



Consent Solicitation Exercise
S\$100m 8.45% Notes Due 2017
18 October 2016

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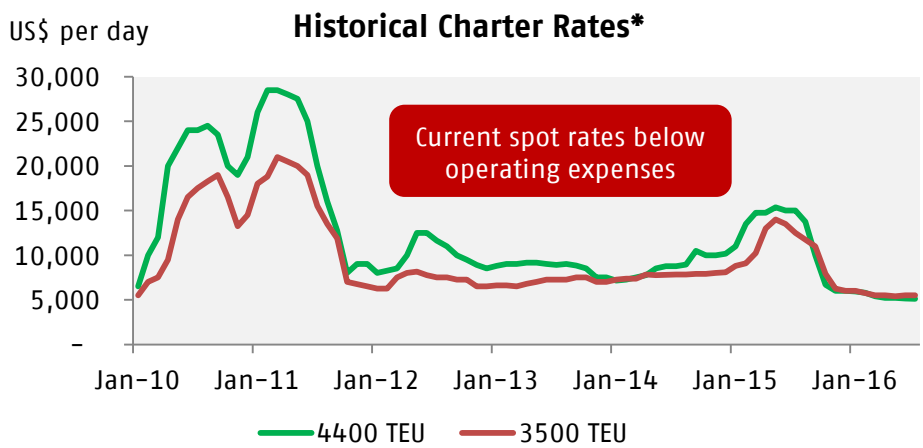
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- The shipping sector remains challenging: Rickmers Maritime needs to restructure its secured and unsecured debt in order to continue to operate as a 'going concern'
- Rickmers Maritime has received a firm offer for a US\$260.2m new facility from its secured lenders to refinance and extend the maturities of a large part of its secured loans to 1Q2021
- Rickmers Maritime is proposing to redeem S\$60m principal of the Notes with new units, and extend the maturity of the remaining S\$40m to November 2023
- Failure to restructure the Trust's loans may result in a liquidation of the Trust and a zero return to Noteholders
- A successful restructuring is key for the future of Rickmers Maritime and the preservation of value for Noteholders

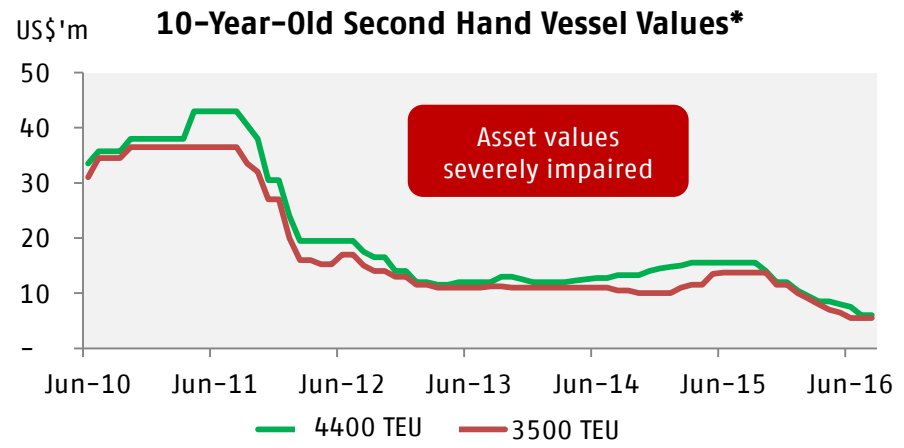
Background – Market and Financial Situation



