



**FIRST SHIP LEASE TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER 2020**

First Ship Lease Trust ("FSL Trust" or the "Trust") is a Singapore-based business trust which owns a diversified fleet of well-maintained, oceangoing vessels across different segments.

As at 31 March 2020, the vessel portfolio comprised 15 operating vessels, including containerships and a variety of tankers, and 2 tanker newbuildings under construction. Of the 15 operating vessels, 10 vessels are leased to international shipping companies on fixed-rate period bareboat charters, whilst 5 vessels are employed on short-term time charters or in pools. The 2 tanker newbuildings under construction are expected to be delivered to FSL Trust in late 2020 and early 2021, respectively.

The combined portfolio of vessels (excluding the 2 newbuildings under construction) had a dollar-weighted average age of approximately 13 years and a dollar-weighted average remaining lease period of approximately 1 year (excluding extension periods and early buy-out options).

References to the term "Group" mean FSL Trust and its subsidiaries on a consolidated basis.

Summary of FSL Trust Consolidated Results

	1Q 2020	1Q 2019	Inc/ (Dec)
	US\$'000	US\$'000	%
Revenue	18,412	19,090	(3.6)
Adjusted EBITDA ¹	12,553	11,472	9.4
Profit for the quarter	6,680	3,009	122.0
Net distributable amount	26,521	-	100.0
Amount to be distributed	26,521	-	100.0
Distribution per unit ("DPU") (US Cents)	1.50	-	100.0
Average number of vessels	16.4	19.0	(14.7)

¹ Excluding gains/losses from the disposal of vessels and vessel impairments

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1(a)(i) Consolidated Income Statements

		Group		
	Note	1Q 2020	1Q 2019	Inc/ (Dec)
		US\$'000	US\$'000	%
Revenue		18,412	19,090	(3.6)
Depreciation expense on vessels	(a)	(5,454)	(6,304)	(13.5)
Gain on disposal of vessels	(b)	2,679	-	100.0
Impairment on vessels	(c)	(2,034)	-	100.0
Voyage expenses		(297)	(517)	(42.6)
Vessel operating expenses		(4,646)	(5,412)	(14.2)
Management fees		(553)	(545)	1.5
Trustee fees		(14)	(13)	7.7
Other Trust expenses		(349)	(1,131)	(69.1)
Results from operating activities		7,744	5,168	49.8
Finance income		164	-	100.0
Finance expenses		(1,238)	(2,159)	(42.7)
Profit before tax		6,670	3,009	121.7
Income tax write-back		10	-	100.0
Profit for the quarter		6,680	3,009	122.0

Note:

- (a) Including amortization of dry-docking costs.
- (b) This relates to the sale of the two product tankers (*FSL Piraeus* and *FSL Perth*) in January 2020 and one crude oil tanker (*FSL Shanghai*) in March 2020.
- (c) This relates to the impairment recognised on one product tanker (*FSL Osaka*) in 1Q 2020. (refer to paragraph 8(b)(ii)).

1(a)(ii) Statements of Comprehensive Income

		Group	
		1Q 2020	1Q 2019
		US\$'000	US\$'000
Profit for the quarter		6,680	3,009
Total comprehensive income, net of tax		6,680	3,009

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1(a)(iii) Distribution Statements

	Note	1Q 2020	1Q 2019
		US\$'000	US\$'000
Profit for the quarter		6,680	3,009
Add: Non-cash adjustments	(a)	4,526	5,985
Net cash generated from operations		11,206	8,994
Less: Repayment of secured bank loans		(6,838)	(5,740)
Prepayment of secured bank loans	(b)		-
Income available for distribution		4,368	3,254
Add: Utilisation of cash retained from previous periods	(c)	22,153	-
Less: Cash retained in the current period		-	(3,254)
Net distributable amount	(d)	26,521	-
Amount available for distribution		26,521	-
Comprising: (i) Tax-exempt distribution		26,347	-
(ii) Tax-exempt (one-tier) distribution		174	-
Amount to be distributed		26,521	-
Units at end of quarter ('000)		1,768,058	637,457
Distribution per unit (US Cents)		1.50	-

Notes:

