



Extraordinary General Meeting
Proposed Adoption of the FSL Trust
Distribution Reinvestment Scheme
9 October 2008

FSL Trust Distribution Reinvestment Scheme

- Scheme provides Unitholders the option to receive part of their distributions in the form of new FSL Trust units, in lieu of cash.
- Board of FSL TM will determine applicability of Scheme for every distribution.

For Unitholders

- ✓ Scheme is “Opt-in”.
- ✓ An opportunity to reinvest distributions in FSL Trust at an attractive risk-adjusted yield relative to other market alternatives.
- ✓ No transaction cost on new units issued under the Scheme.

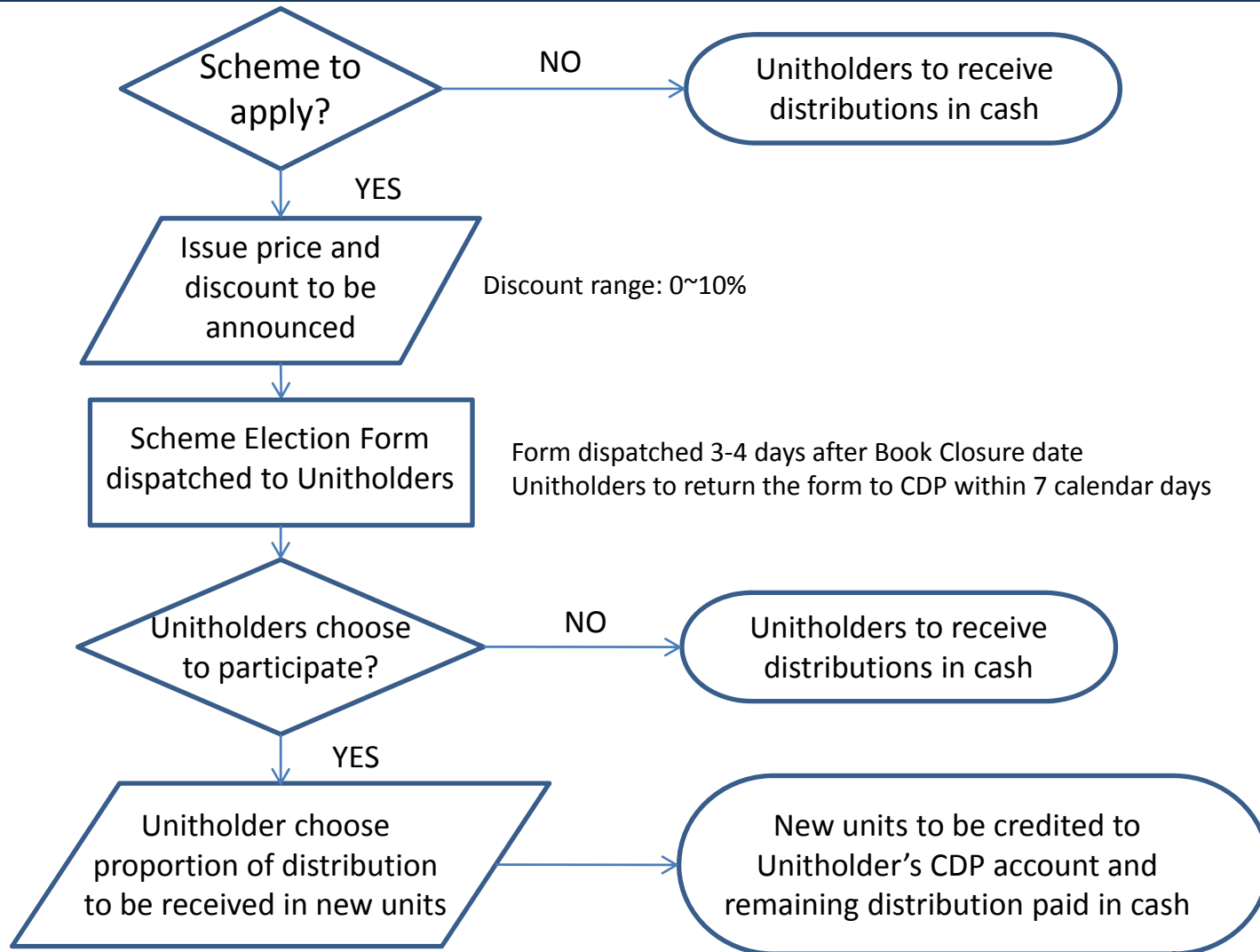
For FSL Trust

- ✓ Retained cash from issue of new units provides more financial flexibility moving forward.
- ✓ Incremental increase in share base expected to enhance trading liquidity over long-term

FSL Trust Distribution Reinvestment Scheme

- FSL TM will announce issue price of the new units and applicable discount (0~10%) before unitholders decide on their election.
- FSL TM will disclose the use of the retained cash from the issue of new units under the Scheme.
- The Scheme does NOT change FSL TM's commitment to distribute at least 90% of its net operating cash to Unitholders.

Sequence of Events for every distribution



Illustrative example (1)

How to calculate the total number of units a Unitholder would receive (N) if he chooses to opt-in?

$$N = \frac{U \times D}{V}$$

Units held at Book Closure (U)

DPU for the quarter in US\$ (D)

Issue Price of new Units in US\$ (V)

For illustration only

- DPU (D) of 3.05 US cents
- Units held (U): 10,000 units
- Issue Price (V): S\$1.00 (US\$0.6897)

$$N = \frac{10,000 \times 0.0305}{0.6897} = 442 \text{ units}$$

Round down to nearest integer. Fractional unit will be paid in cash

Illustrative example (2)

Dilution of unitholding is minimal if Unitholder chooses not to participate in the Scheme.

	Unitholder A	Unitholder B
Election	Elects to receive distributions entirely in new units	Prefers to receive distributions in cash
Ownership in FSL Trust before DRS	100,000 units	100,000 units
As % of total issued units ⁽¹⁾	0.0200%	0.0200%
Distribution Entitlement, assuming DPU of 3.05 US cents	US\$3,050	US\$3,050
Equivalent units to be issued assuming issue price of S\$1.00 (US\$0.6897)	4422	N.A.
Ownership after DRS	104,422 units	100,000 units
As % of total issued units (on enlarged base ⁽²⁾ assuming 25% take up rate)	0.0206%	0.0198%

(1) Based on current total issued units of 500.36 million

(2) Based on enlarged total issued units of 505.89 million

Illustrative example (3)

Impact on DPU due to increase in total issued units

	Quarter A	Quarter B (immediately following Quarter A)
(A) Total Distribution	US\$15.26m	US\$15.26m
(B) Total Issued units	500.36 million	505.89 million
(C) Distribution per Unit (DPU) (A÷B)	3.05 US cents	3.016 US cents
(D) New Units issued under DRS, assuming 25% take-up rate at S\$1.00 (US\$0.6897) issue price	5.531 million	
(E) Total issued units after application of 1 Quarter of DRS (B+D)	505.89 million	

DPU = total distributable amount / total issued units