shipping Company. Its objectives are to offer first class services to its customers, generate stable and growing cash flows, and maximise value for unitholders.

Rickmers Maritime is sponsored by Rickmers Group, a leading international service provider in the maritime transport sector.

Rickmers Maritime is listed on the Mainboard of Singapore Exchange Securities Trading Limited and is a constituent of the FTSE ST Maritime Index.

STRUCTURE OF RICKMERS MARITIME



¹ Rickmers Shipmanagement (Singapore) Pte. Ltd. has individual service contracts with the vessel SPCs.

ABOUT THE SPONSOR

Rickmers Group is an international service provider in the maritime transport sector and a containership owner with a global blue-chip customer base. The group's business activities are focused on the segments, Maritime Assets and Maritime Services.

In the Maritime Assets segment, Rickmers Group is active as an asset manager for its own vessels and also for those of third parties. The Group initiates and coordinates shipping projects, organises financing and acquires, charters and sells ships. In the Maritime Services segment, the group provides shipmanagement services for its own vessels as well as for those owned by third parties. These services comprise technical and operational management, crewing, newbuild supervision, consultancy and insurance-related services.

It was founded and is controlled by Mr Bertram R. C. Rickmers, whose family has more than 180 years of heritage in the shipping industry. The group operates a fleet of 114 vessels with almost 1,640 seafarers and 493 staff ashore. It is represented in its main offices in Hamburg, Germany (headquarters), and Singapore.

NON-COMPETE AND RIGHT OF FIRST OFFER AGREEMENT

Rickmers Group has agreed not to compete with Rickmers Maritime in the ownership of containerships of 3,450 TEU and above that have attached charters of more than one year, subject to limited exceptions. In addition, Rickmers Group has also granted Rickmers Maritime the first right to acquire such containerships that it owns or acquires under the Right of First Offer.

FINANCIAL HIGHLIGHTS

REVENUE (US\$ million)

2012	144.29
2013	143.49
2014	130.33
2015	108.55
2016	69.21

ADJUSTED EBITDA¹ (US\$ million)

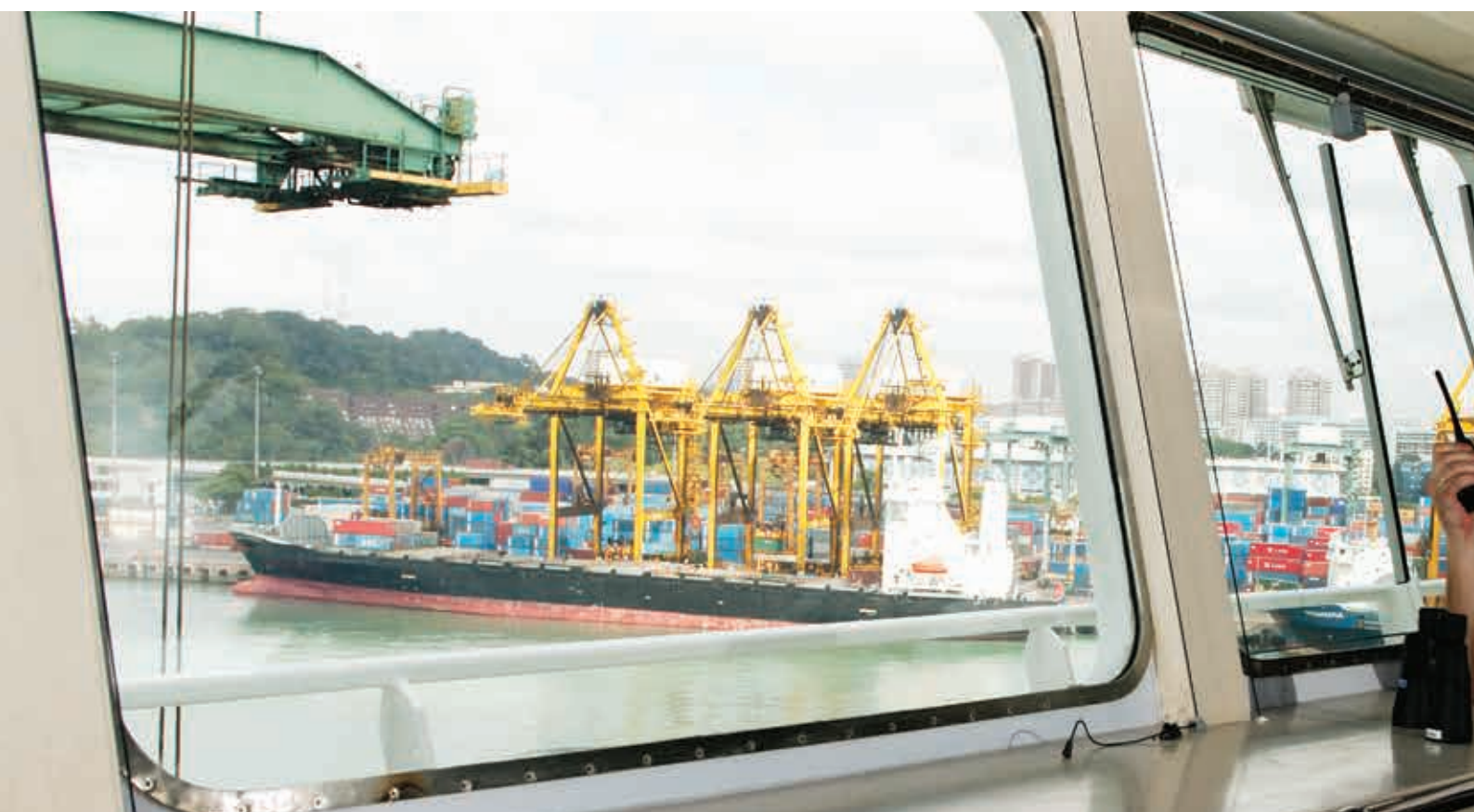
2012	106.21
2013	104.46
2014	89.32
2015	66.57
2016	26.70

NET (LOSS)/PROFIT (US\$ million)

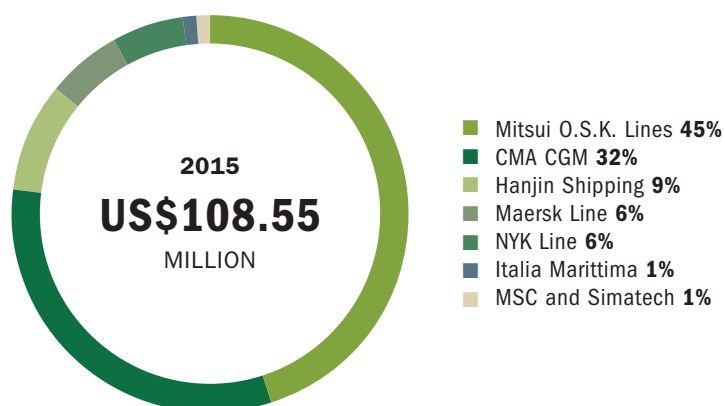
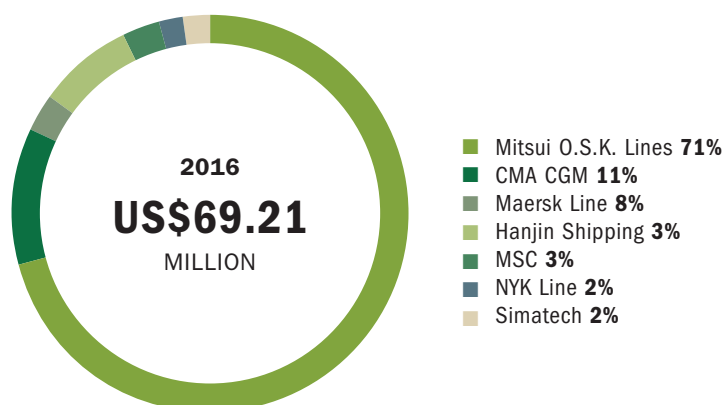
2012	27.62
2013	23.48
2014	(15.96)
2015	(129.23)
2016	(180.09)

BASIC (LOSS)/EARNINGS PER UNIT² (US cents)

2012	5.43
2013	3.30
2014	(1.88)
2015	(15.03)
2016	(20.47)



CHARTER REVENUE



¹ Adjusted EBITDA: Earnings before interest, tax, depreciation and amortisation, adjusted for non-recurring expenses.

2012: Includes vessel impairment of US\$4.5 million and goodwill impairment of US\$2.1 million.

2013: Includes vessel impairment of US\$2.4 million and goodwill impairment of US\$18.4 million.

2014: Includes vessel impairment of US\$44.4 million and goodwill impairment of US\$18.6 million.

2015: Includes vessel impairment of US\$143.1 million and goodwill impairment of US\$4.9 million.

2016: Includes vessel impairment of US\$168.7 million.

² 2012: Based on weighted average number of units of 508,410,000 (restated).

2013: Based on weighted average number of units of 711,401,538.

2014: Based on weighted average number of units of 847,350,000.

2015: Based on weighted average number of units of 860,042,095.

2016: Based on weighted average number of units of 879,622,717.

5-YEAR FINANCIAL SUMMARY

Achieved significant costs savings on all fronts, except restructuring-related costs, in 2016

VESSEL OPERATING EXPENSES ↓ 16% y-o-y to US\$8.4 million in 4Q2016	TRUSTEE-MANAGER FEE ↓ 10% y-o-y to US\$2.7 million in 2016	FINANCE EXPENSES ↓ 25% y-o-y to US\$14.0 million in 2016
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	2016 US\$'000	2015 US\$'000	2014 US\$'000	2013 US\$'000	2012 US\$'000
INCOME STATEMENT					
Revenue	69,211	108,547	130,325	143,490	144,294
Other income	1,172	5,233	7,060	6,393	6,807
Gain on settlement of convertible loan	–	–	11,361	–	–
Other gains/(losses) – net	2,362	1,382	3,315	259	(62)
Loss on disposal of a vessel	(507)	–	–	–	–
Depreciation	(26,932)	(35,160)	(36,761)	(37,544)	(37,661)
Impairment of vessel and goodwill	(168,678)	(148,031)	(63,000)	(20,757)	(6,591)
Amortisation of favourable charter contracts	–	–	(84)	(520)	(512)
Vessel operating expenses	(38,347)	(38,911)	(37,784)	(36,083)	(35,412)
Trustee-Manager fee	(2,657)	(2,947)	(3,096)	(3,145)	(3,070)
Other trust expenses	(1,739)	(813)	(624)	(620)	(619)
Transaction fees	–	–	(27)	(503)	–
Finance expenses	(13,976)	(18,527)	(26,645)	(27,490)	(39,555)
(Loss)/Profit before income tax	(180,091)	(129,227)	(15,960)	23,480	27,619
Income tax credit/(expense)	–	–	–	–	4
Net (loss)/profit after income tax	(180,091)	(129,227)	(15,960)	23,480	27,623
Net profit margin (%)	(260)	(119)	(12)	16	19
FINANCIAL POSITION					
Assets					
Cash and cash equivalents	22,383	45,064	60,008	61,565	57,168
Vessels	499,642	706,011	882,572	960,392	997,178
Other current and non-current assets	9,837	4,005	8,483	26,725	45,651
Total assets	531,862	755,080	951,063	1,048,682	1,099,997
Liabilities					
Secured bank loans	270,795	313,383	363,571	442,590	568,402
Medium-term notes	72,404	71,350	75,212	–	–
Derivative financial instruments	–	–	5,112	16,904	34,896
Convertible loan	–	–	–	50,522	49,595
Other current and non-current liabilities	5,190	6,783	9,029	16,093	23,752
Total liabilities	348,389	391,516	452,924	526,109	676,645
Total unitholders' funds	183,473	363,564	498,139	522,573	423,352
FINANCIAL INDICATORS					
Net asset value per unit (US\$)	0.21	0.41	0.59	0.62	1.00
Gearing ratio ¹ (%)	65	51	47	49	59
UNIT PRICE PERFORMANCE²					
Closing price (S\$)	0.026 ³	0.10	0.28	0.29	0.30
High (S\$)	0.117	0.30	0.31	0.33	0.32
Low (S\$)	0.023	0.10	0.28	0.27	0.25
Trading volume (million units)	586.75	209.07	237.50	227.24	62.20
No. of units outstanding at year-end (million)	879.62	879.62	847.35	847.35	423.68
Market capitalisation at year-end (S\$ million)	22.87	86.20	237.26	241.49	148.29

¹ Gearing ratio = $\frac{\text{(bank loans + convertible loan + medium-term notes)}}{\text{(total unitholders' funds + bank loans + convertible loan + medium-term notes)}}$

² 2012-2013 unit price performance adjusted for the 1-for-1 rights issue in 2013.

³ Trading of units suspended since 15 November 2016

LETTER TO UNITHOLDERS

AMID THE CHALLENGING OPERATING ENVIRONMENT, WE ADOPTED COST-CUTTING MEASURES ON VARIOUS FRONTS TO CONSERVE THE TRUST'S DEPLETING CASH BALANCE. WE HAVE ACHIEVED SIGNIFICANT COSTS SAVINGS ON ALL FRONTS, EXCEPT FOR THOSE RELATED TO THE ONGOING DEBT RESTRUCTURING.



Left:

BERTRAM R. C. RICKMERS

Chairman

Right:

SOEREN ANDERSEN

Chief Executive Officer





DEAR UNITHOLDERS,

The container shipping market remains under significant pressure. The collapse of Hanjin Shipping, the eighth largest container shipping line at the time, demonstrates the highly challenging landscape that we are operating in.

The container trade growth of 3.5% in 2016, while exceeding capacity growth of 1.2%, was inadequate to mitigate surplus capacity built-up over the years. Despite record-high scrapping activities in 2016, idle capacity remains high, keeping charter rates at historically low levels.

As a majority of Rickmers Maritime's vessels were exposed to the subdued charter market, the Trust's financial performance was inevitably affected even though we achieved a respectable fleet utilisation rate of 89.2% in 2016 for our operational vessels.

Revenue dropped 36% to US\$69.2 million in 2016 on reduced charter rates secured and the loss of revenue from five decommissioned

vessels. The Trust posted a higher net loss of US\$180.1 million for 2016, compared to a net loss of US\$129.2 million in 2015, due mainly to reduced revenue and non-cash vessel impairments of US\$168.7 million recognised during the year.

Critically, Rickmers Maritime's cash position has weakened, preventing the Trust from meeting its debt obligations to its secured and unsecured lenders. These have cast significant uncertainty on the ability of the Trust to continue on a going-concern basis, and consequently, we have suspended trading of the notes and units in November 2016.

AGGRESSIVE COST-CUTTING AND CASH-CONSERVING MEASURES

Amid the challenging operating environment, we adopted cost-cutting measures on various fronts to conserve the Trust's depleting cash balance. We have achieved significant costs savings on all fronts, except for those related to the ongoing debt restructuring.

LETTER TO UNITHOLDERS

OUR IMMEDIATE FOCUS IS TO SEEK A SUSTAINABLE RESTRUCTURING OF OUR DEBTS. IT IS CRUCIAL THAT WE SECURE A RESTRUCTURING PLAN AT THE EARLIEST AS OUR EFFORTS TO SECURE EMPLOYMENT FOR THE TRUST'S VESSELS IN THE SPOT MARKET ARE HAMPERED BY THE PUBLIC ATTENTION ON THE NEED FOR THE TRUST'S DEBTS TO BE RESTRUCTURED.

We decommissioned five of the Trust's unemployed vessels in 3Q2016 which aggressively reduced costs as current spot rates are insufficient to cover operating expenditures. By decommissioning vessels and putting them into cold lay-up, costs are kept at the bare minimum and near-term capital expenditures such as dry-docking costs can be deferred. This move compliments several of our cost-cutting efforts, including agreements made with our ship manager, Rickmers Shipmanagement (Singapore) Pte. Ltd., to streamline vessel operating costs and management fees. The financial impact of the cost-cutting measures largely kicked-in in 4Q2016 where we achieved a 16% reduction in vessel operating expenses year-on-year to US\$8.4 million.

Trustee-Manager fee reduced significantly by 10% to US\$2.7 million and finance expenses reduced by 25% to \$14.0 million in 2016. The suspension of distributions from 3Q2015 has also helped to conserve cash of over US\$20 million per annum based on historical distribution of 0.6 US cents per unit per quarter.

CONTINUED FOCUS ON DEBT RESTRUCTURING

Rickmers Maritime continues to face difficulties in meeting its principal repayment obligations, which include the US\$197.7 million repayable to the HSH syndicate on 31 March 2017 and the S\$100 million 8.45% medium-term notes ("Notes") due on 15 May 2017.

While we received a firm offer from the HSH syndicate for a new amortising term loan facility of up to US\$260.2 million in September 2016 which would have extended a large part of the Trust's debt maturities to 2021, it was contingent on a successful restructuring of the Notes. Unfortunately, our proposal to the noteholders was voted down

at the noteholders meeting in December 2016. We were disappointed by the outcome as it was a proposal that we could best offer within our means, considering the Trust's significant cash constraints, ranking of senior security interests, approval of unitholders on the significant dilution of their interests, and after taking noteholders' feedback from several informal meetings.

Over the past three months, we remained in intense negotiations with our secured lenders to seek a sustainable solution which aims to right-size the Trust's debts, reduce amortisations, and extend existing loan maturities.

Amid ongoing negotiations, we sold two vessels, India Rickmers and Kaethe C. Rickmers, in December 2016 and February 2017 respectively. India Rickmers was sold as part of a debt settlement arrangement with Commerzbank AG while Kaethe C. Rickmers was sold for partial repayment to the HSH syndicate, and more critically, to fund operating cost of the remaining nine vessels secured to the syndicate. The HSH syndicate has granted deferments of principal repayments and interest payments on their loan facilities amounting to US\$20.5 million, but these deferrals are short-term in nature. The Trust has also made prepayments of US\$10.4 million to the BNP syndicate with cash that was not available to the Trust for other purposes.

STRATEGISING FOR RECOVERY

Our immediate focus is to seek a sustainable restructuring of our debts. It is crucial that we secure a restructuring plan at the earliest as our efforts to secure employment for the Trust's vessels in the spot market are hampered by the public attention on the need for the Trust's debts to be restructured.



We may also have to resort to selling more vessels for working capital should our cash position remain critical.

The Trust has 14 vessels in its fleet after the sale of two vessels in the last four months. We have secured future revenue of US\$85.7 million between 31 December 2016 and the expiry of the last charter contract in 2019, mainly from the five vessels which are on long-term charters to Mitsui O.S.K. Lines Ltd, generating US\$26,850 per day per vessel.

While the industry is currently going through the most severe downturn ever, charter markets are now showing signs of a careful recovery and we want to be able to execute our growth strategies when the time comes. We are exploring various cash-generating and value-enhancing options, such as the conversion of vessels for other purposes and the acquisition of low-cost vessels, and plan to pursue these when opportunities arise.

ACKNOWLEDGEMENTS

Through these challenging times, we are especially thankful for the patience demonstrated by Rickmers Maritime's unitholders, noteholders, and senior lenders. We are also grateful for the continued support of the Trust's charterers and business partners.

In addition, we would like to extend our appreciation to our directors, management, and employees of the trustee-manager for working tirelessly in this difficult period. We would also like to thank Rickmers Shipmanagement (Singapore) Pte. Ltd.,

and the crew on board the vessels, for their commitment to ensure the continued competitiveness of the fleet.

We remain committed to creating a viable future for Rickmers Maritime and delivering long-term value to stakeholders. We hope to achieve a future-proof debt restructuring as soon as possible, and be able to refocus our energies on pursuing growth when the market recovers.

A handwritten signature in black ink, appearing to read 'Bertram R. C. Rickmers'.

BERTRAM R. C. RICKMERS
Chairman

A handwritten signature in black ink, appearing to read 'Søren Andersen'.

SOEREN ANDERSEN
Chief Executive Officer

BOARD OF DIRECTORS & EXECUTIVE OFFICERS

MR BERTRAM R. C. RICKMERS

Chairman and Non-Executive Director
Member, Nominating and Remuneration Committee



Mr Bertram R. C. Rickmers was appointed a member of the Board of Directors in February 2007. He is the Chairman of the Supervisory Board of Rickmers Holding AG and its sole shareholder. He is also on the advisory boards of Hellmann Worldwide Logistics GmbH & Co. KG and the chemical group Mankiewicz Gebr. & Co.

Mr Rickmers started his career as a sales manager responsible for the planning of projects at the family-owned Rickmers Shipyard in Bremerhaven.

In 1982, Mr Rickmers founded MCC Marine Consulting & Contracting GmbH in Hamburg, which specialises in shipbroking and in 1984, he established Rickmers Reederei in Hamburg, which is one of the world's leading container shipping companies today.

Mr Rickmers has a degree in economics from the University of Freiburg.