(a) Non-cash adjustments

	Group	
	1Q 2020	1Q 2019
	US\$'000	US\$'000
Depreciation expense on vessels ¹	5,164	5,978
Impairment on vessels	2,034	-
Gain on disposal of vessels	(2,679)	-
Amortisation of initial direct costs ²	7	7
	4,526	5,985

- (b) In 1Q 2020, US\$15.7 million of the cash proceeds from the sale of two product tankers and one crude oil tanker were used to prepay the secured bank loan. However, as the US\$15.7 million was generated from the sale of the vessels instead of operations, it has not been included in this statement.
- (c) The amount of distribution is not limited to the amount of net distributable amount as distributions can also be made from proceeds arising from the sale of any vessel.
- (d) A distribution was approved by the Board of Directors for this quarter. This comprises of the income available for distribution in Q1 2020 and the cash proceeds from the disposal of vessels.

For the period ended 31 March 2020, the Board of Directors has determined that the Distribution Reinvestment Scheme will not apply to the distribution declared for this quarter.

¹ Excluding amortization of dry-docking costs.

² Excluding amortization of deferred arrangement fees.

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1(b)(i) Statements of Financial Position

		31 Mar 2020		31 Dec 2019	
		Group	Trust	Group	Trust
Note		US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets					
	Vessels	156,557	-	180,702	-
	Subsidiaries	-	31,847	-	31,847
		156,557	31,847	180,702	31,847
Current assets					
	Trade and other receivables	9,978	67,223	13,181	97,262
	Cash and cash equivalents	67,150	32,555	42,436	29,063
	Non-current assets classified as held-for-sale	-	-	38,877	-
		77,128	99,778	94,494	126,325
	Total assets	233,685	131,625	275,196	158,172
Equity attributable to unitholders of FSL Trust					
	Units in issue	561,332	561,332	561,332	561,332
	Reserves	(378,292)	(429,952)	(358,451)	(403,410)
	Total equity	183,040	131,380	202,881	157,922
Non-current liabilities					
	Secured bank loans	28,015	-	34,517	-
Current liabilities					
	Trade and other payables	2,700	245	2,215	211
	Secured bank loans	19,930	-	35,544	-
	Income tax payable	-	-	39	39
		22,630	245	37,798	250
	Total liabilities	50,645	245	72,315	250
	Total equity and liabilities	233,685	131,625	275,196	158,172

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1(b)(i) Statements of Financial Position (cont'd)

Note:

(a) Cash and cash equivalents comprise:

	31 Mar 2020		31 Dec 2019	
	Group	Trust	Group	Trust
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at Bank	41,979	7,384	16,190	2,817
Fixed deposits with financial institutions	25,171	25,171	26,246	26,246
Cash and cash equivalents	67,150	32,555	42,436	29,063
Less: Restricted cash [^]	(500)	-	(500)	-
Cash and cash equivalents in the Consolidated Statement of Cash Flows	66,650	32,555	41,936	29,063

[^] The restricted cash is the minimum cash balance maintained with a lender in accordance to the respective loan facility agreement.

Fixed deposits with financial institutions mature on varying periods, substantially between 3 to 6 months. Interest rates ranging from 1.10% to 2.20% per annum.

(b) Aggregate Amount of the Group's Borrowings and Debt Securities

	31 Mar 2020	31 Dec 2019
	US\$'000	US\$'000
Secured bank loans		
<u>Repayable within one year</u>		
Secured bank loans	20,257	36,120
Less: Unamortised debt transaction costs	(327)	(576)
	19,930	35,544
<u>Repayable after one year</u>		
Secured bank loans	28,130	34,757
Less: Unamortised debt transaction costs	(115)	(240)
	28,015	34,517

In FY 2018, the Trustee-Manager, on behalf of FSL Trust, has through its subsidiaries secured the following term loan facilities:

- (a) US\$50 million facility agreement with Hellenic Bank Public Company Limited;
- (b) US\$40 million facility agreement with Chailease International Financial Services Co., Ltd.; and
- (c) US\$18 million facility agreement with Amsterdam Trade Bank N.V.

The weighted average interest margin over LIBOR of the three loans is 4.012%.

The aggregate outstanding balance of the loan facilities as at 31 March 2020 was US\$48.4 million.

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(b) Aggregate Amount of the Group's Borrowings and Debt Securities (cont'd)

As at 31 March 2020, the Group is in compliance with the terms of the loan agreements.