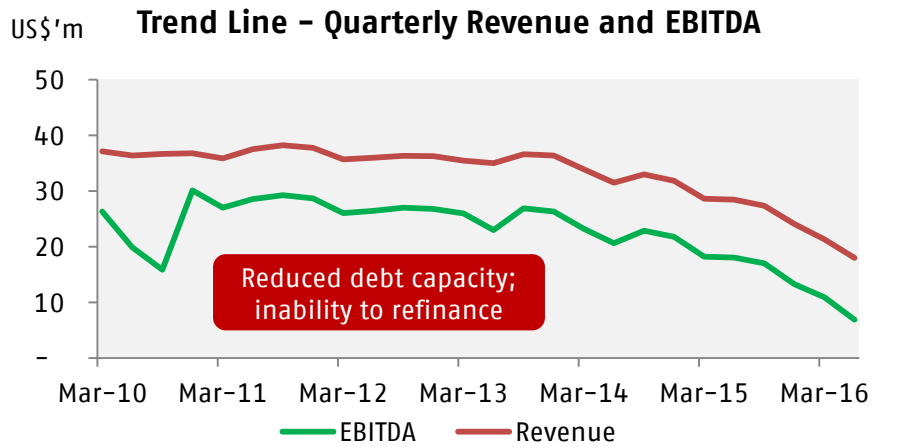
Current operating environment one of the worst in history: Charter rates at all-time low



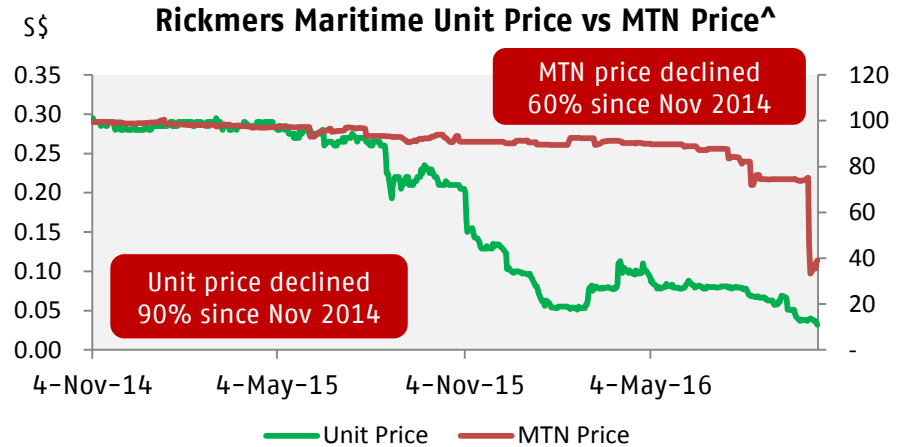
Depressed vessel values limit recovery in a liquidation scenario



Revenue and EBITDA plunged in 1H2016 on increased exposure to spot market and reduced charter rates



MTN could be trading at a lower price in a liquid market



Sources: *Clarksons Research Services; ^Bloomberg

Steps Taken To Preserve Cash and Improve Solvency



- Nov 2015 ● **Suspended unitholders' distributions:** Conserved over US\$20m cash per annum assuming distribution of 0.6 US cents per unit
- Nov 2015 ● Trust exit from Intercreditor Deed: Greater flexibility for bilateral negotiations with lenders
- Feb 2016 ● **Received emphasis of matter from Independent Auditor:** Highlighted that the Trust may have insufficient cash to fulfil obligations of US\$179.7m secured bank loans and US\$70.6m of MTNs due for repayment on 31 Mar 2017 and 15 May 2017 respectively
- May – Aug 2016 ● **Made prepayments to BNP syndicate to obtain short-term waivers** amid restructuring discussions; **obtained standstill from HSH syndicate to defer quarterly amortisation**
- Aug 2016 ● **Decommissioned three vessels** trading in the spot market to cut costs
- Sep 2016 ● **Received firm offer from HSH syndicate for US\$260.2m new facility**
- Sep 2016 ● Presented initial notes restructuring proposal and convened informal Noteholders meeting; presented revised proposal which reflects Noteholders' feedback
- Sep 2016 ● **Decommissioned another two vessels** trading in the spot market to cut costs
- Oct 2016 ● Despatched circular to unitholders for proposed issue of 1.32b new units, and proposed winding up of the Trust in the event of an unsuccessful restructuring; EGM on 31 Oct 2016
- Oct 2016 ● Despatched Consent Solicitation Statement and Notice of Noteholders' Meeting for proposed notes restructuring; Noteholders' Meeting on 9 Nov 2016

