

# RICKMERS MARITIME *Newsletter*



Rickmers Trust Management Pte. Ltd.

1st Edition, November 2008



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Chief Executive Officer  
Rickmers Trust  
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## Dear Investor,

A very warm welcome to the first edition of the Rickmers Maritime newsletter! We hope that it will be an enjoyable and educational read, as we introduce our business to you in a fresh way.

Since our listing on the Singapore Exchange in May 2007, we have worked hard to raise the awareness of shipping trusts as an alternative investment opportunity for investors. Our efforts, much of which have been warmly supported by the Singapore Exchange and Securities Investors Association (Singapore), have yielded fruit and we are glad to see a higher degree of market receptivity and understanding of shipping trusts in Singapore.

In line with this motivation to inform and educate, we will produce this quarterly newsletter to keep you up to speed on the developments and activities of the Trust over the past

few months. We also hope you will enjoy the “soft-focus” articles, such as the one that explains the different parts of a containership, and the warm account of a sea rescue by one of our captains in this issue!

Our inaugural issue comes at a time of a global financial crisis, which has hit industries across the board, including shipping. However, with our positive fundamentals, we are optimistic we will emerge from the storm relatively unscathed. Our newsletters will have a regular column on the container shipping industry, to keep you abreast on the developments and trends within this sector.

Whether sunny or stormy weather, the shipping industry truly has a life of its own. Beyond sharing with you the mechanics of our Trust, we hope you will be enriched, even entertained with the going-ons in this industry we call home. Have a pleasant read!

## RICKMERS MARITIME PARTICIPATES AND CO-HOSTS SEMINARS

Over the last few months, Rickmers Maritime has sought to raise the level of understanding and knowledge Singapore investors have of shipping trusts and the container shipping industry. One such platform we leveraged was seminars / conferences.

On 5 July 2008, Rickmers Maritime participated in a shipping trust seminar organised by Securities Investors Association (Singapore) and Singapore Exchange. Titled “Shipping Trusts: Ride the Next Wave of Investments”, the seminar also showcased Singapore’s two other shipping trusts, First Ship Lease Trust and Pacific Shipping Trust. The seminar drew a healthy turnout of about 400 interested investors, indicating that shipping trusts are indeed making headway in becoming a choice investment option in Singapore.

The first speaker, OCBC’s shipping analyst Meenal Kumar, presented a broad overview of shipping trusts, discussing the key features of their structure, feasibility as an alternative capital solution for the shipping industry. The rest of the seminar was led by the three shipping trusts. Far from being a session of unabashed advertising, the presentations by the three players, including our CEO Thomas Preben Hansen, proved to be highly informative and addressed investor queries on the competitive strengths of each trust.

Following on the heels of the SIAS-SGX seminar was a container shipping seminar on 13 September 2008, organised by Rickmers

Maritime itself. Titled “Gain insight into the container shipping industry”, the seminar featured a lustrous line-up of speakers - Mr. Lim How Teck, Executive Chairman of Redwood International and an independent director of Rickmers Trust Management, Mr. James R. Dwyer, Vice President of Network Planning from global transport leader APL, and Mr. Jaideep Lakshminarayan, Managing Director of Global Corporate Finance, Deutsche Bank. Despite the morning drizzle, some 200 interested investors turned up for the seminar, keen to listen to these industry veterans and extend their knowledge of this dynamic industry.

Mr. Lim, who was with Neptune Orient Lines for 26 years, kicked off the seminar by introducing some basic but key elements of the container shipping industry, including its history, development and innovation of the industry over the years and the impact containerships have on the environment. Mr. Lim’s presentation was followed by Mr. Dwyer’s, which touched on the overview of a liner company, freight rates and cost structures, the impact globalisation has on container shipping, and the future prospects of this industry. In the third and final presentation, Mr. Lakshminarayan provided an introduction to ship financing and gave an overview on the structure of shipping trusts.

Rounding up the session was a light-hearted and interactive panel session during which the speakers fielded questions by moderator Mr. Quah Ban Huat, CFO of Rickmers Trust Management, as well as from the floor. Questions ranged from the correlation between freight rates and capacity utilisation to how and where investors could obtain regular updates on the container shipping industry.

We believe the seminar was a success, as testified by the strong turnout and positive feedback from the participants. We hope to be able to build on this success and organise yet another seminar aimed at educating and informing investors sometime in the near future.