DR IGNACE ADOLF JULIEN VAN MEENEN

Non-Executive Director



Dr Ignace Van Meenen was appointed a member of the Board of Directors in November 2011. He joined Rickmers Group as Chief Financial Officer in September 2011 and was appointed Chief Executive Officer of Rickmers Group in May 2014.

Dr Van Meenen began his professional career in the investment division of Deutsche Bank AG in Germany and USA. Thereafter, he held leading management positions including Director of Finance at the mining & chemical group, RAG AG (now Evonik Industries) and Chief Financial Officer at the international media company, RTL Group S.A. and real estate firm, DIC Group.

Dr Van Meenen read law at Ghent University and University of Osnabrück and currently resides in Germany.

MR LIM HOW TECK

Lead Independent Director
Chairperson, Audit Committee
Member, Nominating and Remuneration Committee



Mr Lim How Teck was appointed a member of the Board of Directors in February 2007. He is a shipping veteran with more than 25 years of experience in the industry.

Mr Lim is currently the Chairman and Director of NauticAWT Limited, Heliconia Capital Management Pte. Ltd., Swissco Holdings Limited and ARA-CWT Trust Management (Cache) Limited. He is also a Director on the boards of several public-listed companies, including ARA Asset Management Limited. Mr Lim is also a Member of the Appeals Committee of Singapore Exchange.

Mr Lim holds a Bachelor of Accountancy Degree from the then University of Singapore and is a Fellow of the certified public/management accountancy bodies in Singapore, Australia and UK. He is also a Fellow of the Singapore Institute of Directors and an Associate of the Institute of Business Administration of Australia.

Mr Lim graduated from the Harvard Graduate School of Business Corporate Financial Management Course and Advanced Management Programme in 1983 and 1989 respectively. Mr Lim was awarded the Public Service Medal, PBM (Pingat Bakti Masyarakat) National Day Award in 1999 and the Public Service Star, BBM (Bintang Bakti Masyarakat) National Day Award in 2014.

MRS LEE SUET FERN

Independent Director

Chairperson, Nominating and Remuneration Committee

Member, Audit Committee



Mrs Lee Suet Fern was appointed a member of the Board of Directors in February 2007. She is the Chairman & Managing Partner of Morgan Lewis Stamford LLC. Her practice focuses on mergers and acquisitions, equity and debt capital markets and corporate finance.

Mrs Lee has been involved in many significant corporate transactions in Singapore and the region, and has been named a leading practitioner in numerous global professional publications. She has served as a member of the Board of Directors of various publicly listed companies in Singapore and the region. She currently serves as Director on the boards of global Fortune 100 companies, AXA and Sanofi.

She is a member of the Executive Committee of the Singapore Academy of Law where she also chairs the Committee on Legal Education and Studies and Convergence of Transnational Commercial Laws Conference Steering Committee, a member of the Advisory Board to the Law School at Singapore Management University where she also chairs the Expert Panel of Centre of Cross-Border Commercial Law in Asia and a trustee for Nanyang Technological University.

Mrs Lee graduated from Cambridge University in 1980 with a double first in law and is a barrister-at-law at Gray's Inn, London and an advocate and solicitor of the Supreme Court of Singapore.

MR RAYMUNDO A. YU JR.

Independent Director

Member, Audit Committee

Member, Nominating and Remuneration Committee



Mr Raymundo A. Yu Jr. was appointed a member of the Board of Directors in May 2009. In October 2010, he was appointed Chairman, Asia Pacific, of Columbia Threadneedle Investments, a member of the Ameriprise Financial Group. As Chairman, Mr Yu spearheads the businesses of Columbia Threadneedle Investments and Ameriprise in Asia.

Mr Yu spent 30 years in wealth management, global markets and investment banking with Merrill Lynch International where he held the position of Chairman of the Merrill Lynch Group, Asia Pacific from 2000 to 2008. During his tenure at Merrill Lynch, Mr Yu built and managed significant financial services franchises across the Asia Pacific region. He was credited for driving the growth of the bank's Global Private Client business across Europe, Middle East, Africa and Asia Pacific regions and was instrumental in the expansion of the entire Merrill Lynch Group in Asia. Mr Yu was dubbed the "Star of Asia" by Business Week Magazine in July 2005, and at the time of his retirement in 2008, he was the only Asian to be a Chairman in a US investment bank in Asia Pacific.

Mr Yu is a member of the Board of Fellows of the Thunderbird School of Global Management in Arizona, USA, and is active in various charity organisations in the Philippines and Singapore. He is the Founding Chairman of ABLE, a charity aligned to the physically challenged community in Singapore. Mr Yu is a member of AustralianSuper's Asian Advisory Committee and Bank Julius Baer & Co's Global Advisory Committee.

Mr Yu holds a Bachelor of Science degree in Business Administration from Ateneo de Davao University in the Philippines and a Masters in Business Administration in International Management from Thunderbird School of Global Management.

BOARD OF DIRECTORS & EXECUTIVE OFFICERS

MR SOEREN ANDERSEN

Chief Executive Officer



Mr Soeren Andersen is the Chief Executive Officer of the Trustee-Manager. He was appointed in June 2015, and has over 20 years of experience as an international shipping executive in the shipping and offshore industry.

Prior to joining the Trustee-Manager, he was Vice President of Global Network & Alliance at APL, which is one of the world's leading container shipping companies, headquartered in Singapore and part of the NOL Group. Mr Andersen was responsible for APL's co-operations and alliances with other container shipping operators, and was APL's senior representative in the G6 Alliance, which comprises Mitsui O.S.K. Lines, Orient Overseas Container Line, Hyundai Merchant Marine, Hapag-Lloyd, NYK Line and APL.

Before joining APL, Mr Andersen spent 15 years working for the Maersk Group. He started his career with AP Moller-Maersk in Denmark in 1997 after graduating with a Master of Science in Business Administration from Aarhus University. This marked the beginning of an illustrious career with the Maersk Group in various operational, marketing and strategic positions, including roles in which he had oversight of mergers and acquisitions.

Mr Andersen holds an Executive MBA from Columbia Business School and London Business School.

MR TOMAS NORTON DE MATOS

Chief Financial Officer



Mr Norton de Matos was appointed Chief Financial Officer of the Trustee-Manager on 18 April 2016.

Mr Norton de Matos has over 30 years of experience in corporate banking, project and development finance, credit management and investments, as well as financial advisory and management across multiple sectors. Prior to joining Rickmers Maritime, he was Managing Director of Norton Capital & Sons Pte. Ltd., where he led cross-border investment transactions and capital raising projects, in addition to managing personal investment funds with a maritime sector emphasis. Before setting up Norton Capital & Sons Pte. Ltd. in 2014, Mr Norton de Matos was Managing Director and Representative of Espirito Santo Financial Group S.A., where he was responsible for assessing the group's proposed investment operations in Singapore.

Mr Norton de Matos started his banking career with the Chase Manhattan Bank in New York, USA, specialising in credit operations, before moving to Tokyo, Japan in 1988 and, subsequently, to project finance roles in Hong Kong and Singapore, where he was responsible for marketing, financial advisory and debt arrangements for infrastructure and industrial projects in Asia-Pacific. Mr Norton de Matos has also held key positions in Standard Chartered Bank, Bank of Tokyo-Mitsubishi UFJ, Asian Development Bank, and Arco Capital Management in Asia.

Mr Norton de Matos graduated with a Bachelor of Science in Business Administration from Georgetown University in Washington, DC, USA.



CONTINUE TO DELIVER OPERATIONAL EXCELLENCE

WE ACHIEVED RESPECTABLE FLEET UTILISATION RATE OF 89.2% FOR OUR OPERATIONAL VESSELS IN 2016 DESPITE RICKMERS MARTIME'S HIGH EXPOSURE TO THE SUBDUED CHARTER MARKET. IN THIS MARKET, WE HAVE TO WORK DOUBLY HARD TO FUTURE-PROOF OUR VESSELS AND ENSURE THE CONTINUED COMPETITIVENESS OF OUR FLEET.

OPERATIONS & FINANCIAL REVIEW

OPERATIONS REVIEW

Rickmers Maritime's fleet of containerships achieved a respectable utilisation rate of 89.2% in 2016 amid continued headwinds in the container shipping market. It is lower compared to 99.2% in 2015 due to the Trust's increased exposure to the spot market.

The Trust has always leveraged on its strong reputation for operational excellence and its extensive network of contacts within the container shipping industry to secure employment for the vessels. However, the recent public attention on the Trust's restructuring efforts has proved to be a stumbling block to the Trust's ability to secure future employment for its vessels.

Out of 5,211 ownership days in 2016, the Trust's fleet incurred 560.7 unscheduled off-hire days, 541.7 of which were due to the idling, preparation and repositioning of spot vessels for new charters. The fleet experienced a significant increase in spot exposure when vessels are redelivered as their charters expire.

To aggressively reduce costs as spot charter rates are insufficient to cover operating expenses, the Trustee-Manager decommissioned five of the Trust's vessels into cold lay-up in 3Q2016. While the Trust

has to first assume a deactivation cost to decommission a vessel, daily maintenance costs for a vessel in cold lay-up is only about one-fifth of the daily running costs of a trading vessel. This allows Rickmers Maritime to put a cap on vessel operating expenses, minimise bunker cost which would otherwise be borne by owners when vessels idle, and defer capital expenditures such as dry-docking costs until the vessels are re-activated when the market improves.

It is a regulatory requirement for vessels to undergo dry-docking every five years so that maintenance of the vessels' machinery and underwater areas can be conducted. All of the Trust's vessels have completed their first scheduled dry-docking. In addition, 13 of the Trust's vessels are placed on an extended dry-docking programme that extends the interval between every dry-docking from five to 7.5 years. Three of these vessels have since completed their extended dry-dockings.

Rickmers Maritime continues to future-proof its vessels to maintain its competitiveness. During the year, all of the Trust's vessels were installed with Very Small Aperture Terminal satellite communication systems to improve communications between technical superintendents onshore and sea-based moving crew. The vessels were

FLEET EMPLOYMENT PROFILE

4 VESSELS DECOMMISSIONED

- Significantly reduce vessel operating expenses and management fees
- Allows the Trust to delay dry-docks until market recovers

5 VESSELS TRADING IN THE SPOT MARKET

- Secure shorter and more flexible charters in order to fix them for longer periods when the market improves

5 VESSELS WITH LONG-TERM CHARTERS

- Long-term charters to Feb 2019:

Vessel	Charter Rate	2017	2018	2019
MOL Dominance	US\$26,850			
MOL Dedication	US\$26,850			
MOL Delight	US\$26,850			
MOL Destiny	US\$26,850			
MOL Devotion	US\$26,850			

Minimum Time Charter Period
 Expiration Period



also installed with Electronic Chart Display and Information Systems to enhance navigational safety.

As part of the Trust's ongoing debt restructuring, the Trustee-Manager sold one of the Trust's 4,250 TEU vessels, India Rickmers, in December 2016 for scrap as part of a debt settlement agreement with Commerzbank AG. As a result of the sale, the Trust ended the financial year with a fleet of 15 vessels averaging 9.4 years of age as at 31 December 2016.

FINANCIAL REVIEW

Charter revenue for 2016 was US\$69.2 million, a 36% decline from US\$108.5 million in 2015. The reduction was due largely to lower charter rates secured and the loss of revenue from the five vessels decommissioned in 3Q2016 amid the persistent depressed charter market.

While vessel operating expenses have decreased only by 1% year-on-year ("y-o-y") to US\$38.3 million in full year 2016, they were substantially reduced by 16% y-o-y to US\$8.4 million in 4Q2016 as the Trust realised significant cost-savings from the decommissioning of five vessels in 3Q2016.

The Trustee-Manager achieved reduction in all cost items except restructuring-related costs in 2016. Trustee-Manager fee reduced by 10% y-o-y to US\$2.7 million

in 2016 as a result of lower revenue, and finance expenses decreased 25% y-o-y to US\$14.0 million in 2016 due to lower interest on bank loans and the expiry of interest rate swaps in June 2015. However, other trust expenses increased significantly by 114% y-o-y to US\$1.7 million as a result of higher professional fees incurred amid the ongoing debt restructuring.

The Trust recognised US\$168.7 million of non-cash impairment charges on its vessels in 2016 to reflect lower expectations of charter rates of its spot vessels in this difficult market condition as well as to recognise the sale of two vessels at prices far below book values. This follows total impairment charges of US\$148.0 million taken in 2015. The Trust reported a net loss of US\$180.1 million in 2016 against a net loss of US\$129.2 million in 2015.

As a result of reduced cash receipts from customers, the Trust reported lower cash flow generated from operating activities of US\$26.4 million in 2016, down from US\$66.6 million in 2015. The Trust ended the financial year with a cash balance of US\$22.4 million as at 31 December 2016, down from US\$45.1 million as at 31 December 2015.

The Trust's liquidity is managed primarily within three distinct cash-silos, pledged to three syndicates of lenders, namely the

OPERATIONS & FINANCIAL REVIEW

HSH syndicate, BNP syndicate, and Commerzbank AG. Most of the Trust's cash are held in the cash-silo pledged to the BNP syndicate, where five of the Trust's most profitable vessels and their cash flows are secured. To fulfil certain waiver conditions while refinancing discussions are ongoing, the BNP syndicate has ring-fenced its cash-silo on 25 May 2016, reducing the flexibility on the Trust's use of available cash.

The Trust has also made prepayments of US\$15 million on 29 June 2016, US\$3.6 million on 23 August 2016, and a combined US\$10.4 million on 28 February 2017 and 6 March 2017 to the BNP syndicate. The prepayments helped to deleverage the Trust and reduce interest costs, and more importantly, to preserve the reservation of rights arrangement between the Trust and the BNP syndicate. The prepayments were made from the cash-silo secured to the BNP syndicate which is not available to the Trust for other purposes.

The Trust continues to face uncertainty in meeting its principal repayment obligations, which include the US\$197.7 million repayable to the HSH syndicate on 31 March 2017 and the S\$100 million 8.45% medium-term notes (the "Notes") due on 15 May 2017. The Trust is also in default of an interest payment of S\$4.3 million (US\$2.9 million) in relation to the Notes, and is in breach of certain covenants relating to its loans and the Notes.

Refinancing Discussions

In its announcements dated 25 May 2016, 29 June 2016, 5 August 2016 and 23 August 2016, the Trustee-Manager reported that it was engaging its senior lenders in relation to a comprehensive refinancing plan by way of a unified credit facility as part of the Trust's debt restructuring efforts.

On 7 September 2016, the Trust achieved significant progress in the refinancing plan and received a firm offer from the senior lenders of the HSH syndicate in relation to a restructured secured amortising term loan



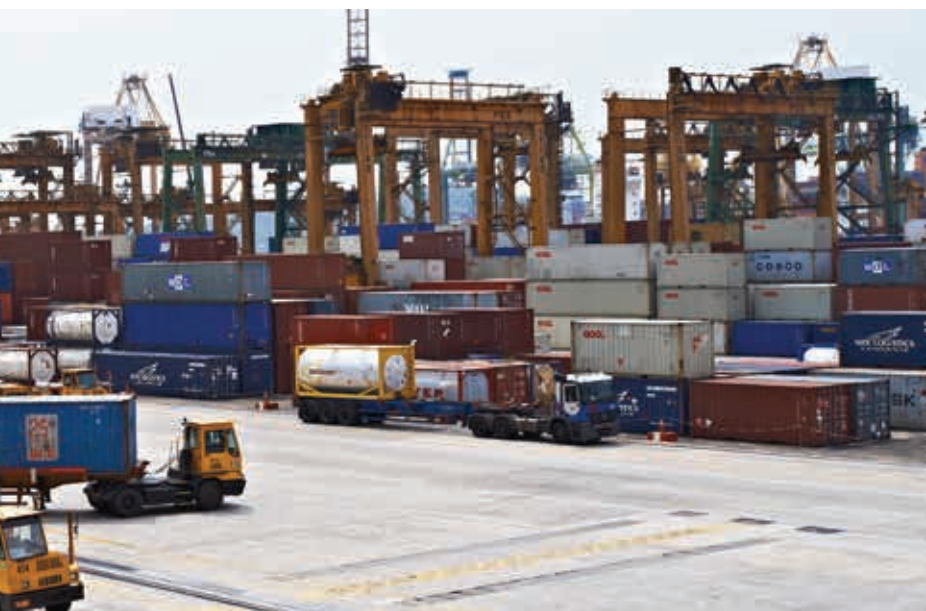
facility of an amount up to US\$260.2 million (the "New Facility"), to refinance all of the Trust's present outstanding debt under the existing facilities granted by the lenders of the HSH and BNP syndicates.

However, the New Facility was conditional on, amongst others, a successful restructuring of the Notes, which was subsequently not achieved.

Consent Solicitation Exercise

On 18 October 2016, the Trustee-Manager launched a Consent Solicitation Exercise ("CSE") to seek noteholders' approval to redeem S\$60 million of the Notes with 1.32 billion new units, extend the maturity of the remaining S\$40 million to November 2023, and amend the interest payable on the Notes, amongst other requests for waivers and amendments to the Notes Trust Deed.

The proposed issuance of 1.32 billion new units, which represents 150% of the existing units in the Trust or 60% of the enlarged total number of units upon issuance, was approved at an extraordinary general meeting ("EGM") of the Trust's unitholders on 31 October



2016. At the same EGM, unitholders also approved the proposed winding up of Rickmers Maritime in the event of an unsuccessful restructuring.

On 21 December 2016, a meeting of noteholders was convened to obtain their consent to the proposed restructuring of the Notes. Unfortunately, the proposal was not approved by noteholders.

The Trustee-Manager remains in discussions with various noteholder groups in relation to alternative proposals to restructure the Notes in a manner that takes the interests of all stakeholders, including senior lenders and unitholders, into account.

Vessel Sales for Prepayments and Working Capital

Without fulfilling the necessary conditions to proceed with the New Facility, the Trustee-Manager sold a 5,060 TEU vessel, Kaethe C. Rickmers, which was pledged to the HSH syndicate, for scrap in February 2017. Net proceeds from the sale were used for partial repayment as well as payment of operating

costs for the remaining secured vessels under the senior loan facilities extended by the syndicate to the Trust.

This follows the sale of India Rickmers in December 2016 as part of a debt settlement arrangement with Commerzbank AG, and net proceeds from the sale were applied towards the partial prepayment of a senior debt facility with the bank.

The Trust has 14 vessels in its fleet after the sale of the above two vessels.

MOVING FORWARD

2017 is likely to remain a challenging year for the container shipping industry and the Trust, although the industry is seeing a careful recovery in charter rates in the early part of the year. The Trustee-Manager's immediate focus is to secure a consensual restructuring plan with its senior lenders and noteholders at the earliest to eliminate the overhang and public attention surrounding the Trust's solvency which has hampered efforts to secure new employments for the Trust's vessels.

The Trustee-Manager remains in intense discussions with its senior lenders, in particular the HSH syndicate, to restructure the Trust's borrowings. Amongst other things, the restructuring aims to reduce amortisations and extend repayment dates beyond existing maturities. While the HSH syndicate has deferred principal repayments and interest payments in relation to their loan facility, these deferrals are short-term in nature and a long-term solution remains to be sought.

With its current fleet of 14 vessels, Rickmers Maritime has secured future revenue of US\$85.7 million between 31 December 2016 and the expiry of the last charter party contract in 2019, mainly from five of its vessels which are on long-term fixed-rate charters generating US\$26,850 per day per vessel. Out of the other nine vessels, four vessels are decommissioned

OPERATIONS & FINANCIAL REVIEW

in cold lay-up in Batu Pahat, Malaysia, and the remaining five vessels are trading in the spot market. Excluding the decommissioned vessels, the fleet has secured employment of 63.0% for 2017.

Due to the Trust's exposure to the spot market, the earnings and cash flows of the Group will reflect the future prevailing charter market conditions.

LOAN FACILITIES

Rickmers Maritime repaid a total of US\$45.6 million in bank loans in 2016, a reduction from total repayments of US\$50.5 million in 2015, despite several prepayments made to the BNP syndicate. The repayments in 2016 exclude principal and interest payments of US\$18 million and US\$2.5 million respectively to the HSH syndicate lenders due to short-term deferments granted by the syndicate to the Trust.

The Independent Auditor of Rickmers Maritime has included a disclaimer of opinion in the Independent Auditor's Report on page 47 on the basis that the Trust was unable to make principal and interest repayments totalling US\$20.5 million that were due on 30 June, 30 September and 30 December 2016 in relation to its secured bank loans as well as interest payment amounting to US\$2.9 million that was due on 15 November 2016 in relation to the Notes. Furthermore, the Trust had also

breached the covenants under the secured bank loans and the Notes.

