

# RICKMERS MARITIME *Newsletter*



Rickmers Trust Management Pte. Ltd.

9th Edition, November 2010

## THE BBC BOX

Most articles about the container shipping industry are straightforward reports of facts and figures – freight rates, trade volumes, port rankings, etc. Against the backdrop of these rather run-of-the-mill stories, renowned media channel The British Broadcasting Corporation (BBC) developed a novel project called the “BBC Box”, which they hoped would give their readers a fresh perspective of the industry.

The idea was simple: attach a GPS tracking device on a shipping container and follow it for a year as it delivers goods around the world. BBC journalists stationed in various countries would then track the goods in the container and report on who were purchasing and consuming the goods. The result: a fascinating collection of stories on international trade and globalisation, illustrating the extent to which this phenomenon has changed our lives.

The BBC Box project was a resounding success, from the time it carried its first cargo of whisky bottles from Scotland to Shanghai in October 2008, to its last journey from the Middle East to Great Britain in the third quarter of 2009.

While the BBC box did not find its way onto any of Rickmers Maritime’s vessels, it did sit on board a Copenhagen Express ship that docked in Singapore. We summarise below the key highlights of the BBC box’s journey. The original articles, written by BBC journalists around the world, can be found on the BBC website at <http://www.bbc.co.uk/>.

**China:** The box started its journey from Edinburgh in Scotland to Shanghai in China on 22 October 2008, carrying 15,120 bottles of 12-year-old Chivas Scotch. The whisky bottles were transported to bars and pubs where middle-class Chinese hung out for drinks. The BBC correspondent in Shanghai chose to run a story on the fragile optimism in China – despite the seemingly vibrant nightlife, healthy demand for consumer goods and new store openings (Marks & Spencer opened its first store in China along Nanjing Lu, Beijing’s main shopping street, that month), imports were no longer in huge demand. Ships that sailed to Shanghai were half full, while rates headed south.

**United States:** In Shanghai, the box was loaded with a consignment of Chinese-made plastic spray bottles and digital bathroom scales and headed for New York. Upon reaching the warehouse, the goods were transported to Big Lots’ stores in Pennsylvania. It was nearing Christmas in 2008 and the BBC correspondent in New York took a look at an odd gift-buying trend. Fancy a digital bathroom scale for Christmas? Apparently, cash-strapped Americans were choosing cheaper China-made items for Christmas gifts, rather than big-ticket locally-made ones. A Big Lot employee interviewed for the story said that not too long ago, nobody would have thought of giving a digital bathroom scale as a gift, but in the midst of a recession, any gift became acceptable.

**Brazil:** A few months later, the box reached the Brazilian dock of Santos, the busiest port in South America. It carried a mix of items, including ink for pens, spearmint flavouring, additives and polyester fibre. These items would have been snapped up by consumers quickly in 2008 when the economy grew at a comfortable 5% to 6%. In 2009, however, the country was feeling the sting of the recession and imports were steadily declining.

The BBC correspondent reported a sense of growing frustration in Brazil as developed countries engaged in protectionist attitudes. With global trade tying economies so



## Dear Investor,

Among the most interesting reports written around the theme of container shipping was a series of articles by the BBC. In October 2008, the BBC branded a container with its logo and tracked it as it travelled around the globe. BBC correspondents in various countries then wrote articles based on their

observations of globalisation and the world economy as the box came to their countries.

The project was the BBC’s way of telling the more human-interest story behind the cold steel front of container shipping, and the articles – sometimes quirky, other times, serious – were received warmly by readers around the world. In this newsletter, we bring you a report on this project, summarising the highlights of the box’s adventures across the world.

Along the lines of interesting articles, we also run a first-hand account of a visitor on board one of our 4,250 TEU containerships. Ms Tiphaine Sartini, a French art student, spent seven days travelling from Fremantle, Australia to Singapore on board ANL Warringa, and along the way, drew inspiration from the journey for her artwork, some of which we have published along with her account.

Turning to Trust-specific issues, we announced in October that our Chief Financial Officer Mr Quah Ban Huat would be stepping down to pursue other interests. Mr Quah played a pivotal role in the listing and expansion of the Trust and I am personally very grateful for such a dedicated colleague. As the Board searches for the best candidate as our next CFO, Mr Quah will remain in his capacity as CFO up until the end of April next year to ensure a smooth transition of his duties.

As we enter the year-end holiday season, I would like to wish you happy holidays. While the fourth quarter is traditionally the weakest quarter for container shipping, there is still a reason to cheer as we have seen a stronger than expected recovery in container shipping this year and we hope that it will maintain its growth momentum going into 2011.

