



RICKMERS MARITIME
Registration Number: 2007003
(Constituted under the laws of Singapore)
Managed by Rickmers Trust Management Pte. Ltd.

THE PROPOSED ISSUE OF 1,319,434,076 NEW UNITS AT THE ISSUE PRICE OF S\$0.045474 PER UNIT PURSUANT TO THE PROPOSED RESTRUCTURING OF THE S\$100 MILLION 8.45 PER CENT. NOTES DUE 2017 (ISIN NO. SG6QC6000001) (THE “NOTES”)

1. INTRODUCTION

Rickmers Trust Management Pte. Ltd., in its capacity as trustee-manager (the “**Trustee-Manager**”) of Rickmers Maritime (the “**Trust**”) wishes to announce that it intends to seek the consent of the holders of the Notes (the “**Noteholders**”) via a consent solicitation exercise to, amongst others:

- (a) amend the Notes, including a partial redemption of the Notes payable in the form of 1,319,434,076 new units in the Trust (the “**New Units**”) to be issued at the issue price of S\$0.045474 (the “**Issue Price**”), representing approximately 150% of the total number of units in the Trust as at the date of this announcement, such that the outstanding principal amount under the Notes is reduced to an aggregate of S\$40 million repayable in 2023 (the “**Proposed Restructuring**”); and
- (b) waive any non-compliance or potential non-compliance with certain provisions of the trust deed in relation to the Notes (the “**Notes Trust Deed**”) and the terms and conditions applicable to the Notes (the “**Conditions**”).

In the event that a successful restructuring of the Notes cannot be achieved and where the Trustee-Manager is of the opinion that it is impracticable or inadvisable to continue the Trust, the Trustee-Manager may propose to wind up the Trust in accordance with the trust deed constituting the Trust (the “**Rickmers Maritime Trust Deed**”) (the “**Proposed Winding Up**”).

2. THE PROPOSED RESTRUCTURING

2.1 Background

In 2015, the depressed charter market and adverse industry conditions affected the financial performance of the Trust in terms of lower revenues, cash and asset values. The charter market deteriorated in 2016 and the Trust is facing uncertainty in meeting its payment obligations under its existing senior loan facilities (the “**Existing Facilities**”) and the Notes.

In the announcements dated 25 May 2016, 29 June 2016, 5 August 2016 and 23 August 2016, the Trustee-Manager announced that it was engaging the lenders under the Existing Facilities (the “**Syndicate Lenders**”) on a comprehensive refinancing plan by way of a unified facility as part of the Trust’s balance sheet optimisation efforts, including the reduction of amortisation and the increase of loan tenors.

The Trustee-Manager announced on 7 September 2016 that the Trust had received a firm offer letter from the lenders of the HSH syndicate (comprising HSH Nordbank AG, Singapore Branch and DBS Bank Ltd) in relation to a restructured secured amortising term loan facility of an amount of up to US\$260,227,745.26 (“**New Facility**”), to refinance all of the Trust’s present outstanding debt under the Existing Facilities granted by the lenders of the HSH syndicate and the lenders of the 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 Trust Bank Limited, Singapore Branch).

The New Facility, if entered into, extends the maturities of a large part of the Trust's secured banks debts to the first quarter of 2021 and includes, amongst other terms, a generally back-ended amortisation schedule. The New Facility is conditional on, amongst others, entry into loan and security documentation, waivers and/or consents from the Syndicate Lenders and evidence that the Notes have been successfully restructured.

In the same announcement, the Trustee-Manager advised that it was contemplating a restructuring of the Notes by way of a debt exchange via a consent solicitation exercise to the Noteholders that sought to exchange the existing principal amount of the Notes, and interest due thereon, for new unsecured S\$28 million fixed rate step-up perpetual convertible securities which would be convertible at any time into units in the Trust at a fixed conversion price subject to adjustment for various adjustment events (the "**Initial Proposed Exchange Offer**"). It was envisaged that such perpetual convertible securities would initially be convertible into 20% new units, to be issued pursuant to the General Mandate (as defined below), based on a fixed conversion price and the existing units in the Trust.

Following an informal meeting with the Noteholders held on 15 September 2016 in relation to the Initial Proposed Exchange Offer, and taking into account the feedback from the Noteholders at such meeting, the Trust revised the terms of the Initial Proposed Exchange Offer and is proposing instead to restructure the Notes by way of the Proposed Restructuring as further described at paragraph 2.2 below.

2.2 The Proposed Restructuring

The Trustee-Manager intends to convene a meeting of the Noteholders for the purposes of approving an extraordinary resolution in relation to certain proposed amendments to the Notes Trust Deed and Conditions in order to effect the Proposed Restructuring (the "**Proposed Consent Solicitation**").