The Trustee-Manager does not expect the Trust to have sufficient net cash inflows from its operations within the next 12 months to repay the bank loans and Notes due in 2017 and the Trustee-Manager has not reached an agreement with the secured and unsecured lenders and noteholders in relation to the restructuring of the Trust's borrowings. The conditions indicate the existence of material uncertainties that may cast significant doubt about the ability of the Trust to continue as a going concern.

As at 31 December 2016, the Trust has outstanding bank loans of US\$270.8 million. These loans bear interest at a floating rate of 3-month US\$ LIBOR plus a margin of 1.75% per annum, and mature between 2017 and 2021.

Loan Facility	Maturity	Amount (US\$'million) as at 31 Dec 2016	Amount (US\$'million) as at 31 Dec 2015	Security
IPO Facility (HSH syndicate)	2017	200.2	203.6	Secured against the 10 vessels ¹ in the IPO fleet
First Facility (BNP syndicate)	2018	60.5	92.3	Secured against the five MOL vessels
Second Facility (Commerzbank facility)	2021	10.1	17.5	Secured against the India Rickmers vessel ²
Total		270.8	313.4	

¹ One of the vessels, Kaethe C. Rickmers, was sold in February 2017

² Sold in December 2016

MARKET REVIEW



CHARTER MARKET REMAINED DEPRESSED IN 2016

In 2016, global container trade grew by 3.5%, up from a 2.2% growth in 2015, while container vessel capacity grew by 1.2%, moderated from the 8.1% growth recorded in 2015, according to Clarksons Research Services.

The year also saw record high scrapping of 192 container vessels with a combined capacity of 654,862 TEUs, a significant increase from 2015's level of 89 vessels scrapped with a combined capacity of 192,428 TEUs, according to Alphaliner.

However, despite lower capacity growth and increased demolition, the shipping market remains under significant pressure from excess capacity built up in recent years, exacerbated by the collapse of Hanjin Shipping in August 2016.

A stronger trade growth is imperative to support an improved market balance before the charter market can gain any significant traction in the longer term.

MOVING AHEAD

Container trade growth could improve to 4.3% in 2017, supported by stronger mainline volumes and Intra-Asian trades, subject to major risks and uncertainties in the world economy. The expected increase in commodity prices could also prop up North-South and non-mainline East-West trades.

According to Alphaliner, the strong pace of containership demolition is likely to continue in 2017. Already by early-February 2017, a combined capacity of 96,161 TEUs has been scrapped and it is estimated that total scrapping for the year could hit 750,000 TEUs.

While charter rates remain at historically low levels, and below operational breakeven costs, market fundamentals seem to be moving in the right direction, i.e. if demolition continues at the current pace, and capacity growth, which is estimated at 2.8% for 2017, remains moderated, the demand-supply imbalance could move closer towards equilibrium in 2017. Early signs of improvement in charter rates have been seen towards the end of 1Q2017.

MARKET REVIEW

THE FUTURE OF CLASSIC PANAMAX VESSELS

Owners of classic panamax vessels faced significant pressure since the expansion of the Panama Canal locks in 2016.

The average daily charter rate of 3,500 TEU vessels dropped from US\$6,000 in January 2016 to US\$5,150 in December 2016, while the average charter rate for 4,400 TEU vessels dropped from US\$5,950 to US\$4,150 in the same period.

Since the opening of the new locks in June 2016, the number of classic panamax vessels deployed on the Asia to US East Coast route via Panama declined from 150 vessels at the start of June 2016 to around 60 vessels at the start of 2017, according to Clarksons Research.

While the market was already challenged by overcapacity before the expansion, the increase in idling vessels after the canal expansion aggravated the situation. Unsurprisingly, many classic panamax vessels were demolished in the year. According to Clarksons Research, classic panamax vessels accounted for about 46% of total capacity sold for scrap in 2016.

The high scrapping activity has reduced the idle capacity of classic panamax vessels.

At its highest, 14.2% of the world's fleet of classic panamax vessels were idling in end-October 2016. With heightened scrapping, this number has since been reduced to 9.7% in end-January 2017. The newbuild delivery projection for the segment is also relatively low at 4.4% of total deliveries for 2017 in terms of capacity.

There remain ample opportunities in the classic panamax segment. Many of these vessels have found employment as feeder vessels to serve the influx of large containerships or redeployed to serve the increasingly fragmented Asian market as manufacturing shifts from China to lower cost countries in South Asia and Southeast Asia.

In January 2017, the average charter rate of a 3,500 TEU vessel increased slightly by 2.9% from US\$5,150 in December 2016 to US\$5,300 while the average charter rate of a 4,400 TEU vessel increased by 1.2% from US\$4,150 to US\$4,200 in the same period. In the later part of the first quarter, rates continued to rise to a level where a few panamax vessels were secured at about US\$7,000 per day for a short period charter.

If the demand-supply imbalance continues to move closer towards equilibrium, charter rates could continue to improve in 2017.



OUR FLEET



Vessel	Capacity (TEU)	Shipyard	Built	Initial Vessel Cost (US\$ million)	2016 Net Book Value (US\$ million)
Vicki Rickmers	4,250	Dalian, China	January 2007	72	33
Maja Rickmers	4,250	Dalian, China	March 2007	72	33
Laranna Rickmers	4,250	Dalian, China	October 2007	83	33
CMA CGM Azure	4,250	Dalian, China	July 2007	75	33
Sabine Rickmers	4,250	Dalian, China	December 2007	83	33
Erwin Rickmers	4,250	Dalian, China	December 2007	83	33
MOL Dominance	4,250	Dalian, China	June 2008	72	44
MOL Dedication	4,250	Dalian, China	September 2008	72	45
MOL Delight	4,250	Dalian, China	November 2008	72	47
MOL Destiny	4,250	Dalian, China	January 2009	72	44
MOL Devotion	4,250	Dalian, China	March 2009	72	49
Henry Rickmers	3,450	Hyundai, South Korea	February 2006	64	24
Richard Rickmers	3,450	Hyundai, South Korea	April 2006	64	24
Moni Rickmers	3,450	Hyundai, South Korea	January 2007	76	25
57,100				1,032	500

INVESTOR RELATIONS



RICKMERS MARITIME PLACES STRONG EMPHASIS ON TRANSPARENT AND TIMELY COMMUNICATIONS WITH ALL STAKEHOLDERS. THE TRUSTEE-MANAGER IS COMMITTED TO PROVIDING BALANCED INSIGHTS INTO THE FINANCIAL PERFORMANCE, STRATEGIC DIRECTION, AND KEY DEVELOPMENTS OF THE TRUST.

ADDRESSING RESTRUCTURING CONCERNS

The Trustee-Manager keeps noteholders and unitholders informed of the Trust's restructuring progress through regular updates via announcements, press releases, as well as quarterly earnings and results calls.

On 7 September 2016, the Trustee-Manager announced that it received a firm offer from the HSH syndicate for a US\$260.2 million new facility to refinance the Trust's outstanding debt under the HSH and BNP syndicates, which was conditional on, amongst others, a successful restructuring of the S\$100 million 8.45%

medium-term notes (the “Notes”). The Trustee-Manager launched a Consent Solicitation Exercise (“CSE”) on 18 October 2016 to seek noteholders’ approval to redeem S\$60 million of the Notes with 1.32 billion new units, and extend the maturity of the remaining S\$40 million to November 2023, amongst other waivers and amendments to the Notes Trust Deed.

While the CSE considered noteholders’ inputs from informal meetings held with noteholder groups and individuals, as well as the Trust’s cash constraints and senior loan obligations, it was met with protests by noteholders. The Trustee-Manager held several meetings with noteholders, in big and small groups, engaged the press as well as the Securities Investors Association (Singapore) (“SIAS”), and sent regular letters to noteholders to address their concerns and seek their agreement with the proposal. Despite these efforts, the CSE was voted down by noteholders in December 2016.

As the proposed issuance of 1.32 billion new units represents a massive dilution to unitholders’ interests i.e. 150% of the existing units in the Trust, it required unitholders’ approval at an extraordinary general meeting (“EGM”). Unitholders were supportive of the dilution, and the resolution was passed at an EGM on 31 October 2016. At the same EGM, unitholders also approved the proposed winding up of Rickmers Maritime in the event of an unsuccessful restructuring. The Trustee-Manager assured unitholders that the proposed winding up of the Trust is a last resort, and it is doing its best to avoid it.

The restructuring discussions are ongoing and the Trustee-Manager continues to work with its secured and unsecured lenders to come up with a viable solution for all stakeholders. Any major developments will be publicly announced by the Trust in a timely manner.

ACTIVE ENGAGEMENTS WITH STAKEHOLDERS

The Trustee-Manager actively engages its investors through one-on-one meetings, conference calls, and participation in conferences in Singapore and overseas.

On a quarterly basis, the Trustee-Manager invites unitholders, analysts, fund managers, and the media, via an announcement on SGXNET, to participate in results conference calls, which include a question and answer session. Interested parties who missed the conference call can access audio recordings of the calls on the Trust’s website at www.rickmers-maritime.com.

The Trustee-Manager produces and distributes quarterly newsletters to unitholders. The newsletters provide updates on Rickmers Maritime, and serve as a platform to keep unitholders informed of developments relating to container shipping. The newsletters are also available on Rickmers Maritime’s website.

The Trustee-Manager maintains an active online presence through its website, providing up-to-date developments and announcements made by the Trust.

Unitholders, noteholders, and investors can reach out to the IR team at ir@rickmers-maritime.com if they have any question or feedback. The IR team is committed to responding to such e-mails within three working days.

CALENDAR OF EVENTS

1Q2016

19 Feb 2016

- FY2015 financial results and earnings call
- Emphasis of Matter by Independent Auditor on FY2015 results

2Q2016

18 Apr 2016

- Appointment of new CFO, Mr Tomas Norton de Matos

20 Apr 2016

- CEO, Mr Soeren Andersen, participated as a speaker and panelist on China's slowdown and the impact on container shipping at TOC Asia 2016

30 Apr 2016

- Annual General Meeting
- 1Q2016 financial results and earnings call

25 May 2016

- Agreed to provide a fixed charge over the earnings accounts for proceeds from the charterparties in favour of the BNP syndicate

29 Jun 2016

- Made US\$15 million prepayment to the BNP syndicate to fulfil certain waiver conditions under the existing facility agreement

3Q2016

5 Aug 2016

- 2Q2016 financial results and earnings call

23 Aug 2016

- Made US\$3.6 million prepayment to the BNP syndicate as part of the fulfilment of certain waiver conditions under the existing facility agreement

5 Sep 2016

- CEO, Mr Soeren Andersen, participated in a panel discussion on container shipping market outlook at the Global Liner Shipping Asia

7 Sep 2016

- Announced US\$260.2 million new facility to refinance outstanding loans under the BNP and HSH syndicates, and initial plan to exchange Notes for S\$28 million Perpetual Convertible Securities valued at about S\$40 million

15 Sep 2016

- Informal noteholders meeting: Attended by about 60 noteholders

22 Sep 2016

- Announced improved Notes restructuring plan following noteholders' feedback: To redeem S\$60 million of the Notes with 1.32 billion new units, and extend the maturity of the remaining S\$40 million to November 2023
- Announced the proposed issuance of 1.32 billion new units and proposed winding up of the Trust in the event of an unsuccessful restructuring

4Q2016

17 Oct 2016

- Sale of Rickmers Trust Management Pte. Ltd., the Trustee-Manager of Rickmers Maritime, to Brick Holding International Invest GmbH; ultimate beneficial owner remains Mr. Bertram R.C. Rickmers. No change in Rickmers Holding AG's indirect unitholding interest of 34.2% in the Trust.

18 Oct 2016

- Launched CSE to redeem S\$60 million of the Notes with 1.32 billion new units, and extend the maturity of the remaining S\$40 million to November 2023, amongst other waivers and amendments to the Notes Trust Deed.

31 Oct 2016

- Proposed issuance of 1.32 billion new units and proposed winding up of the Trust in the event of an unsuccessful restructuring passed at EGM
- 3Q2016 financial results and earnings call

2 Nov 2016

- Informal noteholders meeting held in collaboration with SIAS

9 Nov 2016

- Non-quorate of noteholders meeting
- Announced regular dialogue sessions with smaller groups of noteholders to more effectively address every concern

15 Nov 2016

- Unable to pay interest payment of S\$4.3 million under the Notes and suspended trading of units and Notes

24 Nov 2016

- Notes trustee DB International Trust (Singapore) Limited notified the Trustee-Manager that the issuer has failed to make interest payment and such failure constitutes an Event of Default pursuant to Condition 9(a) of the Notes

9 Dec 2016

- Announced the sale of India Rickmers as part of a debt settlement arrangement with Commerzbank AG, Singapore Branch. Vessel sale completed on 23 Dec 2016

21 Dec 2016

- Noteholders rejected the proposed Notes restructuring at the adjourned noteholders' meeting



SUSTAINABILITY REPORT

APART FROM ITS EFFORTS TOWARDS FINANCIAL SUSTAINABILITY, THE TRUSTEE-MANAGER IS ALSO COMMITTED TO CONDUCTING THE TRUST'S OPERATIONS IN AN ECONOMICALLY, ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE MANNER. CONSEQUENTLY, THE TRUSTEE-MANAGER SEEKS TO ACHIEVE POSITIVE RESULTS FOR ITS BUSINESS AND STAKEHOLDERS, THE ENVIRONMENT, AND THE BROADER COMMUNITY.

CORPORATE SOCIAL RESPONSIBILITY

The Trustee-Manager is committed to securing a viable and sustainable solution to restructure the Trust's debts and eliminate the uncertainties surrounding its solvency. Apart from its efforts towards financial sustainability, the Trustee-Manager is also committed to conducting the Trust's operations in an economically, environmentally and socially responsible manner. Consequently, the Trustee-Manager seeks to achieve positive results for its business and stakeholders, the environment, and the broader community.

In this report, the Trustee-Manager expanded its disclosures to include various operational and sustainability key performance indicators ("KPIs"), such as off-hire days, Lost Time Injury Frequency ("LTIF") and Total Recordable Case Frequency ("TRCF").

FINANCIAL SUSTAINABILITY AND OPERATIONAL PERFORMANCE

The Trust is facing uncertainty in meeting its principal repayment obligations to its secured and unsecured lenders, including the US\$197.7 million repayable to the HSH syndicate on 31 March 2017 and the S\$100 million 8.45% medium-term notes due on 15 May 2017. The Trustee-Manager has implemented aggressive cost-cutting measures to reduce vessel operating and management costs, and has taken steps to restructure the Trust's debt. More details on efforts to streamline operating costs and restructure the Trust's debt can be found on pages 16 and 17 of this annual report.

In this challenging and competitive operating environment, the Trustee-Manager remains committed to ensuring operational excellence as the Trust has always leveraged on its strong reputation for operational superiority and its extensive network of contacts within the container shipping industry to secure employment for its vessels.

In 2016, Rickmers Maritime continues to future-proof its vessels to maintain its competitiveness. During the year, all of



the Trust's vessels were installed with Very Small Aperture Terminal satellite communication systems to improve communications between shore and sea.

The vessels are progressively being installed with Electronic Chart Display and Information Systems, in compliance with the International Convention for the Safety of Life at Sea requirements, as an alternative to paper charts to enhance navigational safety and ease crewmen's workload with automatic capabilities such as route planning and monitoring. This also resulted in increased accuracy and reliability in the reporting of latitude and longitude coordinates to port authorities, which is vital during times of emergencies.

The Trustee-Manager regularly monitors the KPIs of its vessels to ensure that off-hires are kept to a minimum. All technical and non-technical stoppages are evaluated and lessons learnt from preventable off-hires are discussed and shared amongst staff onshore and offshore across the Trust's vessels to prevent recurrence.

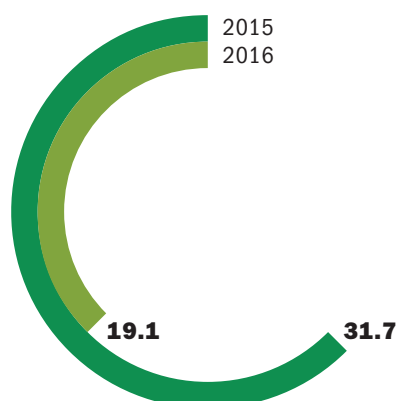
OFF-HIRE DUE TO STOPPAGES

Off-hire due to stoppages improved by 39.7% to 19.1 days in 2016. The reduction was due mainly to a significant reduction in non-technical stoppages from 16.9 days in 2015 to 0.6 days in 2016, as a result of better communications between onshore



and offshore staff in resolving non-technical delays and thereby providing a more seamless charter.

OFF-HIRE DUE TO STOPPAGES (days)



ENVIRONMENT

Rickmers Maritime is compliant with global environmental laws and strives to minimise the impact of its operations on the marine environment and the global climate in all aspects of its business. The Trust embarked on an extensive retrofit programme which involved equipping its vessels with energy-saving and low fuel consumption retrofits to improve the energy efficiency of the vessels.

Over the past few years, the majority of the Trust's vessels have been fitted with new main engine cylinder lubricator systems to

reduce lubricant oil consumption. Five of the Trust's actively traded vessels were also retrofitted with new bulbous bows to reduce fuel consumption and the amount of carbon emitted to the environment.

The Trust's vessels have been installed with advanced flow and torque meters to better monitor the results of its energy efficiency efforts with greater accuracy.

Rickmers Maritime's environmental efforts are ongoing and the Trustee-Manager remains steadfast in its commitment towards the environment.

HEALTH & SAFETY AND PEOPLE MATTERS

The Trustee-Manager regards the safety, health and welfare of all its staff and crew with paramount importance and enforces strict safety requirements onshore and offshore.

The Trust's fleet safety records have improved in 2016. LTIF rate has reduced by 87.2% to 2.9 incidents per million man hours while TRCF has reduced by 39.7% to 33.7 cases per million man hours, a testament to the Trust's commitment towards high safety standards. The significant reduction in personnel-related accidents is largely attributable to higher safety awareness amongst crew members through training and active participation in safety campaigns. The Trustee-Manager focuses on preventive measures, and constantly monitors safety indicators such as LTIF and TRCF to assess and evaluate the effectiveness of its safety practices.

Crew training and seminars on safety, environmental and technical matters are conducted regularly to facilitate knowledge sharing and interaction amongst ship managers and the crew on board. Leadership training for senior officers are also conducted to improve leadership and management skills on board. In 2016, vessel hardening training sessions were conducted for crew on board vessels trading in piracy high-risk areas to improve the crew's capability in counter-piracy.



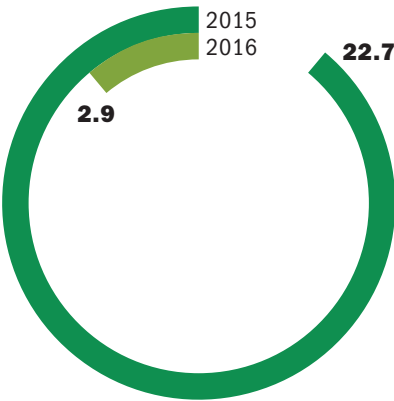
CORPORATE SOCIAL RESPONSIBILITY

Live emergency response drills involving hundreds of people from flag states, emergency response units and oil spill response teams are regularly conducted to simulate various disruptions, to enhance operational preparedness and minimise the risk of fatalities on board.

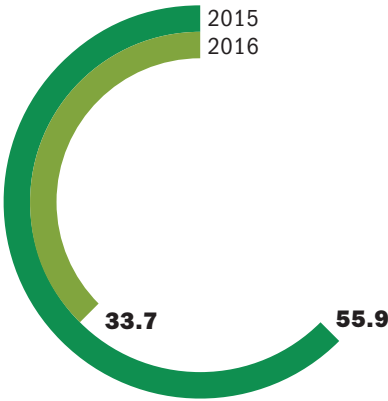
The installation of broadband satellite on the vessels were also completed during the year which enables the crew on board to make inexpensive voice calls back home and to keep abreast of developments on social media, amongst others.

The Trustee-Manager upholds and respects employees’ rights and whistle-blowing procedures are in place to address and manage employees’ concerns. As part of internal communications, regular town halls sessions are held to keep employees and colleagues across the Rickmers Group updated on the latest company developments, including developments relating to the current restructuring of the Trust.

LOST TIME INJURY FREQUENCY



TOTAL RECORDABLE CASE FREQUENCY



COMMUNITY

Seafaring is an integral part of the Trust’s business. The Trust makes annual donations of US\$5,000 to the Sailors’ Society, an international charity organisation that cares for the personal, professional, and spiritual needs of merchant mariners worldwide. This has gone a long way to help reach and care for crew members of all ranks, without distinction for faith, denomination, ethnic background or nationality.

CORPORATE GOVERNANCE

The board and management of Rickmers Trust Management believe that high standard of corporate governance is essential to ensure the sustainability of the Trust’s business, and to safeguard unitholders’ interests.