The term loan facilities are secured on the following:

- (i) a first priority mortgage over the Group's vessels;
- (ii) a first priority assignment of the Group's rights, title, interest in the insurances to and for each vessel, including insurance for hull and machinery, protection and indemnity and war risks;
- (iii) a first priority assignment of the Group's rights, title and interest in and to the charter agreements and the charter income of each vessel; and
- (iv) pledge of the shares of all the vessel-owning subsidiaries.

(c) Vessels

Vessels comprise:

	31 Mar 2020		31 Dec 2019	
	Group	Trust	Group	Trust
	US\$'000	US\$'000	US\$'000	US\$'000
Vessels				
Operating Vessels	129,367	-	158,597	-
Vessels under construction	27,190	-	22,105	-
	156,557	-	180,702	-

Plan approval is completed and works have been proceeding as scheduled. Keel laying for Hull no. 944 and Hull no. 945 were completed in March 2020 and April 2020 respectively.

As at 31 December 2019, the Group reclassified two product tankers to non-current assets classified as held-for-sale. The Group recorded an impairment on these vessels amounting to US\$5.0 million in aggregate in the income statement for the financial year ended 31 December 2019.

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(c) Consolidated Statement of Cash Flows

	Note	Group	
		1Q 2020	1Q 2019
		US\$'000	US\$'000
Operating activities:			
Profit before tax		6,670	3,009
Adjustments for:			
Depreciation expense on vessels		5,454	6,304
Impairment on vessels		2,034	-
Amortisation of debt transaction costs		374	304
Amortisation of initial direct costs		54	54
Interest income		(164)	-
Interest expense		882	1,849
Gain on disposal of vessels		(2,679)	-
		12,625	11,520
Changes in working capital:			
Trade and other receivables		3,298	210
Inventories		-	(227)
Trade and other payables		656	174
Lease income received in advance		-	(1,688)
Cash generated from operating activities		16,579	9,989
Income tax paid		(29)	-
Cash flows generated from operating activities		16,550	9,989
Investing activities:			
Vessels initial direct costs		-	(102)
Costs incurred for the vessels under construction	(a)	(5,085)	(10,416)
Costs incurred for vessel equipment		(1,034)	(147)
Interest received		69	-
Net proceeds on disposal of vessels		64,278	-
Cash flows generated from/(used in) investing activities		58,228	(10,665)
Financing activities:			
Loan from Sponsor		-	10,000
Distribution to unitholders		(26,521)	-
Repayment of secured bank loans		(6,838)	(5,740)
Prepayment of secured bank loans		(15,652)	-
Interest paid		(1,053)	(1,866)
Cash flows (used in)/generated from financing activities		(50,064)	2,394
Net increase in cash and cash equivalents		24,714	1,718
Cash and cash equivalents at beginning of period		41,936	13,381
Cash and cash equivalents at end of period		66,650	15,099
Comprising:-			
Cash at Bank		41,479	15,099
Short-term deposits		25,171	-
		66,650	15,099

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1(c) Consolidated Statement of Cash Flows (cont'd)

Note:

(a) Update of the use of proceeds from the Preferential Offering

Up to 31 March 2020, the Trust had utilised part of the net proceeds of US\$31.00 million from the Preferential Offering as follows:

Use of proceeds	1Q 2020 US\$'000	Total US\$'000
Full repayment of the amounts outstanding under the Bridging Loan ⁽ⁱⁱ⁾	-	10,220 ⁽ⁱ⁾
Second instalment of 10% of the consideration for New Vessels (hull N944)	-	4,880
Second instalment of 10% of the consideration for New Vessels (hull N945)	-	4,880
Third instalment of 10% of the consideration for New Vessels (hull N944)	4,880	4,880
Total	4,880	24,860

Note:

- (i) The Bridging Loan was applied towards the first instalments of the aggregate consideration for the New Vessels (hulls N944 and N945).
- (ii) As of 3 June 2019 upon the completion of the Preferential Offering and pursuant to the set-off arrangement between the Group with FSL Holdings Pte. Ltd., the Sponsor, the amount outstanding under the bridging loan of US\$10.00 million and the related outstanding accrued interest of US\$0.22 million were set-off against the subscription monies for New and excess Units.