Wishing you a pleasant read,

Thomas Preben Hansen  
Chief Executive Officer  
Rickmers Trust Management Pte. Ltd.

closely, problems were intertwined more than ever before. Brazil was the world's biggest exporter of everything from beef to orange juice, but with developed countries undergoing a crisis, exports had slowed to a trickle. President Luiz Inacio Lula da Silva, who was interviewed for the article, was quoted as saying that developed countries should not talk about free trade only when economies were doing well.

**Japan:** From Brazil, the box headed for Japan, stocked with food items ordered by one of Japan's largest food manufacturing companies. Interestingly, it was not just Brazilian food items coming to Japan. Migrant workers from Brazil had also been coming to work in Japanese factories for decades. In fact, so many Brazilians were living in Hamamatsu Central that there was a radio station broadcasting songs in Portuguese.

The BBC correspondent chose to focus on the plight of migrant workers for his article. The same companies that once hired these migrant workers en masse had slashed production as quickly as they could. In order to contain the fallout from these migrant workers, the Japanese government offered ¥300,000, or about S\$4,700, to these workers to return to Brazil. However, the help came with a catch – they would not be allowed back into Japan to seek work on the same easy terms. Effectively, it was a one-way ticket back to poverty.

**Singapore:** The box reached Singapore in mid-2009. Much of the region's cargo called at Singapore's port, but with the global recession in full swing, shipment volumes had fallen drastically. Singapore was hit especially hard, with freight rates falling to six-year lows and share prices of local shipping companies taking a beating. The BBC correspondent in Singapore spoke to the captain of the ship on which the box was loaded. The captain let in on his worries of the piracy situation along the Straits of Malacca, especially since the box had become rather famous.

As a fitting end to its year-long journey, the box was transported to Johannesburg in South Africa in late 2009, where it was refitted as a permanent soup kitchen for some of the people who had been affected most severely by the global recession.



Photo Source: BBC News Online

<sup>1</sup> Big Lots is a chain of 1,300 stores selling odds and ends in the United States.

## JOURNEY ON THE HIGH SEAS – MY SEVEN DAYS ON ANL WARRINGA

BY TIPHAINE SARTINI



**Fremantle, Western Australia.** I was given a unique opportunity to spend seven days on board container ship ANL Warringa. On Monday 2 August 2010, I was informed that ANL Warringa had docked the night before. Having been waiting eagerly for

this moment, I jumped immediately onto my bicycle and cycled as quickly as I could to get to the port for a glimpse of this magnificent vessel. She was going to set sail the next day, between 1600 and 2200 hours (new maritime language for me!), with Singapore as her next port of call.

I arrived at the entrance of the port the next morning, way ahead of departure time at 1300 hours. I introduced myself to the DP World security guard who immediately called for a driver to take me to the ship. I was told by the driver that the Filipino crew was very excited to see me. Indeed, five smiling faces welcomed me warmly at the gangway, and whatever anxiety I had faded away.

To my surprise, the crew was not Filipino but Burmese. Captain Nyunt Win and his crew took me on an extensive tour of the vessel, covering the machine room, galley and even the bridge. During the course of the tour, I had the opportunity to greet all the crew members. Captain Nyunt Win then showed me to my cabin, my very own room for the next seven days!

For a city girl like me, who was familiar only with Optimists (small French sailing boats on which

one learned to sail at the age of 10 years old or so), this 4,250 TEU vessel was like a huge attraction park. Ladders, corridors, platforms – one could easily get lost! I was so excited that the seven-day crossing I had initially thought to be too long would in fact be too short!

In the middle of the night, I was woken up by Captain Nyunt Win to witness the vessel's departure from the port. The pilot was already at the bridge when I got there and soon, the vessel began its manoeuvre out of the port. With great skill, the pilot directed it towards the high seas. Little by little, Australia – where I had spent four great months travelling and studying – started to disappear. I felt I was suffering from horizontal vertigo, not dissimilar to the feeling when a plane takes off. Suddenly there was water all around us, 360°. Thus marked my first such experience at sea!

I had seven days before reaching Singapore and needed to be organised. I made sure my meal times coincided with those of Captain Nyunt Win so that I could enjoy his stories about navigation. These stories were mainly about typhoons, pirates, encounters with whales, etc. – ones that nurtured my imagination and populated my dreams. The meals, typically Western food, were delicious and different types of dishes were served every day.

In between meals, my days were filled with drawing sessions, and through them, I attempted to capture my impressions of the trip. Apart from drawing, I also spent a lot of time reading, watching movies, taking naps and playing

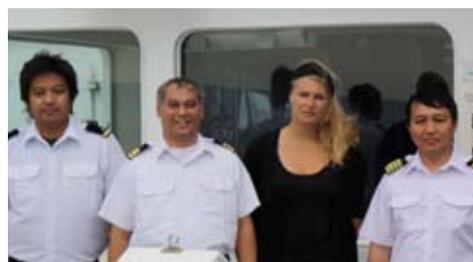




table tennis with the crew. Every day was different and full of surprises. There was once, where, after a few days at sea, a seagull suddenly appeared, reminding me that we were close to Christmas Island.

