



RICKMERS TRUST MANAGEMENT PTE. LTD.
(Incorporated in Singapore. Company Registration Number: 200616499G)

ANNUAL REPORT
For the financial year ended 31 December 2016

CONTENTS

03 DIRECTORS' STATEMENT

05 INDEPENDENT AUDITOR'S REPORT

08 STATEMENT OF COMPREHENSIVE INCOME

09 STATEMENT OF FINANCIAL POSITION

10 STATEMENT OF CHANGES IN EQUITY

11 STATEMENT OF CASH FLOWS

12 NOTES TO THE FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

For the financial year ended 31 December 2016

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 December 2016.

In the opinion of the directors,

- (a) the financial statements as set out on pages 8 to 22 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

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

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares in, or debentures of the Company or any related corporation, except for Mr Bertram R. C. Rickmers.

Mr Bertram R. C. Rickmers, who by virtue of his interest of 100% of the issued capital of the holding corporation, Brick Holding International Invest GmbH is deemed to have an interest in the whole of the share capital of the Company.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2016

SHARE OPTIONS

There were no options granted to any person to subscribe for unissued shares of the Company.

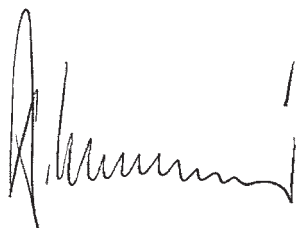
No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

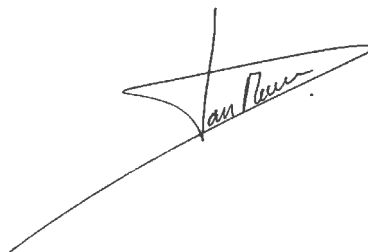
INDEPENDENT AUDITOR

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

On behalf of the directors



Mr Bertram R. C. Rickmers
Director



Dr Ignace Adolf Julien Van Meenen
Director

16 February 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF RICKMERS TRUST MANAGEMENT PTE. LTD.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying financial statements of Rickmers Trust Management Pte. Ltd. (the "Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

What we have audited

The financial statements of the Company comprise:

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

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Company 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 the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 3 to 4 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF RICKMERS TRUST MANAGEMENT PTE. LTD.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSSs, 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF RICKMERS TRUST MANAGEMENT PTE. LTD.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

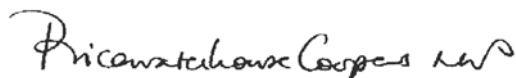
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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



PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore, 16 February 2017

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2016

	Note	2016 US\$	2015 US\$
Revenue	3	2,656,631	2,947,026
Interest income		7,943	7,810
Net currency translation losses		(28,853)	(8,678)
Expenses:			
– Employee compensation	4	(1,259,042)	(1,472,614)
– Directors’ fees	14(b)	(420,336)	(419,451)
– Depreciation	8	(2,750)	(4,773)
– Professional fees		13,800	(298,431)
– Maintenance fees		(35,105)	(23,193)
– Travel and entertainment expenses		(41,309)	(79,094)
– Office expenses		(29,228)	(29,606)
– Insurance expense		(25,633)	(32,880)
– Expenses for trust administration		(9,299)	(7,152)
– Shared services fee		(127,765)	(111,124)
– Other expenses		(41,870)	(64,120)
Total expenses		(1,978,537)	(2,542,438)
Profit before income tax		657,184	403,720
Income tax expense	5(a)	(51,893)	(22,046)
Profit after tax and total comprehensive income		605,291	381,674

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Note	2016 US\$	2015 US\$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,322,435	3,693,076
Due from related companies (non-trade)		17,564	–
Other current assets	7	65,509	58,731
		1,405,508	3,751,807
Non-current assets			
Plant and equipment	8	4,940	3,591
Total assets		1,410,448	3,755,398
LIABILITIES			
Current liabilities			
Dividend payable	11	395,320	–
Trade and other payables	9	103,656	331,725
Current income tax liabilities	5(b)	56,181	28,353
		555,157	360,078
Total liabilities		555,157	360,078
NET ASSETS		855,291	3,395,320
EQUITY			
Share capital	10	250,000	250,000
Retained profits		605,291	3,145,320
Total equity		855,291	3,395,320