By way of the Proposed Consent Solicitation, the Trust intends to seek the consent of the Noteholders for, amongst others:

- (a) the amendments to the Notes Trust Deed and the Conditions to amend the Notes, including a partial redemption of the Notes payable in the form of the New Units to be issued at the Issue Price, representing approximately 150% of the total number of units in the Trust at the date of this announcement, such that the outstanding principal amount under the notes is reduced to an aggregate of S\$40 million repayable in November 2023; and
- (b) the waiver of any non-compliance or potential non-compliance with certain provisions of the Notes Trust Deed and Conditions.

2.3 Key Amendments to the Notes

Key Amendments	Notes prior to the Proposed Restructuring	Notes after the Proposed Restructuring
Outstanding Redemption Amount	S\$100 million	S\$40 million
Maturity Date	15 May 2017	November 2023
Coupon Rate (per annum)	8.45%	November 2016 to November 2019: 2.7% November 2019 to November 2020: 3.3% November 2020 to November 2021: 3.9% November 2021 to November 2022: 4.5% November 2022 to November 2023: 5.2%

Key Amendments	Notes prior to the Proposed Restructuring	Notes after the Proposed Restructuring
Coupon Amount (per year)	S\$8.45 million	S\$1.08 million for the first 3 years S\$1.32 million for the 4th year S\$1.56 million for the 5th year S\$1.80 million for the 6th year S\$2.08 million for the 7th year
Coupon Frequency	Semi-annually	Semi-annually
Security	Unsecured	Unsecured

2.4 New Units

An aggregate of 1,319,434,076 New Units will be issued to the Noteholders at the Issue Price as part of the Proposed Restructuring (the “**Proposed Issue**”).

The New Units will represent approximately 150% of the total number of units at the date of this announcement and will upon issuance represent approximately 60% of the enlarged total number of units following the completion of the Proposed Issue.

As a result of the Proposed Issue, the aggregate equity interest of unitholders in the Trust will be reduced from 100% as at the date of this announcement to 40% following the completion of the Proposed Issue.

The New Units will, upon allotment and issue, rank *pari passu* in all respects with the existing units in the Trust as at the date of issue of the New Units.

2.5 Issue Price

The Issue Price of S\$0.045474 for each New Unit represents a discount of 12.4% to the volume weighted average price of S\$0.051892 per unit for trades in the units done on the SGX-ST for the full market day on 21 September 2016, being the preceding market day before the date of this announcement.

2.6 Use of Proceeds

The Trust will not be receiving any cash consideration from the unitholders for the Proposed Issue and the Proposed Restructuring and all costs and expenses associated with the Proposed Issue and the Proposed Restructuring will be fully borne by the Trust.

2.7 Conditions Precedent

The Proposed Restructuring and the Proposed Issue are conditional on, amongst others, the fulfilment of the following conditions precedent:

- (a) the approval of unitholders being obtained at an extraordinary general meeting to be convened (the “**EGM**”) in respect of the Proposed Issue;
- (b) approval in-principle for the listing and quotation of the New Units on the SGX-ST being granted by the SGX-ST; and
- (c) the approval of the Noteholders being obtained at a meeting of the Noteholders in respect of the Proposed Restructuring.

2.8 Alternative Proposal

In the event that the approval of unitholders for the Proposed Issue is not obtained at the EGM, the Trust is making an alternative proposal to the Noteholders to achieve a

restructuring of the Notes (the “**Alternative Proposal**”). The terms of the Alternative Proposal will be the same as the terms of the Proposed Restructuring, save that 175,924,543 (instead of 1,319,434,076) new units at the issue price of S\$0.341 for each new unit will be issued to the Noteholders and the approval of unitholders for the issuance of new units will no longer be a condition precedent.

175,924,543 new units represent approximately 20% of the total number of units at the date of this announcement and if issued will represent approximately 16.7% of the enlarged total number of units following such issuance.

It is intended that the 175,924,543 new units under the Alternative Proposal will be issued pursuant to the general mandate given by unitholders at the annual general meeting held on 30 April 2016 (the “**General Mandate**”) which allows the Trustee-Manager to issue new units and/or convertible securities or other instruments which may be convertible into units such that the number of new units (and/or units into which the convertible securities may be converted) does not exceed 50% of the number of units in issue (excluding treasury units) as at 30 April 2016 (the “**Base Figure**”), of which the aggregate number of new units (and/or units into which the convertible securities may be converted) issued other than on a *pro rata* basis to existing unitholders shall not be more than 20% of the Base Figure.