The Trustee-Manager has put in place a code of conduct that sets out clear policies and sound internal controls to ensure that the Trust’s business is conducted in an open and transparent manner. The Corporate Governance Report is set out on page 31 of this report.

CORPORATE GOVERNANCE REPORT

Rickmers Trust Management Pte. Ltd. (“Rickmers Trust Management”), as the Trustee-Manager of Rickmers Maritime (the “Trust”), has the dual responsibility of safeguarding the interests of unitholders of Rickmers Maritime and managing the business conducted by the Trust. Rickmers Maritime, constituted as a business trust, is externally managed by Rickmers Trust Management and accordingly, has no personnel of its own. The Trustee-Manager appoints experienced and well-qualified management to run its day-to-day operations. It is Rickmers Trust Management, and not Rickmers Maritime, that remunerates all directors and employees of the Trustee-Manager. Rickmers Trust Management is dedicated to maintaining the highest standards of corporate governance.

The Board of Directors of Rickmers Trust Management (the “Board”) sets out in this report, the corporate governance practices and policies in reference to Business Trusts Act, Chapter 31A (“BTA”), Business Trusts Regulations (“BTR”), the Code of Corporate Governance 2012 (the “Code”) and the Listing Manual of Singapore Exchange Securities Trading Limited (the “Listing Manual”). Where there are any deviations from the Code, appropriate explanations are provided.

BOARD’S CONDUCT OF AFFAIRS

The Board is responsible for corporate governance and the overall strategy of Rickmers Maritime. Its role includes providing entrepreneurial leadership, setting objectives and ensuring necessary resources are in place for meeting the objectives, reviewing business plans, monitoring key financial and non-financial performance indicators, approving annual budgets, acquisitions and disposals and sustainability issues. The Board ensures that the Trustee-Manager acts in the best interest of all unitholders of the Trust as a whole, including prioritising the interests of unitholders over the Trustee-Manager’s in the event of a conflict of interest. The Board has established a framework for the management of Rickmers Trust Management, including a system of internal controls and risk management process.

The Board meets at least once every quarter. Amongst other matters, the Board discusses and reviews the Trust’s key activities, strategic policies, budget, business and financial performance and approves the release of quarterly and full year results. Additional board meetings are held when necessary to address significant issues, including whether it has become impracticable or inadvisable to continue Rickmers Maritime in the opinion of the Trustee-Manager such that Rickmers Maritime should be wound up in accordance with the BTA and its Trust Deed. Where expedient, board meetings are held by way of teleconference, which is permitted by the constitution of Rickmers Trust Management.

Rickmers Trust Management has implemented an internal guide whereby certain key matters are specifically reserved for the Board’s approval, such as vessel acquisitions and divestments, chartering contracts of over 12 months, all commitments on loan facilities, credit lines and insurance coverage. Where authority is delegated to management, limits of authority and thresholds are clearly defined.

The Board is supported by the Audit Committee and the Nominating and Remuneration Committee to assist it in discharging its responsibilities. The directors’ attendance at board and committee meetings held in 2016 is as follows:

Director	Board Meetings		Audit Committee Meetings		Nominating and Remuneration Committee Meetings	
	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Mr Bertram R.C. Rickmers	8	8	–	–	1	1
Dr Ignace Adolf Julien Van Meenen	8	8	–	–	–	–
Mr Lim How Teck	8	8	4	4	1	1
Mrs Lee Suet Fern	8	7	4	2	1	1
Mr Raymundo A. Yu Jr.	8	7	4	3	1	1

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE

The composition of the Board is determined using the following principles:

- (i) The majority of Board members should be non-executive and independent directors;
- (ii) The Chairman of the Board should be a non-executive director;
- (iii) The Board should comprise directors with a broad range of commercial and management experience including expertise in the shipping industry; and
- (iv) At least a majority of the directors should be independent from management and business relationships with Rickmers Trust Management and from every substantial shareholder of Rickmers Trust Management.

Currently, the Board comprises five directors and the Board considers this number to be appropriate for the current scope of operations of Rickmers Maritime. The members of the Board as at the date of this report are:

Mr Bertram R.C. Rickmers (*Non-Executive Director; Chairman*)

Dr Ignace Adolf Julien Van Meenen (*Non-Executive Director*)

Mr Lim How Teck (*Independent Non-Executive Director*)

Mrs Lee Suet Fern (*Independent Non-Executive Director*)

Mr Raymundo A. Yu Jr. (*Independent Non-Executive Director*)

Mr Lim How Teck is the Lead Independent Director. He leads and co-ordinates the activities of the independent directors and calls meetings of the independent directors, where necessary. He is the principal liaison on board issues between the independent directors and the Chairman, including dealing with management of any actual or perceived conflict of interest that may arise.

All the Board members are non-executive directors. This enables management to benefit from their external, diverse and objective perspective on issues that are brought before the Board. It also enables the Board to interact and work with management through an open exchange of ideas and views to help shape the strategic process.

The profiles of the directors are stated on pages 12 and 13 of this Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman of the Board and the Chief Executive Officer (“CEO”) are separate and the positions are held by two separate persons. The Chairman and the CEO are not related to each other. Their responsibilities are clearly defined.

The Chairman of the Board, who is a non-executive director, is responsible for the leadership of the Board. The Chairman schedules board meetings, sets the agendas for board meetings and exercises control over the adequacy and timeliness of information flow between the Board and management to ensure the Board’s effectiveness. The Chairman also monitors communication between Rickmers Maritime and its unitholders and between the Board and management with a view of encouraging constructive relations and dialogue amongst them.

The CEO is responsible to the Board for the day-to-day operations of the Trust. He leads Rickmers Trust Management’s management team in the execution of strategic plans set by the Board.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP

With a majority of the Board comprising independent non-executive directors, there is an appropriate balance of independent directors.

The directors come from diverse backgrounds with a broad range of commercial experience and mix of expertise including expertise in the shipping industry. The Board's structure, size and composition is reviewed annually by the Nominating and Remuneration Committee ("NRC") to ensure that the Board has the appropriate size, mix of expertise and experience. The Trustee-Manager values diversity and comprises four male directors and one female director. Rickmers Trust Management has in place a formal and transparent process for the appointment of new directors. In reviewing and recommending the appointment of new directors, factors such as a director's professional qualifications, working experience and expertise are considered. Upon appointment, a new director would receive a formal letter of appointment setting out the directors' duties and obligations.

New directors are provided with a manual containing information on directors' duties and responsibilities and orientated and briefed by management to familiarise them with the business and operations of the Trust and the Trustee-Manager. Directors are also provided regular updates and briefings from time to time by professional advisers, auditors and management on new laws, rules, regulations, listing requirements, governance practices, changes in accounting standards and business and risk management issues applicable or relevant to the performance of their duties and responsibilities as directors.

The directors are expected to take responsibility to identify their own training needs and to take steps to ensure that they are adequately informed about Rickmers Maritime as well as their responsibilities as a director. Directors are encouraged to participate in seminars and training programmes in connection with their duties, funded by Rickmers Trust Management. The Board is confident that all its members have the knowledge, ability and experience to perform the functions required of a director of a listed company.

DIRECTORS' INDEPENDENCE

A director is considered to be independent pursuant to the provisions of the BTR if he/she is independent from management and business relationships with the Trustee-Manager and with any substantial shareholder of the Trustee-Manager.

The NRC conducts an annual review of directors' independence. The following directors are considered to be independent:

Mr Lim How Teck;
Mrs Lee Suet Fern; and
Mr Raymundo A. Yu Jr.

In the review of directors' independence, each director is required to complete an independence checklist of himself/herself. Additionally for directors who have served over nine years, a more rigorous independence review is performed. In the rigorous review, the Board would take account of the arm's length relationship between the directors and the management and the substantial shareholder of the Trustee-Manager and the demonstration of independent judgement and objectivity in the interests of all unitholders of Rickmers Maritime as a whole. The Board, with concurrence from NRC, reviews the checklists to arrive at recommendations on the independence of the directors. A concerned director would abstain from deliberating and determining his/her own independence.

CORPORATE GOVERNANCE REPORT

Mrs Lee Suet Fern is a partner of Morgan Lewis Stamford LLC which renders professional services to the Trustee-Manager and its related corporations for a fee from time to time. The NRC and the Board has reviewed this business relationship and is of the opinion that notwithstanding such a relationship, Mrs Lee, in the course of her services as a director of the Trustee-Manager, has exercised independent judgement in her deliberation in the interest of Rickmers Maritime. The Board also found that Mrs Lee observes the ethical standard of her profession. The Board is satisfied that such business relationship has not interfered with the discharge of her duties and responsibilities as an independent director of the Trustee-Manager.

The independent directors, Mr Lim How Teck and Mrs Lee Suet Fern, have served on the Board for more than nine years. In the review of these directors' independence, the Board is satisfied that despite serving for more than nine years, Mr Lim How Teck and Mrs Lee Suet Fern are independent from management and business relationships with the Trustee-Manager and with the substantial shareholder of the Trustee-Manager as contemplated by the BTR. They exercise objectivity in their individual judgement, debate on issues, scrutinize and challenge the management as well as participate actively in discussions to express their viewpoints.

The Board is satisfied that the independent directors are considered to be independent. The enhanced objectivity of the independent directors strengthens the corporate governance of Rickmers Trust Management. While having regard to the progressive renewal of the Board, the Board is of the view that continuity is valuable to Rickmers Maritime amid the current financial restructuring of the Trust.

BOARD PERFORMANCE

The NRC annually evaluates the performance of the Board and its committees and the contribution by each director to the effectiveness of the Board. The evaluation is done through an evaluation questionnaire and based on objective performance criteria that have been approved by the Board. The performance criteria covers various criteria that includes Board composition, Board structure and processes, access to information, internal controls, risk management, enhancement of values and standard of conduct of the Board and its committees. The completed evaluation questionnaire is collated, evaluated and the findings of the evaluation are discussed by the NRC with recommendation to the Board for any need for improvements to be made. The exercise is aimed at giving directors an opportunity to gauge their effectiveness individually and collectively. It also enables the NRC to identify areas of improvement and recommendations are made to the Board for consideration and future improvement to the Board's effectiveness.

Based on the review process during the year, the Board is satisfied with the effectiveness of the Board as a whole and its board committees.

ACCESS TO INFORMATION

The directors are provided with background and other relevant information to support decision-making. Directors are given unrestricted access to relevant information and Rickmers Trust Management's premises as well as separate and independent access to senior management. The directors, whether individually or as a group, are also entitled to seek independent professional advice at the Trustee-Manager's expense in the furtherance of their duties and in the event that circumstances warrant the same.

All directors have separate and independent access to the advice and services of the Company Secretary. The Company Secretary attends board and committee meetings and is responsible for ensuring that the procedures of the meetings are complied with. The appointment and removal of the company secretary is a matter for the Board as a whole.

CORPORATE GOVERNANCE REPORT

NOMINATING AND REMUNERATION COMMITTEE

The NRC comprises four directors of whom three (including the Chairperson of the NRC) are independent directors. The members are as follows:

Mrs Lee Suet Fern (*Chairperson*)
 Mr Bertram R.C. Rickmers
 Mr Lim How Teck
 Mr Raymundo A. Yu Jr.

The NRC has adopted specific terms of reference defining its scope and authority. Its duties with regard to nomination functions are:

- Reviewing and assessing nominations for appointment of new directors and re-appointment of existing directors before recommending to the Board;
- Performing annual evaluation of the Board's performance in reference to objective performance criteria;
- Reviewing board structure, size and composition, having regard to the scope and nature of the operations and the core competencies of the directors;
- Determining on an annual basis, the independence of independent directors; and
- Reviewing and recommending to the Board, training and professional development programs.

The NRC identifies and nominates candidates to fill Board vacancies for the approval of the Board, as and when they arise. In selecting prospective new directors, Board size and mix, required skills, experience and competencies necessary to enable the Board to fulfil its responsibilities will be considered. Prospective candidates are sourced through extensive network of contacts and new directors are reviewed by the NRC based on key attributes such as integrity, commitment, competencies and ability to carry out duties as a director. Recommendations are then made to the Board for approval. In recommending the re-appointment of directors, the NRC considers the attendance and participation of incumbent directors at Board and committee meetings. Each incumbent director would abstain from deliberation and voting in respect of their own nomination and assessment.

The NRC also recommends to the Board, internal guidelines to address the competing time commitments faced by directors who serve on multiple boards. As a guide, directors should not serve on more than nine principal boards. The NRC would continue to review from time to time the board representations and other principal commitments of each director as well as their contributions to the Trust to ensure that the directors continue to meet the demands of Rickmers Maritime and Rickmers Trust Management, and are able to discharge their duties and responsibilities adequately.

No alternate director has been appointed on the Board in 2016.

The principal remuneration functions of the NRC are:

- Reviewing and recommending to the Board the remuneration framework, including specific remuneration package and terms of employment etc. for the executive officers; and
- Reviewing and recommending long-term incentive schemes.

CORPORATE GOVERNANCE REPORT

There is currently no option scheme or other long-term incentive scheme for employees or directors. There are no employees who are immediate family members of a director or the CEO and whose remuneration exceeds S\$50,000 during the year.

All remuneration and compensation payable to the directors and executive officers of Rickmers Trust Management in respect of services rendered are at the expense of Rickmers Trust Management and not out of Rickmers Maritime. As such, Rickmers Trust Management considers it not necessary to provide disclosure of remuneration of the directors and executive officers.

The remuneration payable to Rickmers Trust Management is provided for under Clause 11 of the Trust Deed constituting Rickmers Maritime dated 30 March 2007. The fees paid to Rickmers Trust Management for financial year ended 31 December 2016 is disclosed on page 83 of the financial statements in this Annual Report.

ACCOUNTABILITY

The Board has overall responsibility to unitholders for ensuring that Rickmers Maritime is well managed and guided by its strategic objectives. In presenting the Trust's quarterly and annual financial statements, the Board aims to provide a balanced and understandable assessment of the Trust's performance, position and prospects.

To enable directors to fulfil this responsibility, the management provides the Board with financial statements and reports on Rickmers Maritime's performance and position on a quarterly basis. The management also provides the Board with monthly updates on operations, financials, and pertinent issues of the Trust. All directors have unrestricted access to the Trust's records and information and may request for further explanations, briefings and informal discussions on the Trust's operations or business issues, from the management.

AUDIT COMMITTEE

The Audit Committee ("AC") comprises three members, all of whom are independent directors. The members are as follows:

Mr Lim How Teck (*Chairperson*)
Mrs Lee Suet Fern
Mr Raymundo A. Yu Jr.

The Board is of the view that the members of the AC have sufficient financial management expertise and experience to discharge their responsibilities. None of the AC members were previous partners or directors of the Trust's external auditor, PricewaterhouseCoopers LLP, within the last twelve months or hold any financial interest in the external auditors.

The AC is authorised to investigate any matter it deems appropriate within its terms of reference. It is entitled to full access to, and co-operation of the management and has full discretion to invite any director or senior manager to attend its meetings. The AC has adequate resources to enable it to discharge its responsibilities properly. With the assistance of the auditors, the AC assesses changes in accounting standards and issues that have an impact on the financial statements.

The principal responsibilities of the AC include:

- (a) Reviewing financial results and statements before recommending them to the Board for approval;

CORPORATE GOVERNANCE REPORT

- (b) Reviewing external audit plans and the adequacy of external audits in respect of scope, costs and performance;
- (c) Reviewing results of the external audits and evaluating the adequacy of the systems of internal and accounting controls, risk management and compliance;
- (d) Reviewing external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate remedial action is taken by the management;
- (e) Reviewing the nature, extent and costs of non-audit services provided by the external auditors to Rickmers Maritime, so as to avoid an erosion of independence and objectivity of the external auditors;
- (f) Recommending to the Board the nomination of the external auditors and their fees;
- (g) Reviewing interested person transactions and monitoring the procedures established to regulate interested person transactions;
- (h) Reviewing procedures for managing potential conflict between the interest of the unitholders of Rickmers Maritime and the interest of the Trustee-Manager; and
- (i) Reviewing policies and practices put in place by Rickmers Trust Management to ensure compliance with applicable legislation, Listing Manual and BTA.

In performing its functions for the financial year ended 31 December 2016, the AC:

- (a) Held four (4) meetings in the financial year with the management and the external auditors;
- (b) Reviewed the audit plans of the external auditors of Rickmers Maritime, and their reports arising from the audit;
- (c) Reviewed the volume and nature of non-audit services provided by the external auditors and received the requisite information from the external auditors evidencing the latter's independence. Based on this information, the AC is satisfied that the financial, professional and business relationships between Rickmers Maritime and the external auditors will not prejudice the independence and objectivity of the external auditors;
- (d) Recommended the re-appointment of PricewaterhouseCoopers LLP as external auditors at the forthcoming Annual General Meeting of the Unitholders; and
- (e) Reviewed the volume and nature of interested person transactions.

The AC meets with the external auditors to consider the results of the external auditors' independent reviews, without the presence of management, as and when necessary.

AUDITORS

Rickmers Maritime has complied with Rules 712 and 715 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to its auditors.

CORPORATE GOVERNANCE REPORT

The following information relates to remuneration of the auditors of Rickmers Maritime, PricewaterhouseCoopers LLP ("PwC"), during the financial year:

	2016 US\$'000	2015 US\$'000
<u>Audit fees</u>		
Auditors' remuneration paid/payable to:		
– Auditors of Rickmers Maritime	215	231
<u>Non-audit fees</u>		
Other fees paid/payable to:		
– Auditors of Rickmers Maritime	308	7
– Other auditors*	45	55

* Includes the network of member firms of PricewaterhouseCoopers International Limited.

The non-audit fees arose primarily from restructuring advisory services provided in connection with the restructuring exercise of the medium-term notes carried out in 2016. None of the non-audit services were prohibited under the Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities.

The total non-audit fees paid or payable by the Trust to PwC Singapore are insignificant to PwC Singapore's overall revenue and PwC is not dependent on the fees generated from the Trust. The non-audit services fees are related to services led and rendered by partners and team members who are not involved in the audit of the Trust and its subsidiaries.

The AC has reviewed the nature and extent of all non-audit services provided by PwC to the Trust during the financial year and is of the view that the provision of these services did not affect the independence of the external auditors, PwC. The external auditors have also confirmed their independence in this respect.

INTERNAL CONTROLS

The Board is mindful of the importance of maintaining a sound system of internal controls to safeguard the interests of unitholders and the Trust's assets. The AC has reviewed the internal controls within its terms of reference and those drawn to their attention by the external auditors, during the course of their audit. Where applicable, management has implemented suggested improvements.

For the financial year ended 31 December 2016, the CEO and the Chief Financial Officer ("CFO") have provided assurance to the Board that the financial records of Rickmers Maritime have been properly maintained and the financial statements give a true and fair view of the operations and finances and that an effective risk management and internal control system has been put in place.

The Board believes that the existing system of internal controls provides reasonable, but not absolute assurance against material financial misstatements or losses. The Board recognises that in practice, no cost-effective internal control system can preclude and eradicate each and every error and irregularity arising from material errors, poor judgement in decision-making, human error, losses and fraud, given that all internal control systems contain inherent limitations. The Board notes that the objective of an internal control system should be to manage rather than to eliminate the risk of failure.

Based on the results of the external audit and information furnished by the management, the Board with the concurrence of the AC is of the view that the existing internal controls and risk management system are adequate and effective to address the financial, operational, compliance and information technology risks of the business.

CORPORATE GOVERNANCE REPORT

WHISTLE-BLOWING POLICY

Rickmers Trust Management has in place a whistle-blowing policy where employees and any other persons can approach the AC Chairperson and members of the AC, the CEO or the CFO to raise or report in confidence, genuine concerns about possible improprieties in matters concerning financial reporting, accounting or auditing matters, internal controls or accounting controls and practices that are not in accordance with generally accepted practices, and operational matters that are questionable or not in accordance with trade practices prescribed by the Trustee-Manager or Rickmers Maritime.

The aim of the policy is to provide avenues for employees and any other persons to report suspected malpractices in good faith and with confidence that they will be protected from reprisal actions.

COMMUNICATION WITH UNITHOLDERS

Rickmers Trust Management does not practise selective disclosures and releases its financial results and other material information to the unitholders in a timely manner in accordance with the requirements of the listing rules of the SGX-ST, via the SGXNET system. All announcements made on behalf of Rickmers Maritime are also available at www.rickmers-maritime.com.

Communication channels with unitholders include:

- Analyst and media briefings
- Announcements and disclosures on the SGX-ST
- Annual and quarterly reports
- General meetings of unitholders
- Investor meetings, conference calls, local and overseas roadshows and conferences
- Press releases on major developments of the Trust
- Quarterly newsletters
- Rickmers Maritime's website at www.rickmers-maritime.com

The date of the release of quarterly results is announced via the SGXNET onto the SGX-ST website at least one week in advance, together with an invitation to participate in the results teleconference. During the teleconference, unitholders and other stakeholders can pose questions to the management on the financial performance of the Trust and other related issues. A recording of the teleconference is also posted on Rickmers Maritime's website for the information of those who did not participate in the teleconference.