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1(d)(i) Statements of Changes in Unitholders' Funds

**2020
Group**

At 1 January 2020
Total comprehensive income for the quarter
Contribution by and distribution to unitholders:
Distribution to unitholders
At 31 March 2020

Units in Issue	Option premium on convertible bonds	Foreign Currency Translation Reserve	Accumulated Profit/(Losses)	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
561,332	-	(6,725)	(351,726)	202,881
-	-	-	6,680	6,680
-	-	-	(26,521)	(26,521)
561,332	-	(6,725)	(371,567)	183,040

**2019
Group**

At 1 January 2019
Total comprehensive income for the quarter
At 31 March 2019

Units in Issue	Option premium on convertible bonds	Foreign Currency Translation Reserve	Accumulated Profit/(Losses)	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
523,284	560	(6,725)	(361,857)	155,262
-	-	-	3,009	3,009
523,284	560	(6,725)	(352,848)	158,271

**2020
Trust**

At 1 January 2020
Total comprehensive loss for the quarter
Contribution by and distribution to unitholders:
Distribution to unitholders
At 31 March 2020

Units in Issue	Option premium on convertible bonds	Accumulated Losses	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000
561,332	-	(403,410)	157,922
-	-	(21)	(21)
-	-	(26,521)	(26,521)
561,332	-	(429,952)	131,380

**2019
Trust**

At 1 January 2019
Total comprehensive loss for the quarter
At 31 March 2019

Units in Issue	Option premium on convertible bonds	Accumulated Losses	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000
523,284	560	(407,600)	116,244
-	-	(545)	(545)
523,284	560	(408,145)	115,699

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1(d)(ii) and 1(d)(iii) Details of any changes in Units and Total number of issued units

	Note	1Q 2020 Units	FY 2019 Units
At the beginning of the period		1,768,057,636	637,456,577
Preferential Offering	(1)	-	956,184,865
Conversion of Bonds	(2)	-	174,416,194
At the end of the period		1,768,057,636	1,768,057,636

There are no treasury shares and no subsidiary holdings as at 31 March 2020 and as at 31 March 2019.

(1) Preferential Offering

At the Extraordinary General Meeting of the Trust held on 22 April 2019, Unitholders voted in favour of the Trust's proposed preferential offering. Pursuant to the Preferential Offering, an aggregate of 956,184,865 New Units have been issued by FSL Trust on 7 June 2019.

(2) Convertible Bonds

On 21 May 2018, the Trust issued US\$7,250,000 in principal amount of Convertible Bonds due in 2020 which were convertible by holders into units of the Trust at any time during the Term at conversion price of US\$0.05687 per unit.

With effect from 7 June 2019, being the date of issue of the New Units pursuant to the Preferential Offering, the Conversion Price was adjusted to S\$0.05644.

The Subscriber, on 15 July 2019, exercised its right to convert all of the Bonds in accordance with the terms and conditions of the Bond Subscription Agreement. Therefore, the Bonds were converted into 174,416,194 New Units at the Adjusted Conversion Price of S\$0.05644 (equivalent to approximately US\$0.04157 based on an exchange rate of S\$1 to US\$0.7365 on 15 July 2019) for each New Unit.

Following the issue of 956,184,865 New Units in June under the Preferential Offering, and the issue of 174,416,194 New Units in July following the conversion of the Bond, the total number of issued units in FSL Trust has increased from 637,456,577 Units to 1,768,057,636 Units.

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1(d)(iv) Sales, transfers, cancellation and/or use of treasury units

Nil.

1(d)(v) Sales, transfers, cancellation and/or use of subsidiary holdings

Nil.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

FSL Trust has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2019, except for the adoption of the new or revised International Financial Reporting Standards ("IFRS") applicable for the financial period beginning 1 January 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

FSL Trust has adopted all the new or revised IFRS that are effective for the financial period beginning 1 January 2020 and are relevant to its operations. The adoption of these IFRS does not have significant financial impact on the Group's financial position or results.