As we approached Indonesian waters on the seventh day, the temperature started to rise and it

became very humid. When I tried to find a cooler spot on the deck, the Sunda Strait came to view. At the same time, the sky became cloaked in yellowish-grey shades, indicating that a thunderstorm was approaching. I had never seen such colours before. It was simply magical!

Indeed, we were no longer out at the open sea. Through the binoculars, I could see many different types of vessels, from fishing boats to containerships to tankers. With the skyscrapers of Singapore on the horizon, traffic became increasingly heavy and ANL Warringa had to slow down as it approached the port.

The crew gathered on the bridge as the vessel was piloted into the port. The manoeuvre was as precise as the one made at Fremantle. The only difference was that Singapore's port was huge and with all the other giant vessels around us, ANL Warringa did not look as big as it did before.

**Singapore.** On 9 August 2010 at 1800 hours, we arrived in Singapore and it was time to say goodbye. I was filled with emotions as I bade farewell to Captain Nyunt Win and his crew. All of them had been extremely nice to me during my journey and it had been a wonderful experience. Indeed, I would never forget this unique experience at sea on a containership.

Mingela ba, kwei zu tin ba de! ("Good day, thank you!")



## CORPORATE UPDATES

### 14 August 2010

Rickmers Maritime announces the financial performance of the Trust for the second quarter ended 30 June 2010 (2Q2010). Charter revenue for 2Q2010 dipped slightly by 3% to US\$36.40 million, from US\$37.55 million in the same period last year, due to a smaller contribution from 5,060 TEU vessel, Kaethe C. Rickmers. Cash flow from operating activities in 2Q2010 remained strong at US\$28.12 million, comparable to the US\$28.67 million generated in the same period last year. Distribution to unitholders was 0.57 US cents per unit for 2Q2010.

### 6 September 2010

Rickmers Maritime convenes an Extraordinary General Meeting (EGM) to seek unitholders' approval on the proposed settlement agreement with Polaris Shipmanagement Co. Ltd, issue of the convertible loan and the settlement units, as well as the whitewash resolution. With the passing of all the resolutions at the EGM, all agreements in relation to the restructuring of the Trust's loans come into effect. The Finance Committee, which was formed on 11 January 2010, is also dissolved following the completion of the restructuring of Rickmers Maritime's liabilities.

### 1 October 2010

Rickmers Maritime announces that Mr Quah Ban Huat has tendered from his position as Chief Financial Officer of Rickmers Trust Management, the Trustee-Manager of Rickmers Maritime, in order to pursue other interests. Mr Quah will remain in his capacity as CFO up until 30 April 2011 to ensure a smooth transition of his duties to his successor.

### 12 November 2010

Rickmers Maritime releases its financial results for the third quarter ended 30 September 2010 (3Q2010). To access Rickmers Maritime's 3Q2010 results presentation, please visit <http://www.rickmers-maritime.com/>.