During the financial year, the management participated in various industry seminars and conferences as well as regular meetings with various stakeholders to allay investors' concerns and communicate the Trust's plans moving forward. The Trustee-Manager will continue to pursue such open communications with its stakeholders.

All unitholders of Rickmers Maritime will receive a copy of the Annual Report and Notice of Annual General Meeting. The Notice of Annual General Meeting is also advertised in the newspapers and made available on the SGX-ST's website. At the Annual General Meeting, unitholders will be given opportunities to voice their views and seek clarifications from the Chairman of the Board, the Chairpersons of the AC and NRC as well as the external auditors.

CORPORATE GOVERNANCE REPORT

In accordance with the Trust Deed of Rickmers Maritime, a unitholder of the Trust is entitled to appoint one or two proxies to attend and vote at any General Meeting of Unitholders on his behalf through proxy forms sent in advance. Voting in absentia by email, mail or fax is not implemented due to authentication and other security-related concerns.

As recommended by the Code, all resolutions at general meetings will be voted by poll. There would be separate resolutions at general meetings on each distinct issue. Detailed results of electronic polling, showing the number of votes cast for and against each resolution and the respective percentages will be announced after the meeting. Minutes of general meetings are available to unitholders upon request.

Due to the slowdown in charter market, the Trustee-Manager has suspended distributions from the third quarter of 2015 to conserve cash until charter conditions improve. The Board reviews the decision on distribution every quarter.

More information on investor relations can be found on pages 24 to 25 of this Annual Report.

DEALING IN UNITS

Rickmers Trust Management has adopted its own internal Code of Conduct to provide guidance to all officers of Rickmers Trust Management with regard to dealings in units of Rickmers Maritime in compliance with principles of Rule 1207(19) of the Listing Manual. As a general rule, Rickmers Trust Management and its officers are prohibited from dealing in the units of Rickmers Maritime on short-term considerations and during the period commencing one month before the public announcement of Trust's annual results and two weeks before the public announcement of its quarterly results, and ending upon the announcement of the relevant results.

Directors and executives are also expected to observe insider trading laws at all times even when dealing with units of Rickmers Maritime within the permitted trading period.

The units of Rickmers Maritime has been suspended on SGX since 15 November 2016 and no dealings in units were transacted since then.

INTERESTED PERSON TRANSACTIONS

The Trustee-Manager has adopted an internal policy in respect of any transaction with interested persons and has set out the procedures for review and approval of Rickmers Maritime's interested person transactions. Disclosure in accordance with Rule 907 of the Listing Manual in respect of interested person transactions for the financial year ended 31 December 2016 is set out on page 86 of this Annual Report.

MATERIAL CONTRACTS

During the period under review, there were no material contracts entered into by the Trust, or contracts entered into out of the ordinary course of business, except as disclosed in the audited financial statements.

RISK MANAGEMENT

Rickmers Trust Management regularly reviews and improves business and operational activities of the Trust to identify areas of significant business risks and takes appropriate measures to control and mitigate these risks. The management reviews control policies and procedures and highlights all significant matters to the AC and the Board.

CORPORATE GOVERNANCE REPORT

STATEMENT OF POLICIES AND PRACTICES

As Trustee-Manager, Rickmers Trust Management has established the following policies and practices in relation to its management and governance of the Trust:

- (1) The Trust property of Rickmers Maritime is properly accounted for and that such property is kept distinct from the property of the Trustee-Manager held in its own capacity. Different bank accounts are opened for Rickmers Trust Management in its capacity as Trustee-Manager of Rickmers Maritime and Rickmers Trust Management in its own capacity.
- (2) The Board is required to approve all business ventures and acquisitions for Rickmers Trust Management and Rickmers Maritime. Rickmers Trust Management remains focused on the Trust's approved business as set out in the Trust Deed dated 30 March 2007, which is owning and operating containerships under fixed-rate time charters to container liner companies. Rickmers Trust Management has not engaged in other businesses on behalf of the Trust. The management provides regular updates to the Board about potential projects that it is looking into on behalf of Rickmers Maritime and the Board ensures that all such projects are within the approved business scope of the Trust.
- (3) Rickmers Trust Management is not involved in any other businesses other than managing Rickmers Maritime. All potential conflicts, if arising, will be identified and reviewed by the Board and management. In addition, the majority of the Board are independent directors of Rickmers Trust Management who do not have management or business relationships with the sole shareholder of Rickmers Trust Management or the substantial unitholders of Rickmers Maritime and are therefore able to examine independently and objectively, any potential conflict between the interest of the Trustee-Manager in its own capacity and the interest of all unitholders of Rickmers Maritime. In respect of matters in which a director has an interest, direct or indirect, such interested director will abstain from participating in the review and approval process with regard to the matter.
- (4) Management identifies interested person transactions in relation to Rickmers Maritime. The AC conducts quarterly reviews of all such transactions to determine if such transactions have been conducted on normal commercial terms and will not be prejudicial to the interests of the Trust and the unitholders. In addition, all such interested person transactions conducted and any contract entered into by the Trustee-Manager on behalf of Rickmers Maritime with a related party of the Trustee-Manager or the Trust, shall comply with and be in accordance with all applicable requirements of the Listing Manual and the BTA as well as such other guidelines as may from time to time be prescribed to apply to business trusts. Interested person transactions in relation to the Trust have been fully disclosed on page 86 of this Annual Report.
- (5) The expenses payable to Rickmers Trust Management in its capacity as Trustee-Manager of Rickmers Maritime out of Trust property are appropriate and in accordance with the Trust Deed dated 30 March 2007, and regular internal reviews are carried out to ensure that such expenses payable are in order. Fees and expenses paid to Rickmers Trust Management out of the Trust property are disclosed on page 83 of this Annual Report.
- (6) Rickmers Trust Management has engaged the services of and obtained advice from professional advisers and consultants from time to time, and has complied with the requirements of the BTA and the Listing Manual.

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STATEMENT BY TRUSTEE-MANAGER

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The directors of Rickmers Trust Management Pte. Ltd., the Trustee-Manager of Rickmers Maritime (the "Trust"), are pleased to present their statement to the unitholders of the Trust, together with the audited financial statements of Rickmers Maritime and its subsidiaries (the "Group") for the financial year ended 31 December 2016 and the statement of financial position of the Trust as at 31 December 2016.

In the opinion of the directors,

- (a) the statement of financial position of the Trust and the consolidated financial statements of the Group as set out on pages 50 to 85 are drawn up so as to give a true and fair view of the financial position of the Trust and of the Group as at 31 December 2016, and the financial performance, changes in unitholders' funds and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) as at the date of this statement, there are reasonable grounds to believe that the Trust would be able to pay its debts provided that such debts are comprehensively restructured as disclosed under Note 3(a) of the audited financial statements.

DIRECTORS

The directors of the Trustee-Manager in office at the date of this statement are as follows:

Mr Bertram R. C. Rickmers
 Dr Ignace Adolf Julien Van Meenen
 Mrs Lee Suet Fern
 Mr Lim How Teck
 Mr Raymundo A. Yu Jr.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE COMMON UNITS AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Trust a party to any arrangement whose object was to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of Common Units in, or debentures of the Trust.

DIRECTORS' INTERESTS IN COMMON UNITS OF THE TRUST OR DEBENTURES

None of the directors holding office at the end of the financial year had any interest in Common Units, or debentures of the Trust, except as disclosed below.

Name of director	Direct Interests		Deemed Interests	
	As at 1 January 2016	As at 31 December 2016	As at 1 January 2016	As at 31 December 2016
Mr Bertram R. C. Rickmers	—	—	300,729,185	300,729,185
Dr Ignace Adolf Julien Van Meenen	—	—	—	—
Mrs Lee Suet Fern	928,164	928,164	—	—
Mr Lim How Teck	240,491	240,491	—	—
Mr Raymundo A. Yu Jr.	—	—	—	—

The directors' interests in Common Units as at 21 January 2017 were the same as at 31 December 2016.

STATEMENT BY TRUSTEE-MANAGER

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Trust or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this statement.

OPTIONS

No options have been granted during the financial year to any person including controlling unitholders of the Trust or their associates to take up unissued Common Units in the Trust. No Common Units have been issued during the financial year by virtue of the exercise of options to take up unissued Common Units of the Trust under options at the end of the financial year.

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

Mr Lim How Teck (Chairman)
Mrs Lee Suet Fern
Mr Raymundo A. Yu Jr.

All members of the Audit Committee are independent and non-executive directors.

The Audit Committee carried out its functions in accordance with Regulation 13(6) of the Business Trusts Regulations 2005. In performing those functions, the Committee reviewed:

- the audit plan and the auditor's report of the Trust and any recommendations on internal accounting controls of the Trustee-Manager arising from the statutory audit with the auditor;
- the assistance given by the officers of the Trustee-Manager to the independent auditor of the Trust, the accounting internal controls, the policies and practices established by the Trustee-Manager to ensure statutory compliance and compliance with the Trust Deed, procedures put in place by the Trustee-Manager for managing conflicts of interests between unitholders and Trustee-Manager, including interested person transactions, indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the Trust property; and
- the statement of financial position and statement of comprehensive income of the Trustee-Manager for the financial year ended 31 December 2016 as well as the statement of financial position of the Trust and the consolidated financial statements of the Group for the financial year ended 31 December 2016 before their submission to the Board of Directors of the Trustee-Manager.

Further details regarding the Audit Committee are disclosed in the Report of the Corporate Governance.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Unitholders.

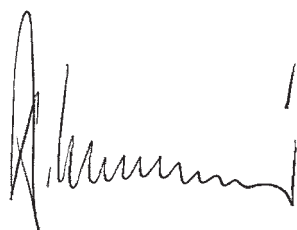
STATEMENT BY TRUSTEE-MANAGER

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

INDEPENDENT AUDITOR

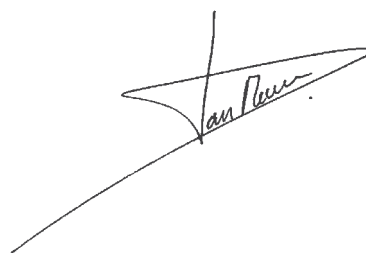
The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



Mr Bertram R.C. Rickmers
Director

Singapore
16 February 2017



Dr Ignace Adolf Julien Van Meenen
Director

STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE TRUSTEE-MANAGER

In accordance with Section 86 of the Singapore Business Trusts Act, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.



Soeren Andersen
Chief Executive Officer

Singapore
16 February 2017

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF RICKMERS MARITIME

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of Rickmers Maritime (the "Trust") and its subsidiaries (the "Group") and the statement of financial position of the Trust. Because of the significance of matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We were engaged to audit the financial statements of the Trust and the Group comprising:

- the consolidated statement of financial position of the Group as at 31 December 2016;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended;
- the statement of financial position of the Trust as at 31 December 2016; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Disclaimer of Opinion

The Group and the Trust had secured and unsecured loans of US\$270.8 million with three syndicate of lending banks and US\$72.4 million of medium-term notes ("MTN") as at 31 December 2016.

As stated in Note 3(a) to the financial statements:

- The Group was unable to make principal and interest repayments totalling US\$20.5 million that were due on 30 June, 30 September and 30 December 2016 in relation to its secured bank loans. The Group had also breached its loan covenants relating to its secured and unsecured bank loans. These defaults gave the right to the lenders to accelerate repayment of the loans. As of the date of issuance of these financial statements, neither waiver, acceleration nor enforcement of security has been provided or pursued by the lenders;
- The Group and the Trust were unable to make interest payment amounting to US\$2.9 million that was due on 15 November 2016 in relation to the MTN. The Group and the Trust had also breached the covenants under the MTN obligation. The Trustee-Manager received a letter that sought to serve a notice of acceleration of payment, from a legal representative who claimed to represent holders of more than 25 percent of the principal amount of the MTN. To date, the Trustee-Manager has not received any claims or acceleration of payment from the MTN's Trustee;
- The Trustee-Manager does not expect the Group and the Trust to have sufficient net cash inflows from its operations within the next 12 months to repay the bank loans and MTN obligations that are due for repayment in 2017; and
- The Trustee-Manager has not reached an agreement with the secured and unsecured bank loan lenders and MTN holders in relation to the restructuring of the Group's borrowings as of the date of issuance of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF RICKMERS MARITIME

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Basis for Disclaimer of Opinion (Continued)

The conditions above indicate the existence of material uncertainties that may cast significant doubt about the ability of the Group and the Trust to continue as going concerns.

Notwithstanding the above, the Trustee-Manager had prepared the financial statements using the assumption that the Group and the Trust could continue as going concerns. Accordingly, the assets and liabilities of the Group and the Trust had been stated as if they would be recovered or settled as going concerns.

Specifically, the Group and the Trust had stated its vessels and loans to subsidiaries at US\$499.6 million [Note 3(b)] and US\$745.8 million [Note 3(c)] respectively as at 31 December 2016. These assets were subject to impairment reviews and written down to their estimated recoverable amounts as at 31 December 2016. The recoverable amounts had been derived using the basis that the Group and the Trust would be able to continue as going concerns.

Judgement taken by the Trustee-Manager to prepare these financial statements on a going concern basis and their action plans to restructure the secured and unsecured bank loans and MTN are disclosed in Note 3(a).

We were unable to perform audit procedures to obtain sufficient appropriate audit evidence regarding the likely outcome of the negotiations of the Group and the Trust with the lending banks and MTN holders to restructure the borrowings. We were therefore unable to conclude whether the use of the going concern assumption, which has been adopted for the preparation of these financial statements, including the assessment of the recoverable amounts of the Group's vessels and the Trust's loans to subsidiaries, are appropriate.

If the Group and the Trust are unable to continue as going concerns, several adjustments would have to be made to the accompanying financial statements. Assets, including vessels and loans to subsidiaries, may need to be realised other than in the normal course of business, and at amounts which could differ significantly from the amounts at which they are currently recorded. In addition, the Group and the Trust may have to provide for further liabilities that might arise. The accompanying financial statements do not reflect these adjustments.

Responsibilities of Management and Directors for the Financial Statements

Management of the Trustee-Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Business Trusts Act and International Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management of the Trustee-Manager is responsible for assessing the Group's and the Trust's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Trust to cease operations, or has no realistic alternative but to do so.

The responsibilities of the directors of the Trustee-Manager include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF RICKMERS MARITIME

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

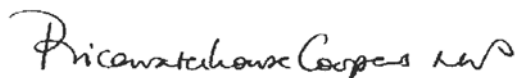
Our responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Kok Moi Lre.



PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore, 16 February 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 US\$'000	2015 US\$'000
Revenue – time charters		69,211	108,547
Other income	5	1,172	5,233
Other gains – net	6	2,362	1,382
Loss on disposal of a vessel		(507)	–
		72,238	115,162
Expenses			
– Depreciation	14	(26,932)	(35,160)
– Impairment of vessel	14	(168,678)	(143,088)
– Impairment of goodwill	15	–	(4,943)
– Vessel operating expenses		(38,347)	(38,911)
– Trustee-Manager fee		(2,657)	(2,947)
– Other trust expenses		(1,739)	(813)
– Finance expenses	7	(13,976)	(18,527)
Total expenses		(252,329)	(244,389)
Loss before income tax		(180,091)	(129,227)
Income tax expense	8	–	–
Total loss after tax		(180,091)	(129,227)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
– Fair value losses		–	(16)
– Transfer to finance expenses		–	4,488
Other comprehensive income, net of tax		–	4,472
Total comprehensive loss		(180,091)	(124,755)
Loss per Common Unit based on the weighted average number of Common Units issued (US cents)			
Basic	9	(20.47)	(15.03)
Diluted	9	(20.47)	(15.03)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	Group		Trust	
		2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
ASSETS					
Current assets					
Cash and cash equivalents	10	22,383	45,064	4,921	22,975
Trade and other receivables	11	289	1,127	98	66
Inventories		3,231	2,634	238	238
Prepayments		337	244	13	13
		26,240	49,069	5,270	23,292
Non-current asset held for sale	16	5,980	–	–	–
		32,220	49,069	5,270	23,292
Non-current assets					
Investments in subsidiaries	12	–	–	160	160
Loans to subsidiaries	13	–	–	745,828	849,041
Vessels	14	499,642	706,011	–	–
		499,642	706,011	745,988	849,201
Total assets		531,862	755,080	751,258	872,493
LIABILITIES					
Current liabilities					
Trade and other payables	17	2,367	2,789	583	240
Amounts due to subsidiaries (non-trade)	17	–	–	407,208	414,814
Advanced charter hire received		1,580	2,037	–	–
Deferred income from a charterer	18	714	714	–	–
Bank loans	20	270,795	44,603	200,210	24,000
Medium-term notes	21	72,404	774	72,404	774
		347,860	50,917	680,405	439,828
Non-current liabilities					
Deferred income from a charterer	18	529	1,243	–	–
Bank loans	20	–	268,780	–	179,637
Medium-term notes	21	–	70,576	–	70,576
		529	340,599	–	250,213
Total liabilities		348,389	391,516	680,405	690,041
NET ASSETS		183,473	363,564	70,853	182,452
UNITHOLDERS' FUNDS					
Common Units in issue	22	517,615	517,615	517,615	517,615
Unit issuance costs		(12,024)	(12,024)	(12,024)	(12,024)
Accumulated losses		(322,118)	(142,027)	(434,738)	(323,139)
Total unitholders' funds		183,473	363,564	70,853	182,452

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Group	Note	Attributable to unitholders of Trust				
		Common Units in issue US\$'000	Unit issuance costs US\$'000	Hedging reserve US\$'000	(Accumulated losses)/ distributable income US\$'000	Total US\$'000
2016						
Beginning of financial year		517,615	(12,024)	-	(142,027)	363,564
Total comprehensive loss for the year		-	-	-	(180,091)	(180,091)
End of financial year		517,615	(12,024)	-	(322,118)	183,473
2015						
Beginning of financial year		512,086	(12,024)	(4,472)	2,549	498,139
Common Units issued	22	5,529	-	-	-	5,529
Total comprehensive loss for the year		-	-	4,472	(129,227)	(124,755)
Distribution to unitholders	23	-	-	-	(15,349)	(15,349)
End of financial year		517,615	(12,024)	-	(142,027)	363,564

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 US\$'000	2015 US\$'000
Cash flows from operating activities:			
Cash receipts from customers		68,891	108,499
Cash paid to suppliers and Trustee-Manager		(42,526)	(41,934)
Net cash provided by operating activities		26,365	66,565
Cash flows from investing activities:			
Net proceeds from disposal of a vessel		4,900	–
Vessel improvement		(426)	(795)
Dry-docking cost paid		(206)	(1,268)
Interest received		65	168
Net cash provided by/(used in) investing activities		4,333	(1,895)
Cash flows from financing activities:			
Repayment of secured bank loans		(45,591)	(50,458)
Interest paid on secured bank loans		(4,628)	(7,124)
Interest paid on medium-term notes		(3,086)	(6,165)
Interest paid on interest rate swaps		–	(5,129)
Other fees paid		(50)	(93)
Debt processing fee paid		(50)	(80)
Distribution to unitholders		–	(9,820)
Net cash used in financing activities		(53,405)	(78,869)
Net decrease in cash and cash equivalents		(22,707)	(14,199)
Cash and cash equivalents at beginning of financial year	10	45,064	60,008
Effects of exchange rate changes on cash and cash equivalents		26	(745)
Cash and cash equivalents at end of financial year	10	22,383	45,064

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Rickmers Maritime (the “Trust”) is a Singapore registered business trust constituted on 30 March 2007 under the Business Trusts Act, Chapter 31A of Singapore. The Trust was listed on the Singapore Exchange Securities Trading Limited on 4 May 2007. The address of its registered office is 8 Shenton Way, #42-03, Singapore 068811.

The principal activities of the Trust are owning and operating containerships under fixed-rate time charters to leading container liner companies through wholly-owned subsidiaries. These vessels operate worldwide, carrying containers for the world’s leading container liner companies. The principal activities of the subsidiaries are set out in Note 12.