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2016

	Note	Share capital US\$	Retained profits US\$	Total equity US\$
2016				
Beginning of financial year		250,000	3,145,320	3,395,320
Total comprehensive income for the year		–	605,291	605,291
Dividends paid/payable	11	–	(3,145,320)	(3,145,320)
End of financial year		250,000	605,291	855,291
2015				
Beginning of financial year		250,000	2,763,646	3,013,646
Total comprehensive income for the year		–	381,674	381,674
End of financial year		250,000	3,145,320	3,395,320

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2016

	Note	2016 US\$	2015 US\$
Cash flows from operating activities			
Profit after tax		605,291	381,674
Adjustments for:			
– Income tax expense		51,893	22,046
– Depreciation		2,750	4,773
– Interest income		(7,943)	(7,810)
		651,991	400,683
Changes in working capital			
– Other current assets		(26,266)	(39,107)
– Trade and other payables		(228,069)	53,101
Cash generated from operations		397,656	414,677
Income tax paid		(34,812)	(75,760)
Cash received under PIC Scheme		10,747	6,581
Net cash provided by operating activities		373,591	345,498
Cash flows from investing activities			
Additions to plant and equipment		(4,099)	(2,705)
Interest received		9,867	5,637
Net cash provided by investing activities		5,768	2,932
Cash flows from financing activity			
Dividends paid	11	(2,750,000)	–
Net cash used in financing activity		(2,750,000)	–
Net (decrease)/increase in cash and cash equivalents		(2,370,641)	348,430
Cash and cash equivalents at beginning of financial year	6	3,693,076	3,344,646
Cash and cash equivalents at end of financial year	6	1,322,435	3,693,076

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

The Company is incorporated and domiciled in Singapore. The address of its registered office is 8 Shenton Way, #42-03, Singapore 068811.

The principal activity of the Company is providing management services to Rickmers Maritime (the “Trust”).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no critical accounting estimates, assumptions and judgements used in preparing these financial statements.

Interpretations and amendments to published standards effective in 2016

On 1 January 2016, the Company adopted the new or amended FRS and Interpretations to FRS (“INT FRS”) that are mandatory for application for the financial year. Changes to the Company’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company’s activities. Revenue is presented, net of goods and services tax, rebates and discounts.

Revenue is recognised as follows:

(a) Rendering of services

Fees from the provision of management services are recognised when the services have been rendered.

(b) Interest income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Plant and equipment

(a) *Measurement*

All plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) *Depreciation*

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Office equipment	3 years

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

(c) *Subsequent expenditure*

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

2.4 Impairment of non-financial assets

Plant and equipment are reviewed for impairment whenever there is any objective evidence or indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset 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 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 accumulated depreciation) had there been no impairment loss recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Loans and receivables

Loans and receivables include “cash and cash equivalents” on the statement of financial position, and “deposits” and “others” as disclosed in Note 7.

These financial assets are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method less accumulated impairment losses. These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

Receivables are derecognised when the rights to receive cash flows from the financial assets have expired or the amount has been received.

The Company 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. Allowance for impairment 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.

2.6 Fair value estimation

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

2.7 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company 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). Otherwise, they are presented as non-current liabilities.

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

2.8 Income taxes

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 by the balance sheet date.

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 an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

A concessionary tax rate of 10% is applied to income derived from qualifying activities under Section 43W of the Singapore Tax Act for 10 years with effect from May 2007 under the Maritime Sector Incentive – Maritime Leasing where the Company was awarded the Approved Shipping Investment Manager status.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Employee compensation

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plan under which the Company pays fixed contributions into Central Provident Fund on a mandatory basis. The Company has no further payment obligations once the contribution has been paid. The Company's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due.

(b) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.10 Currency translation

The financial statements are presented in United States Dollar, which is the Company's functional currency.

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

All foreign exchange gains and losses impacting profit or loss are presented in the Statement of Comprehensive Income within "net currency translation losses".

2.11 Cash and cash equivalents

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

2.12 Share capital

Ordinary shares are classified as equity.

2.13 Dividends

Dividends to the Company's shareholder are recognised when the dividends are approved for payment.