Redeem S\$60m principal with new units; remaining S\$40m repayable in 2023

Redeem
S\$60m with
equity

Unitholders EGM on 31 Oct 2016

✓ Proposed issue of 1.32b new units^
APPROVED by Unitholders

- Redeem S\$60m with ~1.32b new units at S\$0.045474 per unit
- Delivers majority ownership to **Noteholders** with 60% of the enlarged units of the Trust

✗ Proposed issue of 1.32b new units^
NOT APPROVED by Unitholders

- **Alternative Proposal:** Redeem S\$60m with ~176m new units at S\$0.341 per unit
- Noteholders to receive 16.7% of the enlarged units of the Trust

S\$40m
outstanding
principal to
be repayable
in 2023

▪ **Step-up coupon rates:**

Per year	Coupon Rate	Coupon Amount
Nov 2016 – Nov 2019	2.7%	S\$1.08m
Nov 2019 – Nov 2020	3.3%	S\$1.32m
Nov 2020 – Nov 2021	3.9%	S\$1.56m
Nov 2021 – Nov 2022	4.5%	S\$1.80m
Nov 2022 – Nov 2023	5.2%	S\$2.08m

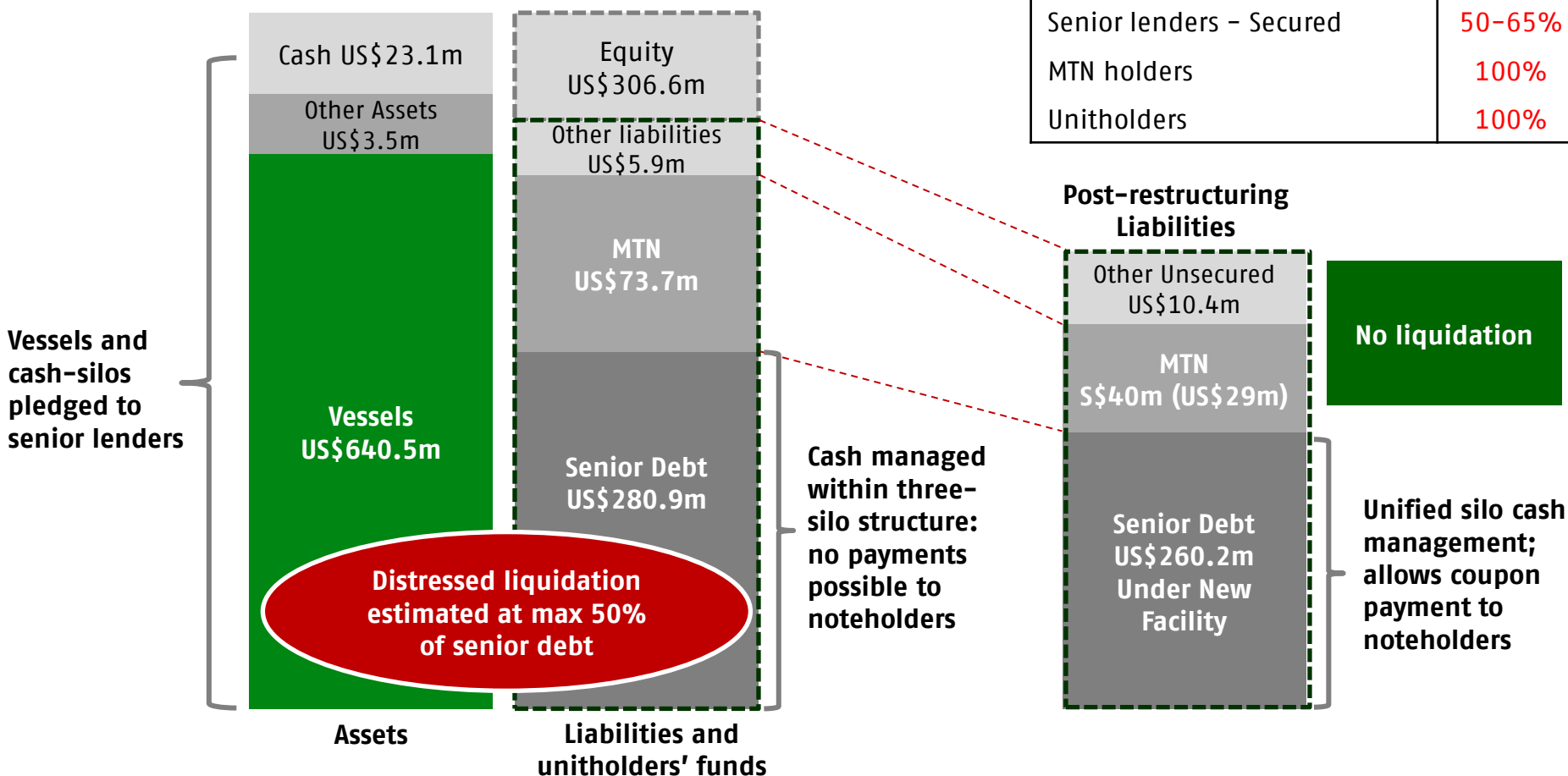
Special upfront
coupon payment
of S\$500,000 to
be paid to
Noteholders
upon a successful
restructuring