The Trust is managed by Rickmers Trust Management Pte. Ltd. (the “Trustee-Manager”). The Trust, via the Trustee-Manager, has entered into a master ship management agreement with Rickmers Shipmanagement (Singapore) Pte. Ltd. (the “Ship Manager”), for the latter to perform fleet management services.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and interpretations issued by the IFRS Interpretations Committee (“IFRS IC”) applicable to entities reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (“IASB”). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 New or revised accounting standards and interpretations

(a) *Interpretations and amendments to published standards effective in 2016*

The Group has adopted the following amendments as of 1 January 2016:

Annual Improvements to IFRSs – 2011-2013 Cycle and 2012-2014 Cycle

The adoption of the improvements did not result in any substantial change to the Group’s accounting policies or any significant impact on the financial statements.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2016 are not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New or revised accounting standards and interpretations (Continued)

- (b) *Standards, amendments and interpretations to existing standards that are issued but not yet effective and have not been early adopted by the Group*

The following standards and amendments to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2016 or later periods, and the Group has not early adopted them. The Group's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Group is set out below:

IFRS 15 Revenue from contracts with customers

(effective for annual periods beginning on or after 1 January 2018)

This standard replaces IAS 18 *Revenue* and IAS 11 *Construction Contracts* and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

The Group will apply the standard from 1 January 2018. It is not expected to have a material impact on the financial statements.

IFRS 9 Financial Instruments

(effective for annual periods beginning on or after 1 January 2018)

This standard replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement* that relates to the classification and measurement of financial assets, and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income, and fair value through profit and loss.

The Group will apply the standard from 1 January 2018. It is not expected to have a material impact on the financial statements.

IFRS 16 Leases

(effective for annual periods beginning on or after 1 January 2019)

This standard replaces IAS 17 *Leases*, and fundamentally changes the accounting for lease transactions. Additional disclosures will also be required.

For lessees of operating leases, lease assets and lease liabilities are required to be recognised in the balance sheet. Depreciation of lease assets and interest on lease liabilities are required to be recognised in the income statement over the lease term. For lessees of finance leases, only amounts expected to be payable under residual value guarantees should be recognised.

For lessors, the accounting is substantially the same.

The Group will apply the standard from 1 January 2019. It is not expected to have a material impact on the financial statements.

There are no other IFRSs or IFRS IC Interpretations that are not yet effective that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates, discounts and commissions payable to third parties.

The Group recognises revenue when the amount of revenue and related costs can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria for each of the Group's activities are met as follows:

(a) *Time charters*

Revenue from a time charter, which is of an operating lease in nature, is recognised on a straight-line basis over the period of the time charter contracts (see Note 2.14).

(b) *Interest income*

Interest income, including income arising from financial instruments, is recognised using the effective interest method.

(c) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(d) *Transfers of assets from charterers*

Charterers may make contributions to the Group for vessel improvements. Assets received from charterers are recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. A corresponding deferred income is recognised at initial recognition which is subsequently recognised over the term of the respective charter contracts.

2.4 Group accounting

Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group or assumed at the dates of exchange and includes the fair value of any asset or liability resulting from a contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Please refer to Note 2.6(a) for the accounting policy on goodwill on acquisition of subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (Continued)

Subsidiaries (Continued)

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Please refer to Note 2.7 for the accounting policy on investments in subsidiaries in the financial statements of the Trust.

2.5 Vessels

(a) Measurement

Vessels are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Vessel cost consists of the contract purchase price and any material expenses incurred upon acquisition (improvements and delivery expenses).

The vessels that are acquired are treated as a business combination to the extent that such acquisitions include business characteristics; otherwise an acquisition of a vessel is treated as a purchase of assets and recorded at cost.

Where any intangible assets or liabilities associated with the acquisition of a vessel are identified, they are recorded at fair value. Fair value is determined by reference to market data and the revenue stream associated with the charters. All vessels had been acquired with existing charters.

(b) Depreciation

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of vessels, after taking into account the residual values, over their estimated useful lives. The estimated useful lives for the vessels are 30 years.

The residual values, estimated useful life and depreciation method are reviewed, and adjusted as appropriate, at each financial year. The effects of any revision are recognised in profit or loss when the changes arise.

Included in the value of vessels acquired are costs relating to dry-docking. These costs are depreciated on a straight-line basis over the period to the next scheduled dry-docking, which is generally 5 to 7.5 years.

(c) Subsequent expenditure

Subsequent expenditure relating to vessels, including dry-docking, that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset will flow to the Group and the cost can be reliably measured. Other subsequent expenditures are recognised as expenses during the financial year in which they are incurred.

(d) Disposal

On disposal of vessels, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries or businesses on or after 1 January 2010 represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on acquisitions of subsidiaries or businesses prior to 1 January 2010 represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries or businesses include the carrying amount of goodwill relating to the entity or business sold.

Negative goodwill represents the excess of the fair value of the identifiable net assets of subsidiaries or businesses when acquired over the cost of acquisition. Negative goodwill is recognised immediately in profit or loss.

(b) *Charter contracts*

Charter contracts, that are favourable or unfavourable at the acquisition date, are initially recognised based on the excess or shortfall of contracted charter income over the market value of similar contracts and are subsequently carried at cost (i.e. the fair value at initial recognition) less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the remaining period of the charter. Unfavourable charter contracts are presented as deferred income from charter contracts on the statement of financial position.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each financial year. The effects of any revision are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Investments in subsidiaries

Investments in subsidiaries, including loans to subsidiaries deemed as quasi-equity loans, are carried at cost less accumulated impairment losses in the Trust's statement of financial position. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.8 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU.

The recoverable amount of a CGU is the higher of the CGU's fair value less costs to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised as an expense in profit or loss and is not reversed in a subsequent period.

(b) Vessels, intangible assets and investments in subsidiaries

Vessels, intangible assets and investments in subsidiaries are reviewed for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had there been no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the end of the financial year which are presented as non-current assets.

Loans and receivables are presented as “cash and cash equivalents”, and “trade and other receivables” on the statement of financial position.

These financial assets are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method.

The Group assesses at the end of each financial year whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.10 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

(a) Bank loans

Bank loans are initially recognised at fair value (net of transaction costs) and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Borrowings (Continued)

(b) *Medium-term notes*

Medium-term notes are initially recognised at fair value (net of transaction costs) and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the medium-term notes using the effective interest method.

2.11 Trade and other payables Amounts due to subsidiaries

Trade and other payables and amounts due to subsidiaries represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables and amounts due to subsidiaries are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.12 Derivative financial instruments and hedging activities

The Group may use derivative financial instruments to hedge its exposure to risks arising from financing activities. The Group does not hold or issue derivative financial instruments for trading purposes.

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

The fair value of a non-hedging derivative is presented as a current asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Derivative financial instruments and hedging activities (Continued)

Cash flow hedge – Interest rate swaps

The Group may enter into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of the interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the fair value reserve and reclassified to profit or loss when the hedged interest expense on the borrowings are recognised in profit or loss. The fair value changes on the ineffective portion of the interest rate swaps are recognised immediately in profit or loss.

2.13 Fair value estimation of financial assets and liabilities

The fair values of interest rate swaps are based on valuation provided by reputable financial institutions. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows, discounted at actively quoted interest rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The fair values of non-current financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial liabilities.

2.14 Leases

As lessor:

The Group owns containerships and charters them to leading container liner companies mainly under fixed-rate time charters. These charters are classified as operating leases as the Group retains substantially all risks and rewards incidental to ownership. Containerships are presented as vessels on the statement of financial position.

Rental income from operating leases of the vessels (net of any incentives and commissions given to lessees) is recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Inventories

Inventories are lubricant oil, bunker and spare parts for the vessels. Inventories are carried at cost. Cost is determined using the weighted average method for lubricant oil and first-in, first-out method for bunker. All inventories are used for the operation of the vessels, therefore inventories are not written down to net realisable value when market price falls below cost if the overall shipping activity is expected to be profitable.

2.16 Income taxes

No provision is made for taxation on qualifying chartering and qualifying dividend income from Approved Special Purpose Vehicles, which is exempt under the Maritime Sector Incentive – Maritime Leasing (“MSI – ML”). Under the MSI-ML, the Trust has been awarded the Approved Shipping Investment Enterprise status with effect from 4 May 2007 for a period of 10 years and its subsidiaries will be regarded as Approved Special Purpose Vehicles with effect from the date of their approval.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the end of the financial year.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the financial year; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from fair value gains and losses on cash flow hedges are charged or credited directly to equity in the same period the temporary differences arise. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States dollar ("US\$"), which is the Trust's functional currency.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates as at the end of the financial year are recognised in profit or loss.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM has been identified as the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") who are responsible for allocating resources and assessing the performance of the operating segments.

2.19 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include deposits with financial institutions which are subject to an insignificant risk of change in value.

2.20 Common Units

The Trust issues Common Units that are classified as equity of the Trust.

Unit issuance costs represent expenses incurred in connection with the initial public offering of the Group on the Singapore Exchange Securities Trading Limited in 2007, and expenses incurred in connection with the non-underwritten renounceable rights issue in 2013. Expenses, which are directly attributable to the issuance of the Common Units, are deducted directly from net assets attributable to unitholders. Expenses, which are not directly attributable to the issuance of the Common Units, are recognised in profit or loss.

2.21 Distributions to unitholders

Distributions to unitholders are recorded in the period in which they are declared payable.

2.22 Non-current asset held for sale

Non-current asset is classified as asset held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if its carrying amount is recovered principally through a sale transaction rather than through continuing use. The asset is not depreciated or amortised while it is classified as held-for-sale. Any impairment loss on initial recognition and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Going concern assumption*

As disclosed in Note 20 and 21:

- The Group was unable to make principal and interest repayments totalling US\$20.5 million that were due on 30 June, 30 September and 30 December 2016 in relation to its secured bank loans. The Group had also breached its loan covenants relating to its secured and unsecured bank loans. These defaults gave the right to the lenders to accelerate repayment of the loans. As of the date of issuance of these financial statements, neither waiver, acceleration nor enforcement of security has been provided or pursued by the lenders;
- The Group and the Trust were unable to make interest payment amounting to US\$2.9 million that was due on 15 November 2016 in relation to the MTN. The Group and the Trust had also breached the covenants under the MTN obligation. The Trustee-Manager received a letter that sought to serve a notice of acceleration of payment, from a legal representative who claimed to represent holders of more than 25 percent of the principal amount of the MTN. To date, the Trustee-Manager has not received any claims or acceleration of payment from the MTN's Trustee;
- The Trustee-Manager does not expect the Group and the Trust to have sufficient net cash inflows from its operations within the next 12 months to repay the bank loans and MTN obligations that are due for repayment in 2017; and
- The Trustee-Manager has not reached an agreement with the secured and unsecured bank loan lenders and MTN holders in relation to the restructuring of the Group's borrowings as of the date of issuance of these financial statements.

The conditions above indicate the existence of material uncertainties that may cast significant doubt about the ability of the Group and the Trust to continue as going concerns.

Notwithstanding the above, the Trustee-Manager had prepared the financial statements using the assumption that the Group and the Trust could continue as going concerns. The Trustee-Manager is of the view that it is appropriate to prepare these financial statements on a going concern basis as:

- US\$60.5 million of bank loans from a syndication of banks led by BNP Paribas ("BNP lenders") as at 31 December 2016 are secured on five vessels of the Group. These vessels are on long-term time charters that expire in 2018 and 2019. The net operating cash inflows on these vessels over the time charter period have been ring-fenced for repayment of principal and interest on the loans from the BNP lenders. The net operating cash inflows over the remaining charter period from the balance sheet date is expected to be sufficient for the repayment of remaining principal and interest on the loans from the BNP lenders which mature in 2018.
- The Group sold its vessel, India Rickmers, in December 2016 to partially prepay a secured bank loan from Commerzbank AG, Singapore Branch ("CMB") and entered into a deed of consent that contained a framework for final settlement. The outstanding unsecured amount due to CMB as at 31 December 2016 was US\$10.1 million. Discussion as to final settlement are on-going.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(a) *Going concern assumption* (Continued)

- The Group sold one additional vessel, Kaethe C. Rickmers, in February 2017 for US\$6.4 million. Net of transaction costs and partial repayment of secured bank loans from a syndication of banks led by HSH Nordbank ("HSH lenders"), the Group retained US\$2.0 million for its operation.
- The Trustee-Manager has been in negotiation with the HSH lenders to extend the maturity profile of the secured bank loans beyond 2017. As of the date of the issuance of these financial statements, negotiations with the HSH lenders are active and on-going and the HSH lenders has not pursued acceleration of payment or liquidation of security.
- The Trustee-Manager received a letter from MTN holders, via their legal representative, claiming to represent more than 25 percent of the principal amount of the MTN and seeking to serve a notice of acceleration. However, the letter received by the Trustee-Manager did not provide any details as to which of the events of default is being relied upon, nor any evidence that the requisite threshold of 25 percent has been met in seeking to accelerate the MTN. The Trustee-Manager has not received any claims or acceleration of payment from the MTN's Trustee in accordance with the MTN Trust Deed.
- Although the MTN holders rejected the Trustee-Manager's proposal to restructure the MTN in a consent solicitation exercise on 21 December 2016, the Trustee-Manager is maintaining on-going discussions with the MTN holders directly and via their legal and financial advisors and endeavour to formulate a revised restructuring plan that would meet the demands of the MTN holders and all bank lenders as of the date of issuance of the financial statements.

The appropriateness of the going concern assumption is dependent on the favourable outcome of the negotiations with the HSH lenders, CMB, BNP lenders and MTN holders, and the Group's ability to generate sufficient cash flows from its operations to meet its obligations which include renegotiated principal and interest repayments on secured and unsecured bank loans and MTN, as well as compliance with all revised covenants.

In the event that the Group and the Trust are unable to continue as going concerns, the Group and the Trust may not be able to realise the carrying value of their assets and discharge their liabilities in the normal course of business. The accompanying financial statements do not include the effect of any of these adjustments nor a change in circumstances that would prevent the Group and the Trust to continue as going concerns and force the Group and the Trust into a partial or complete winding up.

(b) *Impairment of vessels*

The Group's management follows its accounting policy set out in Note 2.8(b) in determining when vessels are considered impaired. Impairment is recognised when events and circumstances indicate that these assets may be impaired and the carrying amounts of these assets exceed the recoverable amounts. The recoverable amounts of vessels have been determined based on value-in-use calculations using the going concern assumption. The carrying amount of vessels as at 31 December 2016 was US\$499.6 million (2015: US\$706.0 million). Details of the estimates used to calculate the recoverable amounts are given in Note 14.

If the Group is unable to continue as a going concern, a further impairment of approximately US\$360 million may be necessary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(c) Impairment of loans to subsidiaries deemed as quasi-equity loans

The Group's management follows its accounting policy set out in Note 2.8(b) in determining when investments in subsidiaries, including loans to subsidiaries deemed as quasi-equity loans, are considered impaired. Impairment is recognised when events and circumstances indicate that these assets may be impaired and the carrying amounts of these assets exceed the recoverable amounts. The recoverable amounts of these loans to subsidiaries have been determined based on the Trust's share of the attributable net assets of the subsidiaries, based on the latest available financial information and assuming that the subsidiaries would be going concern. The carrying amount of loans to subsidiaries deemed as quasi-equity loans as at 31 December 2016 was US\$548.1 million (2015: US\$645.3 million).

If the subsidiaries are unable to continue as going concerns, a further impairment of approximately US\$238 million may be necessary.

4. EMPLOYEE COMPENSATION

The Group does not have any employees as all its operations are undertaken by the Trustee-Manager. The Group pays management fees to the Trustee-Manager as disclosed in Note 26.

5. OTHER INCOME

	Group	
	2016 US\$'000	2015 US\$'000
Amortisation of deferred income from charter contracts	-	3,646
Amortisation of deferred income from a charterer	714	693
Interest income from financial institutions	58	155
Other income	400	739
	1,172	5,233

Deferred income from a charterer relates to contributions from a charterer for vessel improvements and are amortised over the life of the charter contracts with the charterer.

6. OTHER GAINS - NET

	Group	
	2016 US\$'000	2015 US\$'000
Exchange gain/(loss) on cash and cash equivalents	25	(740)
Exchange gain on medium-term notes (Note 21)	2,300	4,263
Loss on disposal of vessel component*	-	(2,122)
Others	37	(19)
	2,362	1,382

* Relates to loss on disposal for retrofitting the bulbous bows of five vessels. The costs of the retrofits were contributed by the charterer of the vessels (Note 5 and Note 18).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

7. FINANCE EXPENSES

	Group	
	2016 US\$'000	2015 US\$'000
Interest expense on secured bank loans	(7,435)	(7,344)
Fair value losses on effective portion of interest rate swaps transferred from other comprehensive income		
– Interest paid	–	(4,513)
– Changes in derivative financial liability	–	25
Interest on secured bank loans, net of effect of hedging	(7,435)	(11,832)
Fair value losses on ineffective portion of interest rate swaps		
– Interest paid	–	(616)
– Changes in derivative financial liability	–	616
	–	–
Interest on medium-term notes (Note 21)	(6,441)	(6,565)
Debt processing fee	(50)	(80)
Other fees	(50)	(50)
	(13,976)	(18,527)

8. INCOME TAXES

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2016 US\$'000	2015 US\$'000
Loss before tax	(180,091)	(129,227)
Tax calculated at tax rate of 17% (2015: 17%)	(30,615)	(21,969)
Effects of:		
– tax exemption	30,615	21,969
Tax charge	–	–

Items that are included in comprehensive income are not subjected to tax.

9. LOSS PER COMMON UNIT

(a) Basic loss per Common Unit

Basic loss per Common Unit is calculated by dividing the net loss attributable to unitholders of the Trust by the weighted average number of Common Units outstanding during the financial year.

	Group	
	2016	2015
Net loss after tax attributable to unitholders of the Trust (US\$'000)	(180,091)	(129,227)
Weighted average number of Common Units outstanding ('000)	879,623	860,042
Basic loss per Common Unit (US cents)	(20.47)	(15.03)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

9. LOSS PER COMMON UNIT (CONTINUED)

(b) Diluted loss per Common Unit

For the purpose of calculating diluted loss per Common Unit, net loss attributable to unitholders of the Trust and the weighted average number of Common Units outstanding are adjusted for the effects of all dilutive potential Common Units.

For the financial years ended 31 December 2016 and 31 December 2015, diluted loss per Common Unit was the same as basic loss per Common Unit, as there were no dilutive potential Common Units.

10. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
Cash at bank	22,383	40,071	4,921	17,982
Short-term bank deposits	-	4,993	-	4,993
	22,383	45,064	4,921	22,975

The Group is subjected to a free liquidity covenant which requires the Group to maintain a minimum cash and cash equivalents balance of US\$18.0 million as at 31 December 2016 (2015: US\$19.2 million).

11. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
Trade receivables from non-related parties	154	378	-	-
Other receivables from Ship Manager	-	64	-	-
Other receivable from an affiliated company	-	13	-	-
Other receivables from non-related parties	135	672	98	66
	289	1,127	98	66

Other receivables from Ship Manager and an affiliated company are non-trade in nature, unsecured, interest-free, have no fixed terms of repayment and are expected to be repaid within twelve months from the end of the financial year.

The affiliated company is an entity controlled by Rickmers Holding AG (Note 26).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

12. INVESTMENTS IN SUBSIDIARIES

Details of the subsidiaries are as follows:

Name of subsidiary ^(a)	Country of incorporation	Vessel name	Principal activities	Equity holding	
				2016 %	2015 %
Kaethe Navigation Limited	Marshall Islands	Kaethe C. Rickmers ^(b)	Ship owning and operating	100	100
Richard II Navigation Limited	Marshall Islands	Richard Rickmers	Ship owning and operating	100	100
Henry II Navigation Limited	Marshall Islands	Henry Rickmers	Ship owning and operating	100	100
Moni II Navigation Limited	Marshall Islands	Moni Rickmers	Ship owning and operating	100	100
Vicki Rickmers Navigation Limited	Marshall Islands	Vicki Rickmers ^(c)	Ship owning and operating	100	100
Maja Rickmers Navigation Limited	Marshall Islands	Maja Rickmers	Ship owning and operating	100	100
Marte Rickmers Navigation Limited	Marshall Islands	CMA CGM Azure	Ship owning and operating	100	100
Laranna Rickmers Navigation Limited	Marshall Islands	Laranna Rickmers	Ship owning and operating	100	100
Sabine Rickmers Navigation Limited	Marshall Islands	Sabine Rickmers ^(d)	Ship owning and operating	100	100
Erwin Rickmers Navigation Limited	Marshall Islands	Erwin Rickmers ^(e)	Ship owning and operating	100	100
Olympia II Navigation Limited	Marshall Islands	MOL Dominance	Ship owning and operating	100	100
Sui An Navigation Limited	Marshall Islands	MOL Dedication	Ship owning and operating	100	100
Pingel Navigation Limited	Marshall Islands	MOL Delight	Ship owning and operating	100	100
Ebba Navigation Limited	Marshall Islands	MOL Destiny	Ship owning and operating	100	100
Clan Navigation Limited	Marshall Islands	MOL Devotion	Ship owning and operating	100	100
India Navigation Limited	Marshall Islands	None ^(f)	Ship owning and operating	100	100

(a) Audited by PricewaterhouseCoopers LLP, Singapore

(b) The vessel was sold in February 2017 for partial repayment of a secured bank loan [Note 3(a)]

(c) Formerly ANL Warringa

(d) Formerly CMA CGM Jade

(e) Formerly CMA CGM Onyx

(f) The vessel was sold during the year for partial prepayment of a secured bank loan (Note 20)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

13. LOANS TO SUBSIDIARIES

Except for loans that are interest-bearing, loans to subsidiaries are treated as a long-term source of additional capital and financing to the subsidiaries. Accordingly, they are managed centrally and deemed to be quasi-equity loans representing an addition to the Trust's net investments in the subsidiaries.