As at 30 April 2016, the number of units in the Trust was 879,622,717 units. The number of units in the Trust that can be issued under the General Mandate is 439,811,358 units, of which no more than 175,924,543 units can be issued on a non *pro rata* basis. The Trustee-Manager has not issued any units since 30 April 2016. Accordingly, the proposed issuance of 175,924,543 new units under the Alternative Proposal will be within the limits of the General Mandate, and the prior approval of unitholders is not required for the issuance of the 175,924,543 new units pursuant to the Alternative Proposal.

3. INFORMATION ON THE NOTEHOLDERS

To the best of the Trustee-Manager’s knowledge, the New Units will not be issued to any of the persons set out in Rule 812(1) of the Listing Manual of the SGX-ST (the “**Listing Manual**”).

To the best of the Trustee-Manager’s knowledge, the Trust is in compliance with Rule 803 of the Listing Manual, and none of the Noteholders will own 15% or more units in the Trust following the completion of the Proposed Issue.

4. THE PROPOSED WINDING UP

4.1 Background

In the event that (i) the Proposed Issue is not approved by unitholders at the EGM and/or the Proposed Restructuring is not approved by the Noteholders at the meeting of the Noteholders; or (ii) the Alternative Proposal is not approved by the Noteholders at the meeting of the Noteholders (“**Unsuccessful Restructuring**”), the New Facility will not be extended to the Trust. The Trust will not have sufficient cash to meet its principal repayment obligations under one of the Existing Facilities which are already due (but are presently waived) and a further amount of US\$179.7 million due on 31 March 2017 under the same facility. The Trust is also unlikely to be able to meet its coupon payment obligations of S\$4.2 million due on 15 November 2016 and 15 May 2017, and its principal repayment obligations of S\$100 million due on 15 May 2017, under the Notes. As a result, the Trust will be in default under the Existing Facilities and the Notes, unless further standstills and/or waivers in respect of its payment and other obligations under the Existing Facilities and Notes are obtained from the Syndicate Lenders and the Noteholders, and the Trust will no longer be able to operate on a going concern basis.

In the event of an Unsuccessful Restructuring and where the Trustee-Manager is of the opinion that it is impracticable or inadvisable to continue the Trust, the Trustee-Manager may propose to wind up the Trust in accordance with the Rickmers Maritime Trust Deed.

4.2 The Proposed Winding Up

Under the provisions of the Rickmers Maritime Trust Deed, it is provided that the Trust may be wound up by the Trustee-Manager, if in the opinion of the Trustee-Manager, it is impracticable or inadvisable to continue the Trust and approval for the winding up has been given by the unitholders by way of an extraordinary resolution duly passed by unitholders at a meeting thereof convened by the Trustee-Manager in accordance with the Rickmers Maritime Trust Deed. An extraordinary resolution is required to be passed by 75% or more of the total number of votes cast for and against such resolution at a meeting of unitholders convened in accordance with the provisions of the Rickmers Maritime Trust Deed.

4.3 Delisting of the Trust

In the event of an Unsuccessful Restructuring and where the Trustee-Manager proceeds with the Proposed Winding Up, this will result in the delisting of the Trust from the SGX-ST. Rule 1308 of the Listing Manual, read with Rules 1307(1), (2) and (3) of the Listing Manual, provides that unitholders' approval for the delisting of an issuer is not required in a voluntary liquidation. As the Trust will not have sufficient financial resources to propose any cash exit offer to the unitholders pursuant to Rule 1309 of the Listing Manual, it will seek a waiver from SGX-ST in respect of the requirements of Rule 1309 of the Listing Manual in the event of an Unsuccessful Restructuring and where the Trustee-Manager proceeds with the Proposed Winding Up.

5. RATIONALE FOR THE PROPOSED ISSUE AND THE PROPOSED WINDING UP

5.1 Rationale for the Proposed Issue

(a) Avoid Liquidation

As a result of the depressed charter market and adverse industry conditions, the Trust does not have sufficient cash to meet its payment obligations under one of the Existing Facilities and the Notes as described at paragraph 4.1 above. The Trust is at risk of default under the Existing Facilities and the Notes, unless further standstills and/or waivers in respect of its payment and other obligations under the Existing Facilities and Notes are obtained from the Syndicate Lenders and the Noteholders, and there is significant uncertainty as to the ability of the Trust to continue as a going concern.

The New Facility, if entered into, would allow the Trust to avoid potential liquidation by including a moratorium on principal repayments under some of the Existing Facilities, reducing amortisation and increasing loan tenors. As the New Facility is conditional on, amongst other things, evidence that the Notes have been successfully restructured, it is therefore vital that Noteholders' consent is obtained for the Proposed Restructuring for the Trust to continue to operate as a going concern and to preserve value for all stakeholders.