^ Rickmers Holding, the sponsor of the Trust, has undertaken to vote in favour of the Proposed Issue of 1.32b new units

Proposed Notes Restructuring – Rationale

1 Avoid Liquidation

Balance Sheet as of 30 June 2016

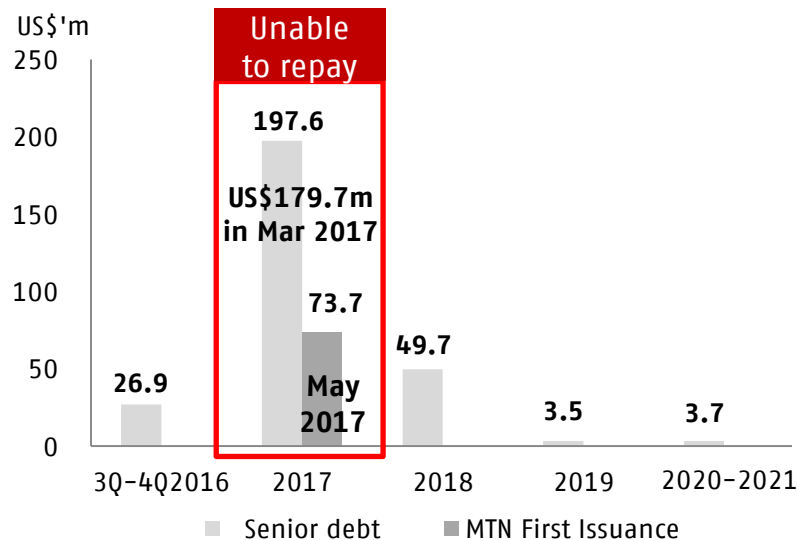


Proposed Notes Restructuring – Rationale

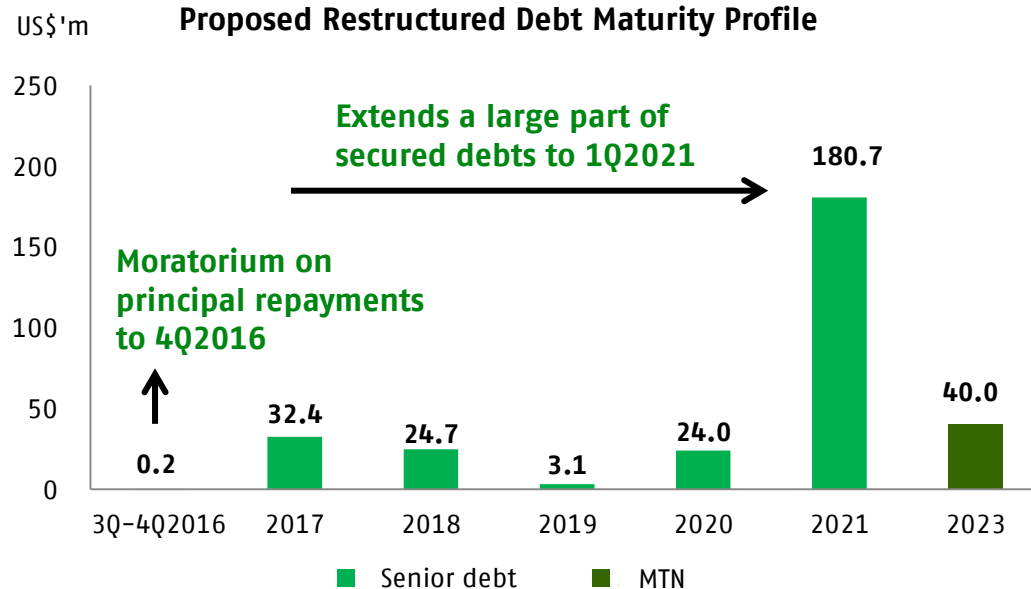
2 Longer Runway to Weather Depressed Market

- Successful notes restructuring makes way for US\$260.2m New Facility*
