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The Board of Directors  
FSL Trust Management Pte. Ltd.  
(in its capacity as Trustee-Manager  
of First Ship Lease Trust)  
9 Temasek Boulevard  
#19-03 Suntec Tower Two  
Singapore 038989

Our ref YC/ZA/130

Attention: Mr Alan Hatton

15 May 2014

Dear Sirs

**First Ship Lease Trust**  
**Independent auditor's report on review of condensed consolidated interim**  
**financial information**

***Introduction***

We have reviewed the accompanying condensed consolidated interim financial information of First Ship Lease Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the condensed consolidated statement of financial position of the Group and the Trust as at 31 March 2014, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in unitholders' funds and condensed consolidated statement of cash flows of the Group for the period then ended, and certain explanatory notes (the "condensed consolidated interim financial information"). The Trustee-Manager is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### ***Scope of review***

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

### ***Emphasis of matter***

Without qualifying our opinion, we draw attention to Note 3 of the condensed consolidated interim financial information, which indicates that the lenders of the amortising term loan facility, with a carrying amount of US\$347,296,000 as at 31 March 2014, had previously granted the Trust temporary relaxation (“Relaxation”) of two loan covenants, relating to Security Value-to-Loan ratio and Debt Service Coverage ratio (“the Covenants”). The Relaxation expired on 31 December 2013.

In February 2014, the lenders agreed to revise the relaxed Covenants until 31 December 2014 (“Relaxation extension”) on the basis that the Trust meets certain conditions (the ‘Conditions’) during the Relaxation extension period. The agreed Relaxation extension has yet to be executed by the lenders as at 31 March 2014. Accordingly, the loan balance was classified within current liabilities, giving rise to the deficiency in net current assets, amounting to US\$331,800,000 as at 31 March 2014.

If the Trust breaches either of the two loan Covenants upon the expiry of the Relaxation extension, the lenders may have the ability to exercise their remedies under the loan agreement. Management is of the view that the Relaxation extension will be executed and any conditions attached thereto will be met. Management is also of the view that any potential breach of the Covenants, upon expiry of the Relaxation extension, will be resolved and the estimated cash flows from the portfolio of vessels will be sufficient to meet the scheduled principal repayments and interest payments. Accordingly, it is appropriate to continue using the going concern basis for the preparation of the condensed consolidated interim financial information.

The above circumstances indicate the existence of material uncertainties that may cast significant doubt about the Group's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this material uncertainty. In the event that the Group is unable to continue as a going concern, it may not be able to realise its assets and discharge its liabilities in the normal course of business.

**Restriction on use**

Our report is provided on the basis that it is solely for the private information of the directors of FSL Trust Management Pte. Ltd. and should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors of FSL Trust Management Pte. Ltd., the Trust or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully

*KPMG LLP*

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

Singapore  
15 May 2014