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6. Earnings per unit (“EPU”) and Distribution per unit (“DPU”) for the current financial period reported on and the corresponding period of the immediately preceding financial year

	Group	
	1Q 2020	1Q 2019
Basic and diluted earnings per unit is based on:		
Weighted average number of issued units (basic) ('000)	1,768,058	637,457
Basic earnings per unit based on weighted average number of units in issue (US Cents)	0.38	0.47
Weighted average number of issued units (diluted) ('000) ^(a)	1,768,058	764,940
Diluted earnings per unit based on weighted average number of units in issue (US Cents) ^(b)	0.38	0.42
Number of issued units at end of quarter ('000)	1,768,058	637,457
Distribution per unit (US Cents)	1.50	-

Note:

(a) For the purpose of calculating the diluted EPU, the weighted average number of units in issue is adjusted to take into account the dilutive effect arising from full conversion of convertible bonds to units for 1Q 2019.

(b) For the purpose of calculating the diluted EPU, interest expenses on the convertible bond of US\$0.24 million was added back to the net profit for 1Q 2019.

As at 31 March 2020, the Trust do not have any outstanding instrument with potentially dilutive effect.

7. Net Asset Value (“NAV”) per unit based on units at the end of the current financial period reported on and immediately preceding financial year

	Note	31 Mar 2020		31 Dec 2019	
		Group	Trust	Group	Trust
Net asset value per unit (US\$)	(a)	0.10	0.07	0.11	0.09

Note:

(a) Net asset value (based on book value) per unit was calculated based on the applicable number of units issued as at the end of the respective period/year.

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8. Review of Performance

The breakdown of the revenue and the net result from operations is as follows:

1Q 2020 vs 1Q 2019

	Group		
	1Q 2020	1Q 2019	Inc/ (Dec)
	US\$'000	US\$'000	%
Revenue	18,412	19,090	(3.6)
Voyage expenses	(297)	(517)	(42.6)
Vessel operating expenses	(4,646)	(5,412)	(14.2)
Management fees	(553)	(545)	1.5
Trustee fees	(14)	(13)	7.7
Other Trust expenses ¹	(349)	(1,131)	(69.1)
Adjusted EBITDA ²	12,553	11,472	9.4
Depreciation expense on vessels	(5,454)	(6,304)	(13.5)
Impairment on vessels	(2,034)	-	100.0
Gain on disposal of vessels	2,679	-	100.0
Results from operating activities (EBIT)	7,744	5,168	49.8
Finance income	164	-	100.0
Finance expenses	(1,238)	(2,159)	(42.7)
Profit before tax (EBT)	6,670	3,009	121.7
Income tax write-back	10	-	100.0
Profit for the quarter	6,680	3,009	122.0

a. Adjusted EBITDA

Bareboat charter

Bareboat charter rentals generated adjusted EBITDA of US\$6.3 million in the quarter under review.

Time charter

i) Chemical tankers

The two chemical tankers, *FSL New York* and *FSL London* have been employed on time charter from 12 June 2018 and 19 June 2018 respectively after exiting the spot market. These vessels generated adjusted EBITDA of US\$0.9 million in the quarter under review.

¹ Included in the other Trust expenses are vessel inspection fees, valuation fees, insurance, directors fees, professional fees, take over costs, printing, investor relations and others.

² Excluding gains/losses from the disposal of vessels and vessel impairments

8. Review of Performance (cont'd)

Pool/Revenue Sharing Agreement ('RSA')

i) Product tankers

FSL Osaka entered an MR pool managed by Hafnia Management ('Hafnia Pool') in November 2015. In the quarter under review, the vessel generated net pool revenue of US\$1.7 million. After deducting vessel operating expenses, the vessel generated adjusted EBITDA of US\$1.0 million.

FSL Singapore entered an MR pool managed by Hafnia Management ('Hafnia Pool') on 23 April 2018. In the quarter under review, the vessel generated net pool revenue of US\$1.6 million. After deducting vessel operating expenses, the vessel generated adjusted EBITDA of US\$1.0 million.

FSL Piraeus and *FSL Perth* entered Sigma Tanker Pool managed by Heidmar Inc. ('Sigma Tanker Pool') on 21 August 2018 and 25 August 2018 respectively. In the quarter under review, these vessels together generated net pool revenue of US\$1.3 million. After deducting vessel operating expenses, the vessels generated adjusted EBITDA of US\$0.8 million. *FSL Piraeus* and *FSL Perth* were ultimately sold on 23 January 2020 and 17 January 2020 respectively.