 - Extends significant secured loans to 1Q2021; provides a moratorium on principal repayments to 4Q2016
 - No silo restriction: Allows MTN coupons to be funded from revenue of trading vessels

Existing Debt Maturity Profile



Proposed Restructured Debt Maturity Profile



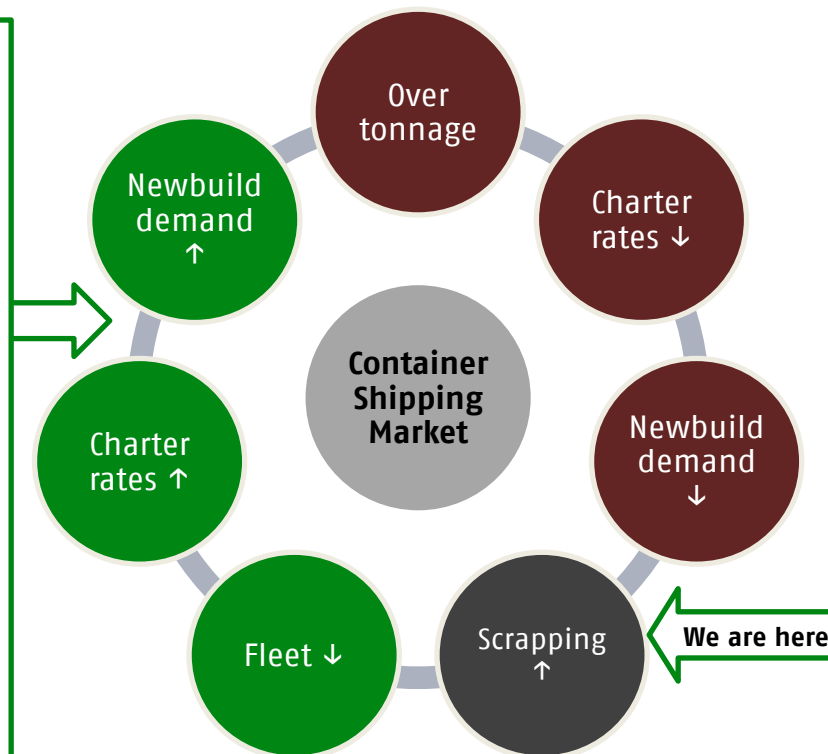
*Conditional on, amongst others, further credit approvals, satisfactory documentation, waivers and/or consents from the existing syndicate lenders and a successful restructuring of the Notes.