Presentations delivered at both seminars can be downloaded from <http://www.rickmers-maritime.com/presentations.aspx>





(From Left): Mr Thomas Preben Hansen (CEO of Rickmers Trust Management), Captain Myo Lwin (Captain of Sui An Rickmers), Mrs Lee Suet Fern (Lady sponsor of Sui An Rickmers) and Mr Bertram Rickmers (Chairman of Rickmers Trust Management)

## RICKMERS MARITIME CHRISTENS ITS 12<sup>TH</sup> VESSEL

Rickmers Maritime christened its 12th vessel, Sui An Rickmers, on a sunny Sunday afternoon on 21 September 2008 in Singapore. The landmark event was held at PSA Keppel Terminal, at the berthing station of the formidable 4,250 TEU ship. It was attended by more than 200 guests, including dignitaries, overseas colleagues and business partners and the media.

The event kicked off with a tour of Sui An Rickmers for 30 maritime students from the Singapore Polytechnic, led by our CFO Mr. Quah Ban Huat and ship manager Mr. Andreas Koethe. While the tour took place, guests were ferried to the event site in preparation for the arrival of the VIPs. First to arrive was Mr. Oh Bee Lock, Senior

Vice President of PSA Singapore Terminals, followed by Mr. Bertram Rickmers, Chairman of Rickmers Trust Management and our sponsor Rickmers Group. Thereafter, BG. Tay Lim Heng and the Ambassador of Germany Mr. Jörg Ranau arrived. Last but not least was Mrs. Lee Suet Fern, independent director of Rickmers Trust Management and lady sponsor of the vessel.

At the designated hour, the naming ceremony began with Mr. Rickmers giving the keynote address. Mrs. Lee was then invited to say a few words and to bless the vessel with safe and fruitful journeys. Keeping to the tradition of ship christenings that harks back to the days of the Vikings, she then officially christened the vessel

by smashing a bottle of champagne against its bow, naming her 'Sui An Rickmers' (renamed MOL Dedication by her charterer Mitsui O.S.K. Lines).

Amid the roar of drums and swirling confetti, guests were then ushered on board the vessel for the "bridge ceremony" during

which Mrs. Lee presented a framed photograph of herself to the captain of Sui An Rickmers. As lady sponsor, Mrs. Lee is also the godmother of the vessel, and her photograph will be hung in the ship throughout the lifespan of the ship as a symbol of guardianship.

The christening ended with the bridge ceremony, but the celebrations continued at Shangri-La Hotel, where the guests convened for a gala dinner. During the dinner, Mr. Rickmers explained to Mrs. Lee, her obligations as godmother to Sui An Rickmers, including sending the captain and crew a gift every Christmas. Being a sponsor has perks as well, including an entitlement to sail on the ship anytime she wishes. According to Tradewinds who asked Mrs. Lee during the dinner if she would take on the offer, she replied that she had already "booked"!

The event's success can be attributed to the efforts and dedication of all the parties involved in its organisation. As guests left after the dinner that night, Sui An Rickmers was already on the way with a full load of containers towards her first discharge port in South America. We wish her good luck on all her voyages!



## CORPORATE UPDATES

### 9 April

Rickmers Maritime secures new credit facilities amounting to US\$627.5 million with leading international banks. The Trust will benefit from attractive interest rates, which range from 0.95% to 1.20% above US\$ LIBOR per annum. These new credit facilities will increase Rickmers Maritime's available debt financing in place to approximately US\$672.5 million, which will be used to partly finance the nine previously announced 4,250 TEU panamax containerships due to be delivered in 2008 and 2009.

### 5 May

Rickmers Maritime obtains Unitholders' approval to raise up to US\$650 million of equity, which represents approximately 50% of the purchase price of the Additional Contracted Fleet of 13 vessels.

Rickmers Maritime also reports revenue of US\$22.33 million for 1Q08, 14% higher than forecast. The solid performance of the Trust is attributable to early delivery of newbuildings, lower cost of lubricant oil and smooth operation of its fleet.

### 10 June

Rickmers Maritime welcomes the first of its 13 additional vessels. The MOL Dominance is also the first of five 4,250 TEU vessels that will be chartered to leading Japanese liner company Mitsui O.S.K. Lines Ltd. on a long-term, fixed-rate time charter of 10 years.

### 30 June

Rickmers Maritime reflags the ANL Warrain from a Marshall Island to a Singapore ship. This is the third vessel in Rickmers Maritime's fleet of containerships to be registered under the Singapore flag. ITAL Festosa, a 3,450 TEU vessel and CMA CGM Onyx, a 4,250 TEU vessel, were reflagged in November 2007 and January 2008 respectively.