ii) Crude oil tankers

FSL Hong Kong and *FSL Shanghai* are employed on a RSA (Revenue Sharing Agreement) from 14 April 2017 and 12 September 2017 respectively. In the quarter under review, these vessels together generated net pool revenue of US\$5.0 million. After deducting vessel operating expenses, the vessels generated adjusted EBITDA of US\$2.8 million. *FSL Shanghai* was ultimately sold on 30 March 2020.

b. Other operating expenses

i) Depreciation expense on vessels

Depreciation expense on vessels decreased by 13.6% (US\$0.8 million) due to lower depreciation expenses arising from the disposal of two product tankers and one crude oil tanker in January 2020 and March 2020 respectively;

ii) Impairment on vessels

Upon re-assessment of the recoverable amount, it was assessed that the carrying amount of *FSL Osaka* had exceeded the recoverable amount and an impairment of US\$2.03 million for the vessel was recognized.

8. Review of Performance (cont'd)

c. Results from operating activities

On an overall basis, FSL Trust generated an operating profit of US\$7.7 million in this quarter, compared to US\$5.2 million over the same period last year.

d. Finance expenses

Finance expenses in 1Q 2020, including an exchange gain of US\$18,000 (1Q 2019: exchange loss of US\$6,000), decreased by 42.7% (US\$0.9 million) mainly due to the lower outstanding indebtedness and non-incurrence of bond interest, offset with amortisation of debt transaction costs

For 1Q 2020, FSL Trust achieved net profits of US\$6.7 million.

9. Variance from Prospect Statement

Not applicable.

10. Outlook and Prospects

The COVID-19 pandemic and its impact on the world economy and global trade will be a significant factor in the performance of the shipping industry in 2020. FSL Trust is carefully monitoring the developments and the potential effects of the pandemic on its business, operations and financial performance. Whilst we cannot entirely exclude adverse effects of the pandemic on the Trust, the strong financial position and contracted revenue of the Trust as well as the improved freight rates for tankers provide a certain level of downside protection. We expect that the Trust will be able to meet all its obligations and we remain cautiously optimistic for the overall performance of the Trust for 2020.

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11. Distribution

- (a) **Current financial period**
- Any distributions declared for the current financial period : Yes
- Amount : US\$26,520,865
- Distribution Period : 1 January 2020 to 31 March 2020
- Distribution Type : Cash, Tax-exempt Distribution
- Distribution Rate : US1.50 cents per unit
- Par Value of units : Not applicable
- Tax Rate : Distributions received by either Singapore tax resident unitholders or non-Singapore tax resident unitholders are exempt from Singapore income tax and are also not subject to Singapore withholding tax. The unitholders are not entitled to tax credits for any taxes paid by the Trustee-Manager of FSL Trust.
- (b) **Corresponding Period of the Immediate Preceding Financial Period**
- Any distributions declared for the previous corresponding period : No
- (c) **Payment Date** : 12 June 2020
- (d) **Books closure date** : The Transfer Books and Register of Unitholders of FSL Trust will be closed at 5.00 p.m. on 13 May 2020 for the purposes of determining each unitholder's entitlement to the Distribution of US1.50 cents per unit. Unitholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with units at 5.00 p.m. on 13 May 2020 will be entitled to the Distribution to be paid on 12 June 2020.
- (e) **Currency election procedures** : Unitholders whose units are held directly through CDP will receive their distribution in the Singapore dollar equivalent of the US1.50 cents per unit declared. Unitholders who wish to elect to receive the distribution in US dollars can do so by submitting a "Currency Election Notice" by 5.00 p.m. on 29 May 2020.

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- 12. If no distribution has been declared/recommended, a statement to that effect and the reason(s) for the decision**

Not applicable.

- 13. If the Group has obtained a general mandate from unitholders for Interested Party Transaction (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

FSL Trust does not have any unitholders’ mandate for IPT.

- 14. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the board of directors which may render the interim financial results of the Group for the quarter ended 31 March 2020 to be false or misleading in any material aspect.

- 15. The Trustee-Manager, FSL Trust Management Pte. Ltd., has procured undertakings required under Rule 720(1), from all its directors and executive officers.**

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, changes in operating expenses, Trust expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD
FSL TRUST MANAGEMENT PTE. LTD.
(COMPANY REGISTRATION NO. 200702265R)
AS TRUSTEE-MANAGER OF FIRST SHIP LEASE TRUST

Markus Wenker
Chief Financial Officer
4 May 2020