Proposed Notes Restructuring – Rationale

3 Participate in market recovery and potential growth of Rickmers Maritime

Market recovers and charter rates increase

- **Reactivate decommissioned vessels** and secure longer-term charters
- **Pursue cash-producing and value-enhancing business opportunities**, which include low-cost vessel acquisitions and the conversion of vessels for other purposes



Current depressed market

- **Secured revenue of US\$111.5m[^]**: Mainly from five long-term charters of US\$26,850/day/vessel
- **Decommission idling vessels**: Significantly reduces operating costs and allows the Trust to delay drydocks until market recovers
- **Keep a few spot vessels** for flexibility to capitalise on any uptick in the market
- **Strengthen financial position and extend loan maturity profile** to improve the balance sheet and pursue growth opportunities when market recovers

- ✓ **Proactively manage operating costs**: Implemented cost saving initiatives in 2Q2016 to reduce vessel operating expenses
- ✓ **Take practical measures amid depressed market**: Decommissioned five idling vessels in Aug-Sep 2016
- ✓ **Continue comprehensive capital management strategy**: Manage liabilities and extend loan maturity profile

[^] From 30 Jun 2016 until the expiry of the last existing charter contract in 2019

Key Takeaways

Avoid Liquidation

Noteholders likely to experience total loss in a liquidation as distressed sales proceeds are inadequate to repay senior loans

Equitable Structure

Partial redemption of Notes with units due to lack of cash as well as closure of equity and debt markets; more manageable and sustainable coupon payments going forward

Longer Runway

Make way for US\$260.2m new facility, and gives the Trust more time to weather the depressed market

Equity Upside

Participate in the potential growth of Rickmers Maritime

Exit Option

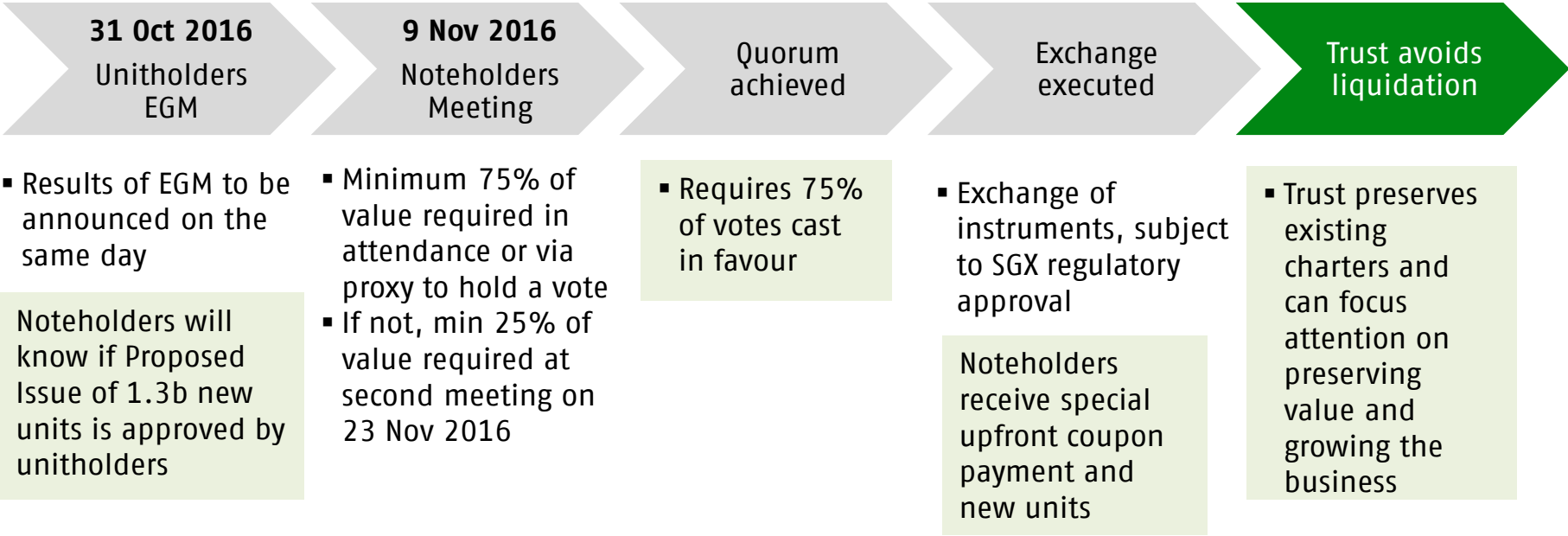
You may be able to sell the new units you receive at any time after the completion of the proposed issue