The Trustee-Manager has taken into account the feedback received from the Noteholders at the informal meeting held on 15 September 2016, and considers the number of New Units proposed to be issued to the Noteholders, representing approximately 60% of the enlarged total number of units in the Trust following the completion of the Proposed Issue, as the optimum percentage of units in the Trust required to deliver majority ownership to the Noteholders while preserving the status of Rickmers Holding AG as the largest unitholder of the Trust in order to maintain control over the operations and management of the Trust and its charter contracts and to continue to benefit from operating under the Rickmers Group. As far as the

Trustee-Manager is aware as at the date of this announcement, Rickmers Holding AG will remain the largest unitholder of the Trust following the completion of the Proposed Issue with an interest in 13.68% of the enlarged total number of units in the Trust.

(b) Improve Financial Position

Following the Proposed Restructuring, the overall debt level of the Trust will be reduced by S\$60 million, from the existing S\$100 million under the Notes to S\$40 million. The maturity of the Notes will also be increased by 6.5 years, from 15 May 2017 to 15 November 2023. In addition, ongoing interest costs, in cash terms, will be reduced from the current S\$8.45 million per year under the Notes to S\$1.08 million per year for the first three years, S\$1.32 million for the fourth year, S\$1.56 million for the fifth year, S\$1.80 million for the sixth year and S\$2.08 million for the seventh year, under the amended Notes pursuant to the Proposed Restructuring.

While the Proposed Issue will result in a reduction of the value of the unitholders' equity interest in the Trust, the reduction of debt of the Trust will support the long-term solvency of the Trust and its ability to operate as a going concern.

5.2 Rationale for the Proposed Winding Up

As described in paragraph 4.1 above, in the event of an Unsuccessful Restructuring, the Trust will, unless standstills and/or waivers are obtained from the Syndicate Lenders and the Noteholders, be in default under the Existing Facilities and the Notes, and will be unable to operate as a going concern due to the lack of available cash. In these circumstances, if the Trustee-Manager considers that there are no other options available to the Trust to avoid liquidation, the Trustee-Manager may be of the opinion that it is impracticable and inadvisable to continue the Trust when it can no longer operate as a going concern. At such time, the Trustee-Manager may be of the view that a winding up of the Trust in accordance with the terms of the Rickmers Maritime Trust Deed may be in the best interests of the unitholders to ensure an orderly winding up of the Trust.

6. EXTRAORDINARY GENERAL MEETING

6.1 Unitholders' Approval

As required under Rule 805(1) of the Listing Manual, the Trustee-Manager will be seeking the approval of unitholders for the Proposed Issue at an EGM to be convened.

The Proposed Winding Up, in the event of an Unsuccessful Restructuring and where the Trustee-Manager is of the opinion that it is impracticable or inadvisable to continue the Trust, requires the approval of unitholders under the Rickmers Maritime Trust Deed.

A circular to unitholders containing more information on the Proposed Issue, the Proposed Restructuring and the Proposed Winding Up, together with the notice of the EGM, will be despatched by the Trustee-Manager in due course to seek the approval of unitholders in respect of the Proposed Issue and the Proposed Winding Up.

6.2 Voting Undertakings

As at the date of this announcement, Polaris Shipmanagement Company Limited and Rickmers Second Invest GmbH, which are both part of the Rickmers Group, directly and/or indirectly hold in aggregate approximately 300,729,185 units, representing approximately 34.2% of the units in the Trust. In support of the Proposed Restructuring, they have indicated that they will be providing an undertaking to the Trustee-Manager to vote in favor of the ordinary resolution relating to the Proposed Issue to be proposed at the EGM.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

Other than through their respective unitholdings in the Trust, none of the directors or substantial unitholders has any interest, direct or indirect, in the Proposed Issue and the Proposed Winding Up.

To the best of the Trustee-Manager's knowledge, none of the directors or substantial unitholders of the Trust have any business connection (including business relationship) with any of the Noteholders or their directors or substantial shareholders.

8. APPLICATION TO THE SGX-ST

The Trustee-Manager will make the necessary application(s) for the listing of the new units to be issued pursuant to the Proposed Restructuring or the Alternative Proposal (as the case may be) in due course. An announcement on the receipt of the approval in-principle of the SGX-ST will be announced when appropriate.

9. CAUTION IN TRADING

The Trustee-Manager continues to actively engage relevant parties in relation to the Proposed Restructuring and to analyse the effect of the Proposed Restructuring on the Trust's obligations and indebtedness, and will update unitholders and other securities holders of any further development in due course.

Noteholders and unitholders are advised to exercise caution when dealing in the Notes and the units of the Trust as there is no certainty or assurance as at the date of this announcement that the Proposed Restructuring, Proposed Issuance or Proposed Winding Up will be effected.

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

Bertram R.C. Rickmers
Chairman
22 September 2016