The loans to subsidiaries are unsecured, have no fixed terms of repayment and are not expected to be repaid within twelve months from the end of the financial year. They are interest-free except for loans of US\$197.7 million (2015: US\$203.7 million) which bear interest at a rate of 2.75% (2015: 2.36%) per annum at the end of the financial year.

The Trustee-Manager reviews the carrying amount of loans to subsidiaries for objective evidence of impairment annually. In determining this, the Trustee-Manager makes judgement as to whether there is observable data indicating that there has been significant changes with adverse effect in the market economy which the subsidiaries operate in.

An impairment charge of US\$103.2 million (2015: US\$49.4 million) was recognised on the interest-free portion of the loans to subsidiaries, being difference between the carrying amount and recoverable amount of these loans. The recoverable amount represents the Trust's share in the attributable net assets of the subsidiaries, based on the latest available financial information.

14. VESSELS

	Group	
	2016 US\$'000	2015 US\$'000
<i>Cost</i>		
Beginning of financial year	1,186,573	1,185,389
Additions	421	3,809
Reclassify to non-current asset held for sale (Note 16)	(80,767)	–
Disposal of a vessel	(69,506)	–
Disposal of vessel component	–	(2,625)
End of financial year	1,036,721	1,186,573
<i>Accumulated depreciation and impairment losses</i>		
Beginning of financial year	(480,562)	(302,817)
Depreciation charge	(26,932)	(35,160)
Impairment of vessel	(168,678)	(143,088)
Reclassify to non-current asset held for sale (Note 16)	74,787	–
Disposal of a vessel	64,306	–
Disposal of vessel component	–	503
End of financial year	(537,079)	(480,562)
Net book value at end of financial year	499,642	706,011

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

14. VESSELS (CONTINUED)

As at 31 December 2016, the Group owns 15 (2015: 16) containerships, one of which has reclassified as non-current asset held for sale (Note 16).

The Group recognised an impairment of US\$168.7 million for 16 vessels (2015: US\$143.1 million for 15 vessels) due to lower projections of cash flows after the contracted period of existing charter contracts, which are reflective of the continued depressed chartering rates as well as sales of vessels.

The recoverable amounts of the remaining 14 vessels were determined based on value-in-use calculations. Cash flow projections used in these calculations are based on financial forecasts approved by management covering a period of approximately 18 to 23 years (2015: 19 to 24 years), which is based on the remaining useful life of the vessels.

Management determined the forecasted cash flows based on past performance and its expectations of market development. Cash inflows are based on existing charter contracts and management's estimate of the average charter rates over the recent observable shipping industry cycle, which are higher than the prevailing short-term spot charter rates at the year end. Cash outflows are projected using an estimated growth rate of 2.0% to 3.5% (2015: 2.0% to 3.5%) per annum for expenses. A period of more than five years for cash flow projections is prepared as management is able to reasonably estimate the cash flows over the periods using observable market trends.

A discount rate of 7.40% (2015: 6.93%) was used to discount the cash flows.

If the discount rate had been 5.0% (2015: 5.0%) higher than management's estimates (for example, 7.77%), the Group would have recognised a further impairment of US\$16.3 million (2015: US\$20.5 million).

If the cash flows after the contracted period had been 5.0% (2015: 5.0%) lower than management's estimates, the Group would have recognised a further impairment of US\$44.2 million (2015: US\$55.2 million).

If the estimated annual growth rate of cash outflows was increased from 2.0% to 2.5% and 3.5% to 4.0% (2015: 2.0% to 2.5% and 3.5% to 4.0%), the Group would have recognised a further impairment of US\$17.9 million (2015: US\$19.2 million).

15. INTANGIBLE ASSETS

Group 2015

	Goodwill US\$'000
Cost	
Beginning and end of financial year	48,050
Accumulated impairment losses	
Beginning of financial year	(43,107)
Impairment charge	(4,943)
End of financial year	(48,050)
Net book value at end of financial year	—

Impairment test for goodwill

Goodwill is allocated to the Group's CGUs which are the individual vessel owning subsidiaries.

Goodwill was fully impaired during the financial year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

16. NON-CURRENT ASSET HELD FOR SALE

The vessel Kaethe C. Rickmers was re-classified as a non-current asset held for sale as of 31 December 2016. It was carried at its net selling price of US\$6.0 million. The sale was completed in February 2017.

17. TRADE AND OTHER PAYABLES

	Group		Trust	
	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
Trade payables to a related party	207	–	207	–
Trade payables to non-related parties	200	716	–	–
Other payables (non-trade)				
– Non-related party	2	25	2	25
– Ship Manager	114	628	–	–
	116	653	2	25
Accrual for vessel improvement	122	222	–	–
Accrual for dry-docking costs	46	–	–	–
Other accruals for operating expenses	1,676	1,198	374	215
	2,367	2,789	583	240
Amounts due to subsidiaries (non-trade)	–	–	407,208	414,814

Other payables to Ship Manager and amounts due to subsidiaries are non-trade in nature, unsecured, interest-free, have no fixed terms of repayment and are expected to be repaid within twelve months from the end of the financial year.

18. DEFERRED INCOME FROM A CHARTERER

	Group	
	2016 US\$'000	2015 US\$'000
Current	714	714
Non-current	529	1,243
Total	1,243	1,957

Deferred income relates to contributions from a charterer for vessel improvements and are amortised over the life of the charter contracts with the charterer (Note 5). The charter contracts expire in 2018 and 2019.

19. DEFERRED INCOME FROM CHARTER CONTRACTS

	Group	
	2016 US\$'000	2015 US\$'000
Cost		
Beginning and end of financial year	61,750	61,750
Accumulated amortisation		
Beginning of financial year	(61,750)	(58,104)
Amortisation	–	(3,646)
End of financial year	(61,750)	(61,750)
Net book value at end of financial year	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

20. BANK LOANS

	Group		Trust	
	2016	2015	2016	2015
	US\$'000	US\$'000	US\$'000	US\$'000
Current				
– Unsecured	10,057	–	–	–
– Secured*	260,738	44,603	200,210	24,000
	270,795	44,603	200,210	24,000
Non-current	–	268,780	–	179,637
Total	270,795	313,383	200,210	203,637

* Included accrued interests on secured bank loans of US\$2.6 million as at 31 December 2016.

The Trustee-Manager, acting on behalf of the Trust, had entered into various credit facilities with the following syndication of lenders (the “Lenders”) for the purpose of obtaining funding for the acquisition of the Group vessels and general corporate purposes:

- (i) BNP syndicate comprising BNP Paribas, ING Bank NV, Singapore Branch, The Bank of Nova Scotia Asia Limited, The Hongkong and Shanghai Banking Corporation Limited and Sumitomo Mitsui Bank Limited, Singapore Branch (the “BNP lenders”);
- (ii) HSH syndicate comprising HSH Nordbank AG and DBS Bank (the “HSH lenders”); and
- (iii) Commerzbank AG, Singapore Branch (“CMB”).

The loans are denominated in US dollars and bear interest at 3-month US\$ LIBOR + 1.75% p.a. with original maturity dates from 2017 to 2021. The loans are repriced every three months. As at 31 December 2016, the effective interest rates of the bank loans were between 2.52% to 2.75% (2015: 2.08% to 2.36%) p.a..

The bank loans are secured on all the Group’s vessels (Note 14) (which are owned by the Trust’s subsidiaries) and their respective assignment of the charter revenues, insurance, earnings, deposit accounts and pledge of respective owner’s/borrower’s (the Trust’s subsidiaries) shares and requisition compensation. The loans are also subject to various covenants, including minimum cash balance (Note 10), value-to-loan (“VTL”) ratios, interest coverage ratios and minimum unitholders’ funds, amongst others.

The Trustee-Manager and the lenders had previously entered into loan restructuring agreements to restructure the Trust’s obligations under the facility agreement dated 24 April 2007 (as amended from time to time), the facility agreement dated 30 May 2008 (as amended from time to time) and the facility agreement dated 30 September 2008 (as amended from time to time) (collectively, the “Loan Agreements”).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

20. BANK LOANS (CONTINUED)

As part of the restructuring with the lenders, the Trustee-Manager and other relevant entities within the Group who are borrowers under the Loan Agreements, had entered into an intercreditor deed dated 9 June 2010 (as amended from time to time) (the "Intercreditor Deed") with the Lenders. Under the Intercreditor Deed, the Trust was subject to various restrictions, including but not limited to restrictions in respect of the ability of the Trust to pay distributions, limits on the amounts of various repayments allowed, stipulations on the timing and methods of payment and payment flows of cash received by the Trust into various accounts under the Loan Agreements, for so long as the Trust was unable to satisfy certain conditions set out in the Intercreditor Deed (the "Trust Exit Conditions") including, inter alia, the satisfaction of the VTL covenant.

In November 2015, the Group was granted a full and unconditional waiver in relation to compliance with VTL covenant by the HSH lenders. In addition, the Trust has satisfied the Trust Exit Conditions (including VTL covenant) on 30 November 2015 and achieved exit from the restrictions under the Intercreditor Deed. The Trustee-Manager was therefore no longer required to negotiate for an extension of the VTL covenant waiver. The waiver granted by the other two syndicates of lending banks had expired on 31 December 2015.

The Group had US\$60.5 million of secured loans due to the BNP lenders as at 31 December 2016 (2015: US\$92.3 million). On 25 May 2016, a fixed charge (previously floating charge) over the earnings accounts for proceeds from the charter parties was provided to the BNP lenders. On 29 June 2016, a prepayment of US\$15.0 million was made to the BNP lenders as partial fulfilment of certain waiver conditions under the existing facility agreement, pending finalisation of a comprehensive refinancing plan of the Group. The waiver had expired by 31 August 2016 and accordingly, US\$46.0 million of the loans originally due in 2018 to the BNP lenders were presented as current liabilities as at 31 December 2016, together with US\$14.5 million due in 2017. As of the date of issuance of these financial statements, the loans due to the BNP lenders are under reservation of rights arrangement with neither waivers being granted nor loans accelerated and security enforced.

The Group and the Trust had US\$200.2 million of secured loans due to the HSH lenders as at 31 December 2016 (2015: US\$203.6 million). The Trust and the Group was unable to make principal repayments totalling US\$18.0 million and interest payments totalling US\$2.5 million that was due on 30 June, 30 September and 30 December 2016 to the HSH lenders. The HSH lenders had provided the Trust with a temporary standstill on principal repayments and interest payments, waiver of financial covenants and other matters to 30 November 2016. As of the date of issuance of these financial statements, the loans due to the HSH lenders are under reservation of rights arrangement with neither waivers being granted nor loans accelerated and security enforced. The Trustee-Manager had been in discussion with the HSH lenders to restructure the borrowings, which included the extension of repayment date beyond the original maturity date of 31 March 2017.

The Group had US\$10.1 million of unsecured loan due to CMB as at 31 December 2016 (2015: secured loan of US\$17.5 million). The Group sold the vessel, India Rickmers, in December 2016 and the net proceeds was applied towards a partial prepayment of the loan due to CMB under a deed of consent that contained a framework for final settlement. Final settlement of the unsecured balance of US\$10.1 million would be dependent on the comprehensive restructuring of the Trust's and the Group's secured and unsecured liabilities and in accordance with the deed.

Fair values of the loans are determined from cash flow analysis, discounted at market borrowing rates of an equivalent instrument at the end of the financial year which management expects to be available to the Group at the end of the financial year. The fair values of the bank loans approximate their carrying amounts at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

21. MEDIUM-TERM NOTES

	Group and Trust	
	2016 US\$'000	2015 US\$'000
Current*	72,404	774
Non-current	–	70,576
Total	72,404	71,350

* Included accrued interest on medium-term notes of US\$3.7 million as at 31 December 2016.

On 15 May 2014, the Trust issued S\$100 million (US\$80 million equivalent) of three-year notes ("Series 1 Notes" or "MTN") under its S\$300 million multicurrency medium-term note programme established on 19 November 2013. The MTN bear a fixed interest rate of 8.45% p.a., which is payable semi-annually in arrears. Additional default interest of 2% p.a. is payable to the MTN holders on due and unpaid interest. The MTN matures on 15 May 2017.

The Group and the Trust were unable to make interest payment amounting to US\$2.9 million that was due on 15 November 2016. The Group and the Trust had also breached the covenants under this MTN obligation. The Trustee-Manager received a letter that sought to serve a notice of acceleration of payment, from a legal representative who claimed to represent holders of more than 25 percent of the principal amount of the MTN. To date, the Trustee-Manager has not received any claims or acceleration of payment from the MTN's Trustee.

The Trustee-Manager had sought to restructure the MTN through a consent solicitation exercise launched on 18 October 2016. The proposed restructuring plan included an amendment of the MTN with a partial redemption of S\$60.0 million of the principal in exchange for 60% of the enlarged units of the Trust, such that the outstanding principal amount under the MTN would be reduced to an aggregate of S\$40.0 million repayable in 2023. The MTN holders rejected the proposal on 21 December 2016.

The Trustee-Manager is maintaining on-going discussions with the MTN holders directly and via their legal and financial advisors and endeavour to formulate a revised restructuring plan that would meet the demands of the MTN holders and bank lenders as of the date of issuance of the financial statements.

Fair value of the MTN is determined from the quoted price in the market. As at 31 December 2016, fair value of the MTN amounted to US\$16.9 million (2015: US\$65.0 million).

22. COMMON UNITS IN ISSUE

	No. of Common Units '000	Amount of Common Units US\$'000
2016		
At beginning and end of financial year	879,623	517,615
2015		
At beginning of financial year	847,350	512,086
Common Units issued	32,273	5,529
At end of financial year	879,623	517,615

All Common Units have no par value and are fully paid.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

22. COMMON UNITS IN ISSUE (CONTINUED)

On 8 April 2015, the Trust announced the implementation and establishment of the Distribution Reinvestment Plan ("DRP") which unitholders may elect to receive new units of the Trust in lieu of part only or all of the cash amount of any distribution to which the plan applies. On 19 June 2015, 16,150,452 new units were issued in connection with the distribution for the period from 1 January 2015 to 31 March 2015. On 2 October 2015, 16,122,265 new units were issued in connection with the distribution for the period from 1 April 2015 to 30 June 2015.

23. DISTRIBUTION TO UNITHOLDERS

	Group and Trust	
	2016	2015
	US\$'000	US\$'000
Exempt distribution paid were as follows:		
For the period from 1 October 2014 to 31 December 2014:		
– Distribution of 0.60 US cents per unit	–	5,084
For the period from 1 January 2015 to 31 March 2015:		
– Distribution of 0.60 US cents per unit	–	5,084
For the period from 1 April 2015 to 30 June 2015:		
– Distribution of 0.60 US cents per unit	–	5,181
	<u>–</u>	<u>15,349</u>

For the period from 1 January 2015 to 31 March 2015, the distribution of 0.60 US cents per unit was funded by cash for 331,240,842 units. For the remaining 516,109,158 units, unitholders elected to receive new units under the DRP. A total of 16,150,452 new units were issued on 19 June 2015.

For the period from 1 April 2015 to 30 June 2015, the distribution of 0.60 US cents per unit was funded by cash available for distribution to unitholders for 458,035,696 units. For the remaining 405,464,756 units, unitholders elected to receive new units under the DRP. A total of 16,122,265 new units were issued on 2 October 2015.

No distribution was declared as at 31 December 2015 in respect of the financial periods from 1 July 2015 to 30 September 2015 and 1 October 2015 to 31 December 2015.

No distribution was declared for financial year ended 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

24. COMMITMENTS

Operating lease commitments arising from charter contracts – where the Group is a lessor

The Group charters out its vessels mainly under time charter agreements. The operating leases have different terms and renewal rights and terminate at various dates. The future minimum lease receivable under the operating leases contracted for as at the end of the financial year but not recognised as receivables, are as follows:

	Group	
	2016 US\$'000	2015 US\$'000
Not later than one year	49,894	58,233
Between one and five years	34,959	83,423
	84,853	141,656

25. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities mainly expose it to currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as interest rate swaps to hedge interest rate risk.

The Board of Directors of the Trustee-Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group as well as carrying out financial risk management for the Group. There are detailed policies such as authority levels, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) Market risk

(i) Currency risk

The Group's revenues, cost of operations and majority of financial assets and liabilities are principally denominated in US dollar, except for its Singapore dollar denominated cash and cash equivalents and medium-term notes.

The Group manages the net risk by entering into currency spot contracts, transacted with financial institutions, when the need arises.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

The Group's and Trust's currency exposure based on the information provided to key management is as follows:

	SGD US\$'000	USD US\$'000	Total US\$'000
<u>At 31 December 2016</u>			
Financial assets			
Cash and cash equivalents	1,670	20,713	22,383
Financial liabilities			
Medium-term notes	(72,404)	–	(72,404)
Net financial liabilities	(70,734)	20,713	(50,021)
Currency exposure of financial liabilities, net of those denominated in the respective entities' functional currencies	(70,734)	–	(70,734)
<u>At 31 December 2015</u>			
Financial assets			
Cash and cash equivalents	5,715	39,349	45,064
Financial liabilities			
Medium-term notes	(71,350)	–	(71,350)
Net financial liabilities	(65,635)	39,349	(26,286)
Currency exposure of financial liabilities, net of those denominated in the respective entities' functional currencies	(65,635)	–	(65,635)

If the SGD changes against the USD by 5.0% with all other variables including tax rate being held constant, the effects arising from the net financial liability position will be as follows:

	← (Increase)/Decrease →	
	Loss after tax and other comprehensive loss	
	2016 US\$'000	2015 US\$'000
<u>Group and Trust</u>		
SGD against USD		
– Strengthened	(3,537)	(3,282)
– Weakened	3,537	3,282

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(a) *Market risk* (Continued)

(ii) Interest rate risk

The Group is exposed to interest rate risk due primarily to its variable-rate secured bank loans. The strategy of the Trustee-Manager, acting on behalf of the Trust and the Group, is to actively manage the risk of potential interest rate volatility through the use of interest rate swap contracts to reduce its exposure on anticipated transactions and firm commitments, with the objective of reducing variability in cash flows arising from interest rate fluctuations. This will allow the Group to raise borrowings at floating rates and swap them into fixed rates, optimising net interest cost and reducing interest rate volatility. All of the Group's interest rate swaps matured during the financial year ended 31 December 2015.

If the interest rates increase/decrease by 100 (2015: 100) basis points during the current financial year with all other variables being held constant, the loss after tax (2015: loss after tax) will be higher/lower (2015: higher/lower) by US\$3.0 million (2015: US\$2.4 million) as a result of higher/lower interest expense on the borrowings.

(b) *Credit risk*

Credit risk refers to the risk that a counterparty is in default on its contractual obligations resulting in financial loss to the Group.

There is significant concentration of credit risk as the Group currently deals with only three customers (2015: seven customers). However, the Group ensures that charter contracts are entered into with customers of appropriate credit standing. In addition, in accordance with normal shipping practice, charter hire is received in advance and there have not been any defaults on payments during the financial year. In the event of default, the Group is also able to repossess its vessels from the charter party. For other financial assets, the Group adopts the policy of dealing with financial institutions and other counterparties with high credit ratings assigned by international credit rating agencies.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position. The Group's major classes of financial assets are bank deposits and trade and other receivables. The Trust's major classes of financial assets are bank deposits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit rating agencies.

(ii) Financial assets that are past due and/or impaired

As at 31 December 2016 and 31 December 2015, none of the Group's trade and other receivables are past due and/or impaired.