Optimal Solution

Can be executed quickly to **avoid value destruction** in a distressed scenario and allows management to focus on operations and growth

Voting Procedure and Timeline

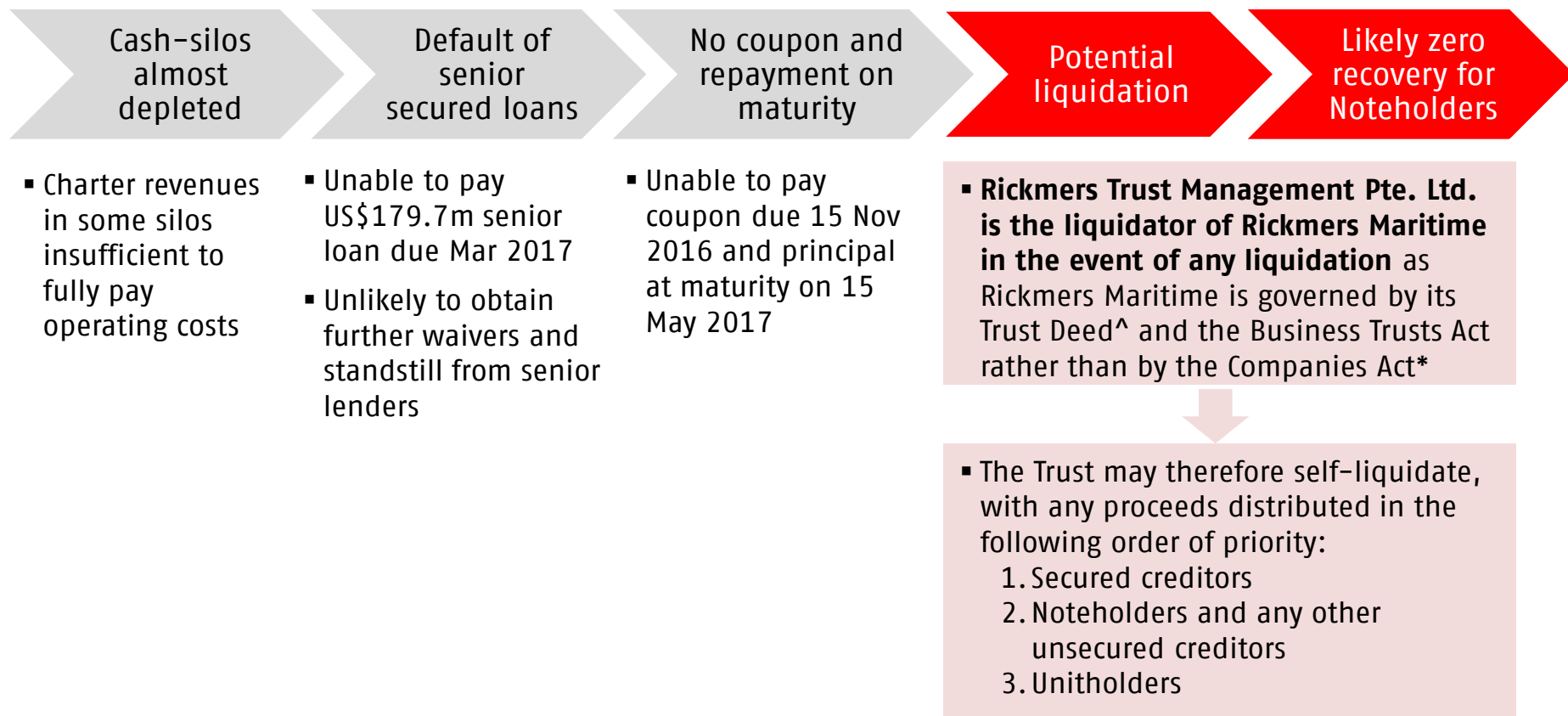
- **If you hold Notes directly through CDP:** Vote remotely via a Voting Instruction Form or request a Voting Certificate via a Voting Instruction Form to attend and vote at the meeting in person
- **If you hold Notes through a bank, broker, custodian or nominee:** Give voting instructions to your bank, broker, custodian or nominee