2.14 Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the conditions attached to the grants. Government grants relating to expenses are shown as an offset against the related expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

3. REVENUE

Revenue comprises management fee earned from Rickmers Maritime (the "Trust"), 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.

34.2% (2015: 34.2%) of the issued Common Units of the Trust is held by Rickmers Holding AG (Note 13), and its subsidiaries. The Company was a subsidiary of Rickmers Holding AG up till 17 October 2016 and became a fellow subsidiary after this date.

Management fee earned from the Trust consists of a fixed component and a variable component. The fixed component is increased by 3% per annum or such other percentage representing the average of the monthly Consumer Price Index published by the Singapore Department of Statistics, for the 12 calendar months immediately preceding the date of the increase, whichever is greater. The variable component is based on 0.9% of the net charter revenue of the Trust.

4. EMPLOYEE COMPENSATION

	2016 US\$	2015 US\$
Wages and salaries	1,023,928	1,271,122
Employer's contribution to Central Provident Fund	67,712	75,824
Other benefits	167,402	125,668
	1,259,042	1,472,614

5. INCOME TAXES

(a) Income tax expense

	2016 US\$	2015 US\$
Tax expense attributable to profit is made up of:		
– Current income tax	56,181	28,353
– Over provision in preceding financial year	(4,288)	(6,307)
	51,893	22,046

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

	2016 US\$	2015 US\$
Profit before tax	657,184	403,720
Tax calculated at a tax rate of 17% (2015: 17%)	111,721	68,632
Effects of:		
– concessionary tax rate	(48,606)	(28,185)
– statutory stepped income exemption	(1,817)	(719)
– income not subject to tax	–	(369)
– expenses not deductible for tax purposes	4,653	5,910
– tax incentives	(14,458)	(17,005)
– others	4,688	89
Tax charge	56,181	28,353

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

5. INCOME TAXES (CONTINUED)

(b) Movements in current income tax liabilities

	2016 US\$	2015 US\$
Beginning of financial year	28,353	75,486
Income tax paid	(34,812)	(75,760)
Cash received under PIC Scheme	10,747	6,581
Tax expense on profit for current financial year	56,181	28,353
Over provision in preceding financial year	(4,288)	(6,307)
End of financial year	56,181	28,353

The Productivity and Innovation Credit ("PIC") Scheme was introduced in the Singapore Budget 2013 to help businesses defray rising operating costs to undertake improvements in productivity and innovation.

6. CASH AND CASH EQUIVALENTS

	2016 US\$	2015 US\$
Cash at bank and on hand	1,068,177	941,023
Short-term bank deposits	254,258	2,752,053
	1,322,435	3,693,076

7. OTHER CURRENT ASSETS

	2016 US\$	2015 US\$
Deposits	755	755
Prepayments	63,735	55,510
Others	1,019	2,466
	65,509	58,731

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

8. PLANT AND EQUIPMENT

	Office equipment US\$
2016	
<u>Cost</u>	
Beginning of financial year	38,717
Additions	4,099
End of financial year	42,816
<u>Accumulated depreciation</u>	
Beginning of financial year	35,126
Depreciation charge	2,750
End of financial year	37,876
<u>Net book value</u>	
End of financial year	4,940
2015	
<u>Cost</u>	
Beginning of financial year	60,828
Additions	2,705
Disposals	(24,816)
End of financial year	38,717
<u>Accumulated depreciation</u>	
Beginning of financial year	55,169
Depreciation charge	4,773
Accumulated depreciation on disposals	(24,816)
End of financial year	35,126
<u>Net book value</u>	
End of financial year	3,591

9. TRADE AND OTHER PAYABLES

	2016 US\$	2015 US\$
Trade payables to non-related parties	8,992	5,900
GST payables, net	41,520	46,495
Non-trade amount due to related companies	52	2,756
Accrual for operating expenses	53,092	276,574
	103,656	331,725

The non-trade amount due to related companies are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

10. SHARE CAPITAL

The Company's share capital comprise 250,000 (2015: 250,000) fully paid-up ordinary shares with no par value, amounting to a total of US\$250,000 (2015: US\$250,000).