(c) Liquidity risk

The table below analyses the maturity profile of the Group's and Trust's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year US\$'000	Between 1 and 2 years US\$'000	Between 2 and 5 years US\$'000	Over 5 years US\$'000
Group				
At 31 December 2016				
Trade and other payables	2,367	-	-	-
Bank loans and interest payable	221,316	50,448*	3,320*	-
Medium-term notes and interest payable	74,696	-	-	-
Trust				
At 31 December 2016				
Trade and other payables	583	-	-	-
Amounts due to subsidiaries (non-trade)	407,208	-	-	-
Bank loans and interest payable	201,605	-	-	-
Medium-term notes and interest payable	74,696	-	-	-
	Less than 1 year US\$'000	Between 1 and 2 years US\$'000	Between 2 and 5 years US\$'000	Over 5 years US\$'000
Group				
At 31 December 2015				
Trade and other payables	2,789	-	-	-
Bank loans and interest payable	51,678	200,478	72,806	355
Medium-term notes and interest payable	6,016	74,156	-	-
Trust				
At 31 December 2015				
Trade and other payables	240	-	-	-
Amounts due to subsidiaries (non-trade)	414,814	-	-	-
Bank loans and interest payable	28,665	180,801	-	-
Medium-term notes and interest payable	6,016	74,156	-	-

* Banks loans were presented as current liabilities due to breach of covenants (Note 20).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

25.
FINANCIAL RISK MANAGEMENT
(Continued)

Financial risk factors
(Continued)

(c)
Liquidity risk
(Continued)

As disclosed in Note 3(a), the Group and the Trust is maintaining on-going discussion with lenders and MTN holders in order to extend the maturity profile of its loan and restructure their existing debts. Please refer to the same note for further disclosure on liquidity risk of the Group.

(d)
Capital risk

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern and to maintain an optimal capital structure so as to maximise unitholders’ value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of distribution payment, return capital to unitholders, issue new Common Units, buy back issued Common Units, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The ratio is calculated as external bank loans and medium-term notes, divided by total unitholders’ funds, external bank loans and medium-term notes.

	Group	
	2016	2015
Gearing ratio	65%	51%

The Group was in compliance with all externally imposed capital requirements for the financial year ended 31 December 2015.

In current financial year, the Group has breached some of the externally imposed capital requirements. However, the lenders had not requested early repayment of the loans as of the date when these financial statements were approved by the Board of Directors. Management is in the process of renegotiating the terms of the loan agreement with the lenders.

(e)
Fair value measurements

Financial assets and liabilities measured at fair value are classified in the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

There were no financial assets and liabilities measured at Level 3 of the fair value measurement hierarchy as at 31 December 2016 and 2015.

There were no transfers between the levels during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(f) Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	Group		Trust	
	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
Loans and receivables	22,672	46,191	202,747	226,769
Financial liabilities at amortised cost	345,566	387,522	680,405	690,041

26. RELATED PARTY TRANSACTIONS

Rickmers Holding AG, incorporated in Germany, holds indirectly 34.19% unitholding interest in the Trust.

In October 2016, 100% shareholding in the Trustee-Manager was sold to Brick Holding International Invest GmbH. As a result of the sale, the Trust ceased to be a subsidiary of Rickmers Holding AG under IFRS 10 *Consolidated Financial Statements*.

The ultimate beneficial owner of Rickmers Holding AG, Brick Holding International Invest GmbH, the Trustee-Manager and the Ship Manager is Mr. Bertram R.C. Rickmers, the Chairman and Non-Executive Director of the Trustee-Manager.

(a) Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties at terms agreed between the parties during the financial year:

	Group	
	2016 US\$'000	2015 US\$'000
Management fees paid to Trustee-Manager	2,657	2,947
Management fees paid to Ship Manager	2,086	2,054
Vessel fixed operating costs paid/payable to Ship Manager	29,708	32,366
Cable, victual and entertainment expenses paid to Ship Manager [#]	400	534
Commission paid to an affiliated company*	53	4
Legal fees to a company which is controlled by a director of the Trustee-Manager	481	60

[#] Recovered from charterers.

* Affiliated company is entity controlled by Rickmers Holding AG.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

26. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions (Continued)

	Group	
	2016 US\$'000	2015 US\$'000
Payments on behalf by Ship Manager	2,557	514

(b) Key management personnel compensation

There are no key management personnel of the Group as the operations are managed by the Trustee-Manager.

27. SEGMENT INFORMATION

Management has determined the Group's business as one operating segment based on the reports reviewed by the CODM, as the Group is only involved in the chartering of container vessels which is carried out in international waters. The reports reviewed by the CODM have been prepared on the same basis as the financial statements, hence, there are no reconciling items to be disclosed.

Revenue from major products and services

All revenues from external customers are derived from the charter of containerships.

Geographical information

Revenues from external customers are attributed to the countries based on the customers' country of origin.

	Revenue	
	2016 US\$'000	2015 US\$'000
Australia*	908	12,152
Italy*	–	1,526
France*	6,671	22,424
Japan	50,665	55,529
Korea*	2,379	9,466
Denmark*	5,787	6,876
Switzerland	1,709	326
Others	1,092	248
Total	69,211	108,547

* Revenues shown are derived from a single external customer in each of these countries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

27. SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

With respect to the presentation of vessels by geographical information, the Group time charters them to several liner companies and the vessels are deployed to various parts of the world at the discretion and direction of these liner companies. Accordingly, the Trustee-Manager does not consider it meaningful to allocate vessels to specific geographical locations.

28. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Trustee-Manager on 16 February 2017.

ADDITIONAL INFORMATION

A. DIRECTORS' REMUNERATION

The following information relates to remuneration of directors of the Trustee-Manager out of the Trust property during the financial year:

	2016	2015
Number of directors of the Trustee-Manager in remuneration bands:		
– above S\$500,000	–	–
– S\$250,000 to S\$500,000	–	–
– below S\$250,000	–	–
Total	–	–

B. MATERIAL CONTRACTS

There were no material contracts entered into involving the interest of the controlling Unitholders, Directors or Chief Executive Officer during the financial year.

C. INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 (US\$68,900 ¹) each)			
	Transactions not conducted under unitholders' mandate pursuant to Rule 920		Transactions conducted under unitholders' mandate pursuant to Rule 920	
	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
Rickmers Shipmanagement (Singapore) Pte. Ltd.				
– Management fee	–	–	2,086	2,054
– Fixed operating fee	–	–	29,708	32,366
– Cable, victual and entertainment expenses ²	400	534	–	–
Rickmers Trust Management Pte. Ltd.				
– Management fee	–	–	2,657	2,947
Harper Petersen & Co. (GmbH & Cie. KG)				
– Brokerage commission	23	4	–	–
Rickmers Reederei (GmbH & Cie. KG)				
– Brokerage commission	30	–	–	–
Morgan Lewis Stamford LLC				
– Legal fees	481	60	–	–

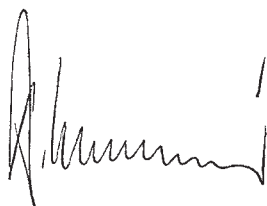
Note:

¹ Exchange rate as at 31 December 2016

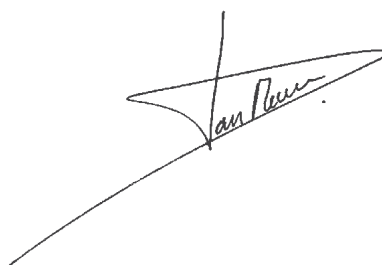
² Recovered from charterers

STATEMENT BY DIRECTORS

1. The interested person transactions on page 86 are not detrimental to the interests of all the unitholders as a whole, based on the circumstances at the time of the transactions.
2. Management fees paid out of the Trust property to the Trustee-Manager on page 83 are in accordance with the Trust Deed.
3. At the date hereof there are reasonable grounds to believe that the Trustee-Manager will be able to fulfil, out of the Trust property, the liabilities of Rickmers Maritime as and when they fall due.
4. The Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager that would have a materially adverse effect on the business or on the interests of all unitholders as a whole.



Mr Bertram R. C. Rickmers
Director



Dr Ignace Adolf Julien Van Meenen
Director

Singapore
16 February 2017

STATISTICS OF UNITHOLDINGS

AS AT 14 MARCH 2017

Class of Units	No. of Units	Voting Rights
Common Units	879,622,717	One vote for each unit

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 – 99	56	0.81	2,278	0.00
100 – 1,000	755	10.87	726,757	0.08
1,001 – 10,000	2,498	35.97	11,629,928	1.32
10,001 – 1,000,000	3,568	51.38	315,350,362	35.85
1,000,001 AND ABOVE	67	0.97	551,913,392	62.75
TOTAL	6,944	100.00	879,622,717	100.00

LOCATION OF UNITHOLDERS

COUNTRY	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
SINGAPORE	6,788	97.75	560,353,369	63.70
MALAYSIA	98	1.41	10,199,691	1.16
OTHERS	58	0.84	309,069,657	35.14
TOTAL	6,944	100.00	879,622,717	100.00

SUBSTANTIAL UNITHOLDERS

(As recorded in the Register of Substantial Unitholders as at 14 March 2017)

	Direct Interest	%	Deemed Interest	%
Rickmers Holding AG	–	–	300,729,185 ⁽¹⁾	34.19
Bertram R. C. Rickmers	–	–	300,729,185 ⁽²⁾	34.19
Rickmers Second Invest GmbH ("Rickmers Second")	158,801,503	18.05	141,927,682 ⁽³⁾	16.14
Polaris Shipmanagement Company Limited ("Polaris")	141,927,682	16.14	–	–

Notes:

(1) Rickmers Holding AG is the holding company of Rickmers Second, which in turn is the holding company of Polaris. Rickmers Holding is therefore deemed to be interested in the units held by Rickmers Second and Polaris in Rickmers Maritime.

(2) Mr. Bertram R. C. Rickmers holds 100% of Rickmers Holding AG. He is therefore deemed to be interested in the units held by Rickmers Second and Polaris in Rickmers Maritime.

(3) Rickmers Second is the holding company of Polaris and is therefore deemed to be interested in the units held by Polaris.

STATISTICS OF UNITHOLDINGS

AS AT 14 MARCH 2017

TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1	RICKMERS SECOND INVEST GMBH	158,801,503	18.05
2	POLARIS SHIPMANAGEMENT COMPANY LIMITED	141,719,730	16.11
3	DBS NOMINEES (PRIVATE) LIMITED	20,673,836	2.35
4	CITIBANK NOMINEES SINGAPORE PTE LTD	18,448,710	2.10
5	PHILLIP SECURITIES PTE LTD	14,727,419	1.67
6	OCBC SECURITIES PRIVATE LIMITED	11,979,067	1.36
7	RAFFLES NOMINEES (PTE) LIMITED	11,664,121	1.33
8	TEE TUAN HOON @ TAY TUAN HOON	11,174,030	1.27
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	11,147,769	1.27
10	ANG KONG MENG	10,471,400	1.19
11	MAYBANK KIM ENG SECURITIES PTE. LTD.	9,529,426	1.08
12	YIM WING CHEONG	8,623,100	0.98
13	WIRTZ JOCHEN	6,829,771	0.78
14	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	5,505,088	0.63
15	LOKE CHEE TUAN OR CHUA GIM KENG	5,367,490	0.61
16	DBSN SERVICES PTE. LTD.	5,277,834	0.60
17	EVERGREEN GROUP PTE LTD	5,140,000	0.58
18	CIMB SECURITIES (SINGAPORE) PTE. LTD.	5,007,363	0.57
19	HSBC (SINGAPORE) NOMINEES PTE LTD	4,973,027	0.57
20	LEE CHEE KIAT	4,678,762	0.53
TOTAL		471,739,446	53.63

PERCENTAGE OF UNITHOLDING IN PUBLIC'S HANDS

Approximately 65.55% of the Trust's units are held in the hands of the public. Accordingly, the Trust has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Unitholders of Rickmers Maritime (the “Trust”) will be held at STI Auditorium, 168 Robinson Road, Level 9, Capital Tower, Singapore 068912 on Wednesday, 26 April 2017 at 10.30 a.m. for the following purposes:

1. To receive and adopt the Statement by the Trustee-Manager and the Audited Financial Statements of the Trust for the year ended 31 December 2016 together with the Independent Auditor’s Report thereon.

(Resolution 1)

2. To re-appoint PricewaterhouseCoopers LLP as the Auditors of the Trust and to authorise the Trustee-Manager to fix their remuneration.

(Resolution 2)

3. To transact any other business which may properly be transacted at an Annual General Meeting.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

4. **Authority to issue new units**

That pursuant to Clause 6.1.1 of the Trust Deed, Section 36 of the Business Trusts Act and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), the Trustee-Manager be authorised and empowered to:

- (a)
 - (i) issue units in the Trust (“Units”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Units in pursuance of any Instrument made or granted by the Trustee-Manager while this Resolution was in force,

provided that:

- (1) the aggregate number of Units (including Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution):
 - (A) by way of renounceable rights issues on a pro rata basis to Unitholders of the Trust and subject to the conditions stipulated in Practice 8.3 of the Listing Manual of the SGX-ST (“Renounceable Rights Issues”) shall not exceed 100 per centum (100%) of the total number of issued Units excluding treasury Units (as calculated in paragraph (3) below) (the “Enhanced Rights Issue Limit”); and

NOTICE OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS

- (B) otherwise than by way of Renounceable Rights Issues ("Other Unit Issues") shall not exceed 50 per centum (50%) of the total number of issued Units excluding treasury Units (as calculated in accordance with paragraph (3) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders of the Trust shall not exceed 20 per centum (20%) of the total number of issued Units excluding treasury Units (as calculated in accordance with paragraph (3) below);
- (2) the number of Units to be issued pursuant to the Renounceable Rights Issues and Other Unit Issues shall not, in aggregate exceed 100 per centum (100%) of the total number of issued Units excluding treasury Units (as calculated in paragraph (3) below);
- (3) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Units that may be issued under paragraph (1)(A) and (1)(B) above, the percentage of issued Units shall be based on the total number of issued Units (excluding treasury Units) at the time of the passing of this Resolution, after adjusting for:
 - (a) new Units arising from the conversion or exercise of any convertible securities or Unit options or vesting of Unit awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (4) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed of the Trust and the Business Trusts Act; and
- (5) unless revoked or varied by the Trust in a general meeting, the authority conferred by this Resolution shall continue in force (i) until the conclusion of the next Annual General Meeting of the Unitholders of the Trust or the date by which the next Annual General Meeting of the Unitholders of the Trust is required by law to be held, whichever is the earlier or (ii) in the case of Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments.

[See Explanatory Note]

(Resolution 3)

By Order of the Board of Rickmers Trust Management Pte. Ltd.
as Trustee-Manager of Rickmers Maritime

Kim Yi Hwa
Company Secretary

Singapore

7 April 2017

NOTICE OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS

Explanatory Note:

Resolution 3 in item 4 above, if passed, will empower the Trustee-Manager from the date of this Meeting until the date of the next Annual General Meeting of the Unitholders of the Trust, or the date by which the next Annual General Meeting of the Unitholders of the Trust is required by law to be held or such authority is varied or revoked by the Trust in a general meeting, whichever is the earlier, to issue Units, make or grant Instruments convertible into Units and to issue Units pursuant to such Instruments, up to a number not exceeding (i) 100% for Renounceable Rights Issues and (ii) 50% for Other Unit Issues, of which up to 20% may be issued other than on a pro rata basis to existing Unitholders of the Trust.

For the purpose of determining the aggregate number of Units that may be issued, the total number of issued Units (excluding treasury Units) will be calculated based on the total number of issued Units (excluding treasury Units) at the time Resolution 3 is passed after adjusting for new Units arising from the conversion or exercise of any convertible securities or Unit options or the vesting of Unit awards which are outstanding or subsisting at the time when Resolution 3 is passed, and any subsequent bonus issue, consolidation or subdivision of Units.

The authority for the Enhanced Rights Issue Limit is proposed pursuant to Practice Note 8.3 of the Listing Manual of the SGX-ST which was effective from 13 March 2017 for the purpose of financing listed issuer's business needs. Units issued pursuant to the Enhanced Rights Issue Limit must be listed by 31 December 2018. The Enhanced Rights Issue Limit is subject to the conditions stipulated under Practice Note 8.3 of the Listing Manual of the SGX-ST.

Notes:

1. A Unitholder entitled to attend and vote at the Annual General Meeting of the Unitholders of the Trust (the "Meeting") is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder of the Trust.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Trustee-Manager at 8 Shenton Way #42-03, Singapore 068811 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a Unitholder of the Trust (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or its agents) for the purpose of the processing and administration by the Trustee-Manager (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Trustee-Manager (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

RICKMERS MARITIME

Registration No. 2007003

(A business trust constituted under the laws of the Republic of Singapore)

RICKMERS TRUST MANAGEMENT PTE. LTD.

(As Trustee-Manager of Rickmers Maritime)

Company Registration No. 200616499G

(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____ (Name)

holder of NRIC/Passport number or Company Registration or UEN Number _____

of _____ (Address)

being a Unitholder/Unitholders of Rickmers Maritime (the "Trust"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting (the "Meeting") of the Trust as my/our proxy/proxies to vote for me/us on my/our behalf at the Meeting to be held at STI Auditorium, 168 Robinson Road, Level 9, Capital Tower, Singapore 068912 on Wednesday, 26 April 2017 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Resolutions relating to:	No. of Votes For	No. of Votes Against
1	Statement by the Trustee-Manager and the Audited Financial Statements of the Trust for the year ended 31 December 2016		
2	Re-appointment of PricewaterhouseCoopers LLP as the Auditors of the Trust		
3	Authority to issue new units		

Note: If you wish to exercise all your votes "For" or "Against", please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

 Signature of Unitholder(s)
 or Common Seal of Corporate Unitholder

Total number of Units in:	No. of Units
(a) CDP Register	
(b) Register of Unitholders	



Notes:

1. Please insert the total number of units in the Trust (the “Units”) held by you. If you have Units entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Units. If you have Units registered in your name in the Register of Unitholders, you should insert that number of Units. If you have Units entered against your name in the Depository Register and Units registered in your name in the Register of Unitholders, you should insert the aggregate number of Units entered against your name in the Depository Register and registered in your name in the Register of Unitholders. If no number is inserted, the instrument appointing a proxy or proxies (the “Proxy Form”) shall be deemed to relate to all the Units held by you.
2. A Unitholder of the Trust entitled to attend and vote at a meeting of the Trust is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder of the Trust.
3. Where a Unitholder appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this Proxy Form shall not preclude a Unitholder from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the meeting in person, and in such event, the Trust reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The Proxy Form must be deposited at the registered office of the Trustee-Manager at 8 Shenton Way #42-03, Singapore 068811 not less than 48 hours before the time appointed for the Meeting.
6. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 April 2017.

General:

The Trustee-Manager shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject any Proxy Form lodged if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Trustee-Manager.

CORPORATE INFORMATION

TRUSTEE-MANAGER

RICKMERS TRUST MANAGEMENT PTE. LTD.

8 Shenton Way #42-03
Singapore 068811

BOARD OF DIRECTORS

MR BERTRAM R. C. RICKMERS

Chairman & Non-Executive Director

DR IGNACE ADOLF JULIEN VAN MEENEN

Non-Executive Director

MR LIM HOW TECK

Lead Independent Director

MRS LEE SUET FERN

Independent Director

MR RAYMUNDO A. YU JR.

Independent Director

EXECUTIVE OFFICERS

MR SOEREN ANDERSEN

Chief Executive Officer

MR TOMAS NORTON DE MATOS

Chief Financial Officer

AUDIT COMMITTEE

MR LIM HOW TECK

Chairperson

MRS LEE SUET FERN

MR RAYMUNDO A. YU JR.

NOMINATING & REMUNERATION COMMITTEE

MRS LEE SUET FERN

Chairperson

MR BERTRAM R. C. RICKMERS

MR LIM HOW TECK

MR RAYMUNDO A. YU JR.

REGISTERED/BUSINESS OFFICE

8 Shenton Way #42-03
Singapore 068811

Telephone: (65) 6506 6960

Fax: (65) 6506 6961

Email: ir@rickmers-maritime.com

Website: www.rickmers-maritime.com

UNIT REGISTRAR/UNIT TRANSFER OFFICE

BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

Telephone: (65) 6536 5355

Fax: (65) 6536 1360

INDEPENDENT AUDITOR

PRICEWATERHOUSECOOPERS LLP

8 Cross Street

#17-00 PWC Building

Singapore 048424

Audit Partner-in-charge: Ms Kok Moi Lre

Date of Appointment: 23 April 2012

COMPANY SECRETARIES

MS KIM YI HWA

MS LOW GEOK ENG SUSIE

PRINCIPAL BANKERS

BNP PARIBAS

COMMERZBANK AG

DBS BANK LTD

HSH NORDBANK AG

ING BANK N.V.

SUMITOMO MITSUI TRUST BANK, LIMITED

THE BANK OF NOVA SCOTIA ASIA LIMITED

THE HONGKONG AND SHANGHAI BANKING CORPORATION

NOTES TRUSTEE TO MTN PROGRAMME

DB INTERNATIONAL TRUST (SINGAPORE) LIMITED

RICKMERS MARITIME

Registration Number: 2007003

Managed by:

Rickmers Trust Management Pte. Ltd.

Company Registration Number: 200616499G

8 Shenton Way #42-03 Singapore 068811

Tel: (65) 6506 6960 Fax: (65) 6506 6961

Email: ir@rickmers-maritime.com

Website: www.rickmers-maritime.com