Consequences of Unsuccessful Notes Restructuring



- **Critical consequences if vote does not pass:** Severely limits the Trust's ability to continue to operate on a going concern basis



[^]Amongst other clauses, the Rickmers Maritime Trust Deed stipulates that RM may be wound up by the Trustee-Manager, all secured creditors will be repaid before unsecured creditors, and the Trustee-Manager may postpone the realization of any investment for so long as it sees fit

*Common practice for companies where the role of liquidator is performed by a third party appointed by the creditors does not apply to a Trust

Appendix:

Key Amendments After Proposed Restructuring

Key Amendments	Notes prior to Proposed Restructuring	Notes after Proposed Restructuring
Outstanding Redemption Amount	S\$100m	S\$40m (after S\$60m redemption with new units)
Maturity Date	15 May 2017	15 Nov 2023
Coupon Rate (per annum)	8.45%	▪ Nov 2016 to Nov 2019: 2.7% ▪ Nov 2019 to Nov 2020: 3.3% ▪ Nov 2020 to Nov 2021: 3.9% ▪ Nov 2021 to Nov 2022: 4.5% ▪ Nov 2022 to Nov 2023: 5.2%
Coupon Amount (per annum)	S\$8.45m	▪ S\$1.08m for Nov 2016 to Nov 2019 ▪ S\$1.32m for Nov 2019 to Nov 2020 ▪ S\$1.56m for Nov 2020 to Nov 2021 ▪ S\$1.80m for Nov 2021 to Nov 2022 ▪ S\$2.08m for Nov 2022 to Nov 2023
Coupon Frequency	Semi-annually	Semi-annually
Special Upfront Coupon Payment	None	▪ Coupon Rate: 1.25% per annum for Nov 2016 to Nov 2017 ▪ Coupon Amount (aggregate): S\$0.50m ▪ Coupon Frequency: Single lump sum payment to be made on the date that the new units are issued to Noteholders
Security	Unsecured	Unsecured

Appendix:

Impact of Proposed Restructuring on Each S\$250,000 Note

For each S\$250,000 Note

60% partial redemption : S\$150,000

- Payable with ~3.3m new units if Proposed Issue approved at EGM
- Payable with ~440,000 new units if Proposed Issue not approved at EGM

40% outstanding principal repayable in Nov 2023: S\$100,000

- New coupons payable semi-annually in May and Nov

Per year	Coupon Rate	Annual Coupon Amount
Nov 2016 – Nov 2019	2.7%	S\$2,700
Nov 2019 – Nov 2020	3.3%	S\$3,300
Nov 2020 – Nov 2021	3.9%	S\$3,900
Nov 2021 – Nov 2022	4.5%	S\$4,500
Nov 2022 – Nov 2023	5.2%	S\$5,200

Special upfront coupon payment of 1.25% for Nov 2016 – Nov 2017: S\$1,250 payable on the same date that the new units are issued to Noteholders