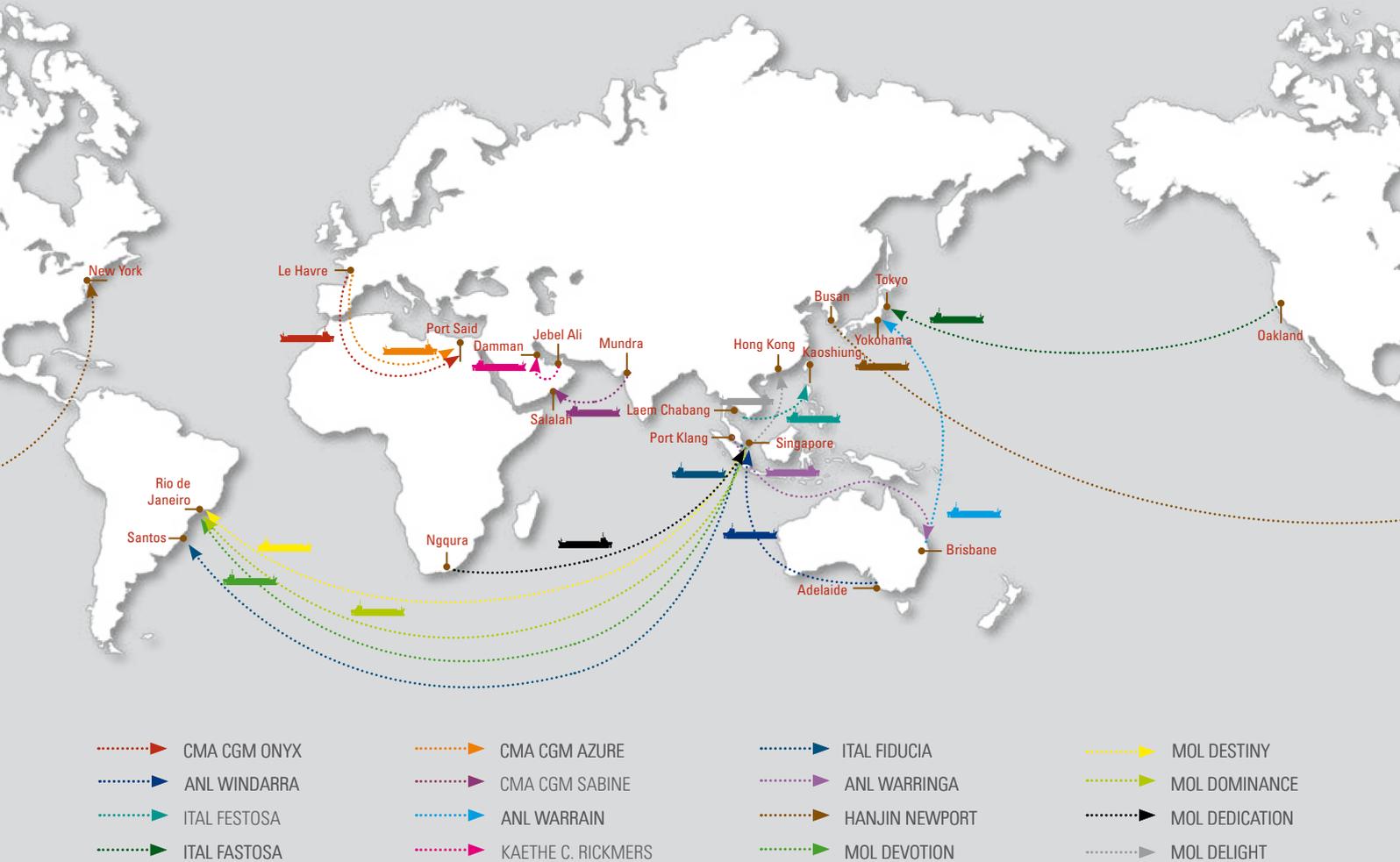
## ABOARD MOL DEDICATION

On 8 October 2010, Rickmers Maritime organised a tour of its 4,250 TEU containership MOL Dedication in Singapore. The event was organised in partnership with the Sailors' Society, a not-for-profit organisation catering to the needs and welfare of merchant seafarers globally, and in conjunction with the theme of this year's World Maritime Day – "2010: Year of the Seafarer". Attending the tour were the British High Commissioner to Singapore HE Paul Madden, his wife Mrs Sarah Madden, and 12 other visitors.

Rickmers Maritime conducts vessel tours for small groups of investors on a regular basis. The next scheduled vessel tour will take place in early December 2010. Investors keen to participate in the tour can contact the Trustee-Manager at [ir@rickmers-maritime.com](mailto:ir@rickmers-maritime.com).



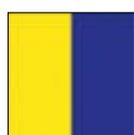
Our vessels carry goods destined for Europe, Americas, Africa or Australasia on various trade routes and across multiple time zones. Here is a geographic display of our vessel locations as at 30 November 2010.



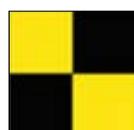
## GLOSSARY

### INTERNATIONAL MARITIME SIGNAL FLAGS (PART 2 OF 3)

The system of international maritime signal flags is a way of representing individual letters of the alphabet in signals to or from ships. Such flags are used to communicate messages, at times when radio silence is required:



K (Kilo) – “I wish to communicate with you”



L (Lima) – In harbour: “The ship is under quarantine” / At sea: “You should stop your vessel instantly”



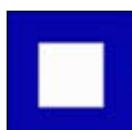
M (Mike) – “My vessel has stopped and is not making any headway through the water”



N (November) – “Negative”



O (Oscar) – “Man overboard”



P (Papa) – In harbour: “All persons should report on board as the vessel is about to proceed to sea” / At sea: “My nets have come upon an obstruction” (May be used by fishing vessels)



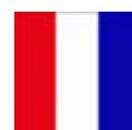
Q (Quebec) – “My vessel is healthy and I request free pratique<sup>1</sup>”



R (Romeo) – “The way is off my ship. You may feel your way past me”



S (Sierra) – “My engines are going full steam astern”



T (Tango) – “Keep clear of me. I am engaged in pair trawling<sup>2</sup>”

<sup>1</sup> Pratique is the formal permission given to a vessel to use a foreign port upon satisfying the requirements of the local health authorities.

<sup>2</sup> Pair trawling is a fishing activity carried out by two boats.