

FSL TRUST MANAGEMENT PTE. LTD.
(As Trustee-Manager of First Ship Lease Trust)
(Company Registration No. 200702265R)
(Incorporated in Singapore)

FSL TRUST COMPLETES DISPOSAL OF ONE PRODUCT TANKER

The Board of Directors (the “**Board**”) of FSL Trust Management Pte. Ltd., as trustee-manager (the “**Trustee-Manager**”) of First Ship Lease Trust (the “**Trust**”), refers to its announcement dated 16 December 2024 and further announces that the disposal of the vessel *Cumbrian Fisher* (the “**Vessel**”) has been completed with the successful delivery of the Vessel to the new owners (the “**Buyer**”), an unaffiliated third party, on 16 December 2024 (the “**Disposal**”).

The gross consideration paid by the Buyer for the Vessel upon delivery was US\$7.15 million, which was arrived at after arm’s lengths negotiations between FSL-1, Inc., the subsidiary of the Trust that owned the Vessel, and the Buyer on a “willing buyer willing seller” basis. Having taken into consideration the vessel is twenty years old and the prevailing and expected charter market environment and earnings prospects for a vessel of this age, the capital expenditure for the upcoming dry-docking for the fourth special survey of the Vessel due in December 2024 and (new) environmental regulations, the Vessel’s expected economic life and residual value, the Board concluded that the Disposal would be value accretive and more beneficial to the Trust and its unitholders than keeping the Vessel in the portfolio of the Trust.

The net book value and the net tangible asset (“**NTA**”) value of the Vessel upon Disposal was approximately US\$4.34 million (unaudited). After taking into consideration the cost of the Disposal (including brokerage commissions and legal fees), the Trust realised a net gain of approximately US\$2.29 million (unaudited) and net sales proceeds of approximately US\$6.63 million (unaudited), which are intended to be used for general corporate purposes of the Trust.

Based on the last announced unaudited consolidated financial statements of the Trust and its subsidiaries (the “**Group**”) for the financial period ended 30 June 2024, the relative figures for the Disposal computed on the relevant bases set out in Rule 1006 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value.	15.29 ⁽¹⁾⁽²⁾
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group’s net profits.	19.98 ⁽³⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer’s market capitalisation based on the total number of issued shares excluding treasury shares.	13.29 ⁽⁴⁾⁽⁵⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable

- (e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount. Not applicable

Notes:

- (1) Rule 1003(b) of the Listing Manual provides that in any acquisition or disposal of assets other than shares, the value will be assessed by reference to the book value of the assets or, if a valuation has been carried out for the purpose of the acquisition or disposal, the market value of the assets. The net book value of *Cumbrian Fisher* was US\$4.54 million as at 30 June 2024.
- (2) "Net assets" means total assets less total liabilities. Based on the consolidated financial statements of the Group for the financial period ending 30 June 2024 (unaudited), being the latest announced consolidated accounts the time of the Disposal, the Group's net asset value was approximately US\$29.67 million as at 30 June 2024.
- (3) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (4) Based on the consideration for the Disposal of US\$7.15 million (gross).
- (5) The market capitalisation of the Trust of approximately US\$53.80 million (being the US\$ equivalent of S\$72.49 million) is based on a total number of 1,768,057,636 Units in issue as at 16 December 2024 at the volume weighted average price of US\$0.03 (being the US\$ equivalent of S\$0.04) for each Unit transacted on 13 December 2024, being the trading day preceding the date on which the signing of the agreement to sell the Vessel was announced. The exchange rate used in this footnote is S\$1.3474 to US\$1.00, as obtained from the Monetary Authority of Singapore as at 13 December 2024.

The *pro forma* financial effects of the Disposal on the NTA (per unit) as at 31 December 2023, being the most recently completed financial year, and assuming that the Disposal had been effected on 31 December 2023:

	Before Completion of the Disposal	After Completion of the Disposal
NTA as at 31 December 2023 (US\$'000)	54,812	56,647
Number of units (excluding treasury units) (000's)	1,768,058	1,768,058
NTA per unit (US\$)	0.03	0.03

The *pro forma* financial effects of the Disposal on the earnings (per unit) of the Trust as at 31 December 2023, being the most recently completed financial year, and assuming that the Disposal had been effected on 1 January 2023:

	Before Completion of the Disposal	After Completion of the Disposal
Net profit attributable to the unitholders of the Trust (US\$'000)	3,670	4,645
Number of units (excluding treasury units) (000's)	1,768,058	1,768,058
Net profit per unit (US cents)	0.21	0.26

Note: The financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Trust and/or the Group upon completion of the Disposal. No representation is made as to the actual future results and/or financial position of the Trust and/or the Group.

No person is proposed to be appointed as a director of the Trustee-Manager in connection with the Disposal and no service contracts in relation thereto have been or are proposed to be entered into by the Trustee-Manager. None of the directors of the Trustee-Manager or controlling unitholders of the Trust has any interest, direct or indirect, in the Disposal, save for their respective unitholdings in the Trust (if any) and/or shareholdings in the Trustee-Manager (if any).

By Order of the Board
FSL Trust Management Pte. Ltd.
(Company registration no. 200702265R)
as Trustee-Manager of First Ship Lease Trust

Mr Efstathios Topouzoglou
Non-Independent, Non-Executive Chairman
17 December 2024

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this announcement are or may be forward looking statements. Forward-looking statements include but are not limited to, those using words such as “expect”, “seek”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Trustee-Manager and the Trust’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the date of this announcement. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Unitholders and investors should not place undue reliance on such forward-looking statements, and neither the Trustee-Manager nor the Trust undertakes any obligation to update publicly or revise any forward-looking statements for any reasons, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.