11. DIVIDENDS

	2016 US\$	2015 US\$
First interim dividends declared and paid in respect of the current financial year of US\$8.00 (2015: nil) per share	2,000,000	–
Second interim dividends declared in respect of the current financial year of US\$4.58 (2015: nil) per share	1,145,320	–
	3,145,320	–

For the financial year ended 31 December 2016, second interim dividends amounting to US\$1,145,320 were approved by the board of directors, of which US\$750,000 were paid on 20 October 2016, resulting in an outstanding dividend payable of US\$395,320 as at the end of the financial year.

12. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to currency risk, credit risk and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management team then establishes detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by the management team.

(a) Market risk

(i) Currency risk

The Company's business is exposed to the Singapore Dollar ("SGD") as certain expenses are denominated in SGD. The Company manages this risk by entering into currency spot contracts, transacted with financial institutions, when the need arises.

The Company's currency exposure to the SGD is as follows:

	2016 US\$	2015 US\$
Financial assets		
Cash and cash equivalents	640,796	172,183
Others	477	–
	641,273	172,183
Financial liabilities		
Trade and other payables	(103,604)	(328,969)
Net financial liabilities	537,669	(156,786)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

At 31 December 2016, if the SGD had strengthened/weakened by 3% (2015: 3%) against the USD with all other variables including tax rate being held constant, the Company's profit after tax for the financial year would have been US\$16,130 higher/lower (2015: US\$4,704 lower/higher) as a result of currency translation losses/gains on the SGD-denominated financial instruments.

(ii) Price risk

The Company has no exposure to equity price risk as it does not hold equity financial assets.

(iii) Interest rate risk

The Company is exposed to interest rate risk on its bank balances. As this exposure is insignificant, the Company monitors interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable levels.

(b) Credit risk

Under the Business Trusts Act, Chapter 31A of Singapore, the Company is required not to carry on any business other than the management and operation of the registered trust as its trustee-manager. The Company's credit risk is therefore its concentration to one customer, the Trust. For other financial assets, the Company 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 Company's major class of financial assets is cash and cash equivalents.

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

Bank balances that are neither past due nor impaired are cash and cash equivalents placed with banks which have high credit ratings as determined by international credit rating agencies.

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

There is no other class of financial assets that is past due and/or impaired.

(c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash.

All financial liabilities of the Company will mature within a year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

The Company's objectives when managing capital are to ensure that the Company is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary. Management monitors its capital based on the shareholder's equity.

The Company is not subject to any externally imposed capital requirements.

(e) Financial instruments by category

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

	2016 US\$	2015 US\$
Loans and receivables	1,341,773	3,696,297
Financial liabilities at amortised cost	498,976	331,725

13. IMMEDIATE AND ULTIMATE HOLDING CORPORATIONS

On 17 October 2016, the entire ordinary shares in the Company was sold to Brick Holding International Invest GmbH ("Brick"). As a result of the sale, the Company ceased to be a subsidiary of Rickmers Holding AG under IFRS10 *Consolidated Financial Statements*.

The Company's immediate holding corporation is Brick Holding International Invest GmbH, incorporated in Germany. The Company's ultimate holding corporation is Brick Holding GmbH & Cie. KG, which is also incorporated in Germany. A director of the Company, Mr Bertram R.C. Rickmers has the full equity interest of the issued capital of the immediate and ultimate holding corporations.

14. RELATED PARTY TRANSACTIONS

- (a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties during the financial year:

	2016 US\$	2015 US\$
IT consultancy fees, software license and shared services fee paid/ payable to related companies	179,851	151,912
Legal fees to a company which is controlled by a director	23,730	2,951

For the financial year ended 31 December 2016, shared services fee paid/payable to related companies includes US\$127,765 (2015: US\$111,124), which relates to costs for the usage of office space and administrative overheads.

Balances with related parties at the end of the financial year are set out in Note 9.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management personnel compensation for the financial year were as follows:

	2016 US\$	2015 US\$
Directors' fees	420,336	419,451
Wages and salaries	940,029	985,436
Employer's contribution to Central Provident Fund	11,620	14,261
	<u>1,371,985</u>	<u>1,419,148</u>

15. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Company has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Company's accounting periods beginning on or after 1 January 2017. However, management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Company in the period of their initial adoption.

16. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Rickmers Trust Management Pte. Ltd. on 16 February 2017.