### 5 August

Rickmers Maritime turns in a strong first half FY2008 performance, allowing it to increase DPU to Unitholders by 5%, from 2.14 US cents to 2.25 US cents.

### 4 September

Rickmers Maritime announces the delivery of its 12th vessel, MOL Dedication. The newly built vessel, which will also be subjected to a 10-year time charter to Mitsui O.S.K. Lines Ltd, is the second of 13 additional vessels that Rickmers Maritime had entered into an agreement to acquire in March 2008.

## RESCUE OPERATION BY ANL WARRINGA

The International Maritime Organisation (IMO) Award for Exceptional Bravery at Sea was established to provide international recognition for those who, at the risk of losing their own lives, perform acts of exceptional bravery, displaying outstanding courage in attempting to save life at sea or prevent/mitigate damage to the marine environment.

This year, the IMO council bestowed the award on Captain Kyaw Thet Aung, former Captain of the ANL Warringa, for his involvement in the

outstanding rescue operation of a distressed vessel Fitria Persada on 15 February 2008.

The Master of the vessel, which had 22 crew members, sent out an alert to authorities after it started to flood. Responding immediately, ANL Warringa's Captain Kyaw steered his vessel, which was fully-loaded with cargo, off course and towards Fitria Persada.

However, as Fitria Persada was surrounded by floating logs, Captain Kyaw had to make a swift decision as to how to approach the vessel. Taking into account weather conditions, he chose to make contact with Fitria Persada in close range of one mile, a rescue plan he carried out with the lead from the Master of the distressed vessel. Captain Kyaw and his crew attempted to their best ability to find and save every seafarer onboard, and treated all survivors in the most humane manner and with much sympathy.



## RICKMERS MARITIME WINS MERIT AWARD FOR BEST INVESTOR RELATIONS

Rickmers Maritime was named the winner of the Merit commendation for the Best Investor Relations Award, at the 2008 Singapore Corporate Awards organised by the Business Times and supported by the Singapore Exchange.

The gala event, held on 20 February 2008, at Raffles City Convention Centre, recognises and honours Singapore-Exchange-listed companies and individuals who exemplify governance and corporate disclosure standards. Winners of the Best Investor Relations Award "go beyond fulfilling mandatory regulatory requirements in print but also in spirit by ensuring high equality of disclosure, corporate transparency and fairness in disclosure"<sup>1</sup>.

The award represents an important milestone for the Trust, coming barely a year after our listing on the SGX-ST on 4 May 2007. We believe it not only demonstrates our commitment to open and honest communication with the investment community in Singapore, it also testifies to the team's efforts and dedication over the past year to uphold the integrity and responsibility of a listed company in Singapore.

This award certainly encourages us to further fine-tune our approach as we strive towards being counted among the industry's best in terms of corporate governance standards. We will continue to work hard in this arena, and hopefully towards another win next year!

<sup>1</sup> Business Times, 21 Feb 2008, "Tuning to the voice of investors"

Unfortunately, there were four missing seafarers from the engine department, known to be the Chief Engineer, 3/Engineer, Oiler and Wiper. In addition, three seamen remain unaccounted for according to the crew list and interviews with survivors. Nevertheless, Captain Kyaw's swift response, rescue efforts and highly commendable spirits of humanitarianism drew praise from everyone at the 2008 IMO Awards.

# UPDATE ON THE CONTAINER SHIPPING INDUSTRY

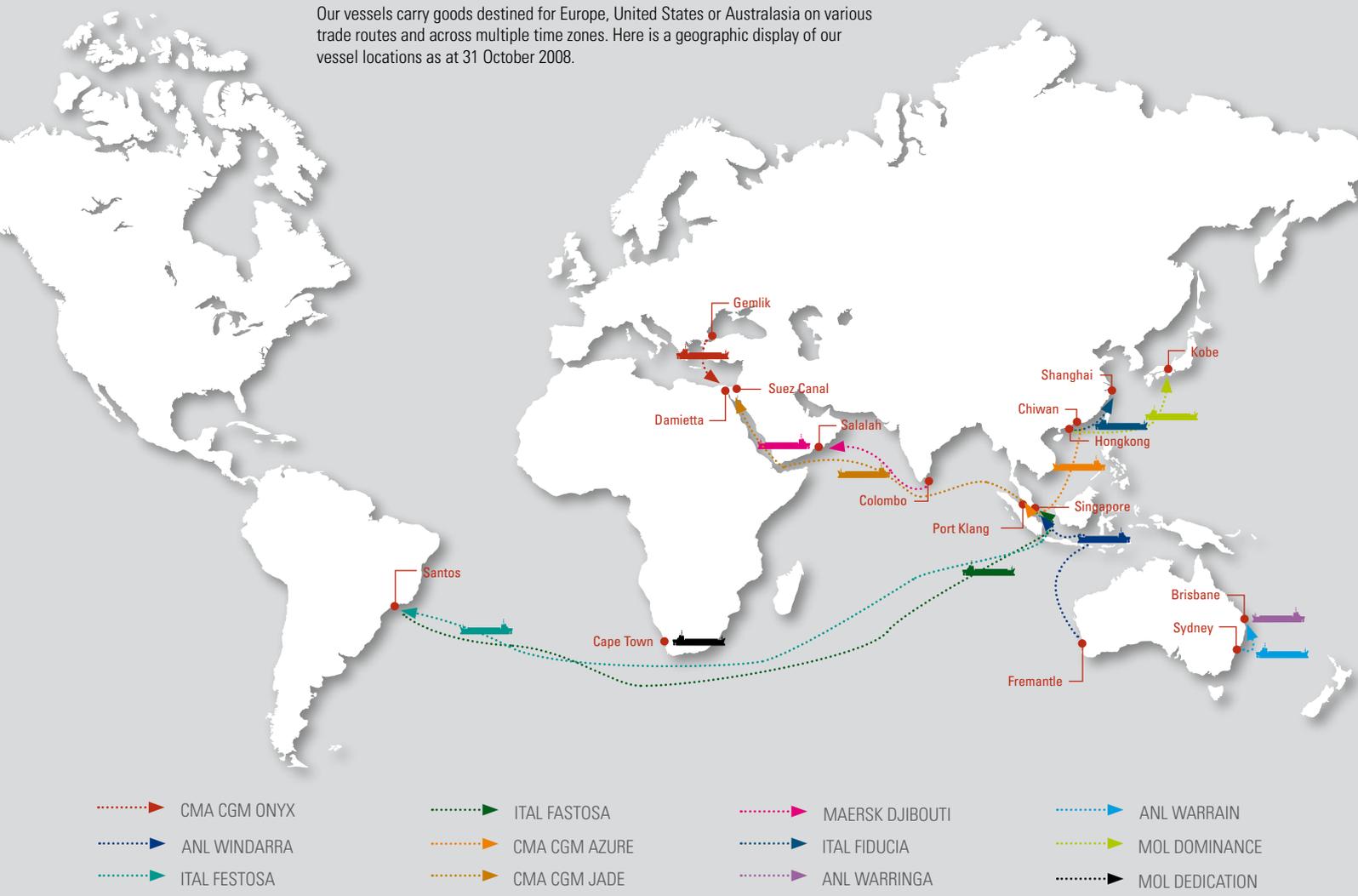


Growth in global container trade is expected to be around 6.8% in 2008, compared with 10.4% last year<sup>2</sup>. The slowdown in growth is on the back of slower westbound Asia-Europe container trade flow growth as well as imports into the United States. With the problems in the global financial markets and economies expected to persist over the coming months, container trade growth may continue to soften.

Rickmers Maritime however, is insulated from the current global turmoil. Over the years to come, we will receive approximately US\$2.1 billion of secured revenue through our existing long-term fixed-rate lease agreements with leading liner companies. Thanks to our strong fundamentals, we are unlikely to be impacted by the current economic downturn.

<sup>2</sup> Clarkson Research Services Limited

Our vessels carry goods destined for Europe, United States or Australasia on various trade routes and across multiple time zones. Here is a geographic display of our vessel locations as at 31 October 2008.



## GLOSSARY

### Newbuilding

A new ship under construction or just completed.

### Hull

The shell or body of a ship, comprising the bow, keel and stern.

### Bow and stern

The front and end of a vessel, respectively.

### Keel

The lowest longitudinal timber of a vessel, on which its framework is built up.

### Forecastle

The raised part of the forward end of a ship's hull. The inside space may be used for crew accommodation or quarters, though on new ships this space is being used for the storage of paints, tackle, deck and engine stores, tarpaulins, etc.

### Open top container

A container fitted with a solid removable roof, or with

a tarpaulin roof so the container can be loaded or unloaded from the top.

### Ballast

Heavy substances loaded by a vessel to improve stability, trimming, sea-keeping and to increase the immersion at the propeller. Sea water ballast is commonly loaded in most vessels in ballast tanks, positioned in compartments right at the bottom and in some cases on the sides, called wing tanks.

Reference: <http://www.trans-inst.org/seawords.htm>