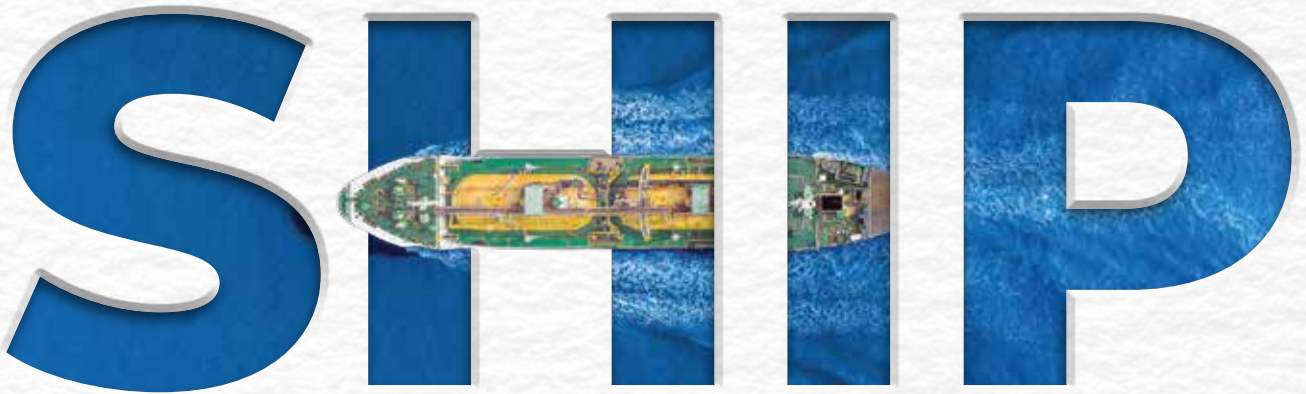




ANNUAL



REPORT



2025

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About First Ship Lease Trust

First Ship Lease Trust (“FSL Trust” or the “Trust”) is a Singapore-based business trust which owns a fleet of well-maintained product tankers. The current vessel portfolio comprises 6 tankers of different sizes which are chartered to an international shipping company on fixed-rate period charters.

In 2025, 100% of the Trust’s revenue were derived from fixed-rate period charters. The Trust has contracted future revenues from fixed-rate period charters of USD 17.1 million as at 31 December 2025. The fixed-rate period charters provide the Trust with stable and predictable long-term cash flows, whilst the vessels employed in the spot market provide flexibility and offer the Trust the opportunity to participate in any market upside.

FSL Trust is managed by FSL Trust Management Pte. Ltd. (“FSLTM” or the “Trustee-Manager”). The Trustee-Manager is responsible for safeguarding the interests of Unitholders and for FSL Trust’s investment and financing strategies, asset acquisition and disposal policies, and the overall management of the Trust’s portfolio. The Trustee-Manager aims to optimise the returns on the Trust’s vessel portfolio by ensuring that the vessels are well run, managing the various risks and opportunities of the Trust and improving cash flow generation for the Unitholders of the Trust.

The units of FSL Trust are listed on the Mainboard of the Singapore Exchange Securities Trading Limited under the ticker symbol ‘D8DU’.



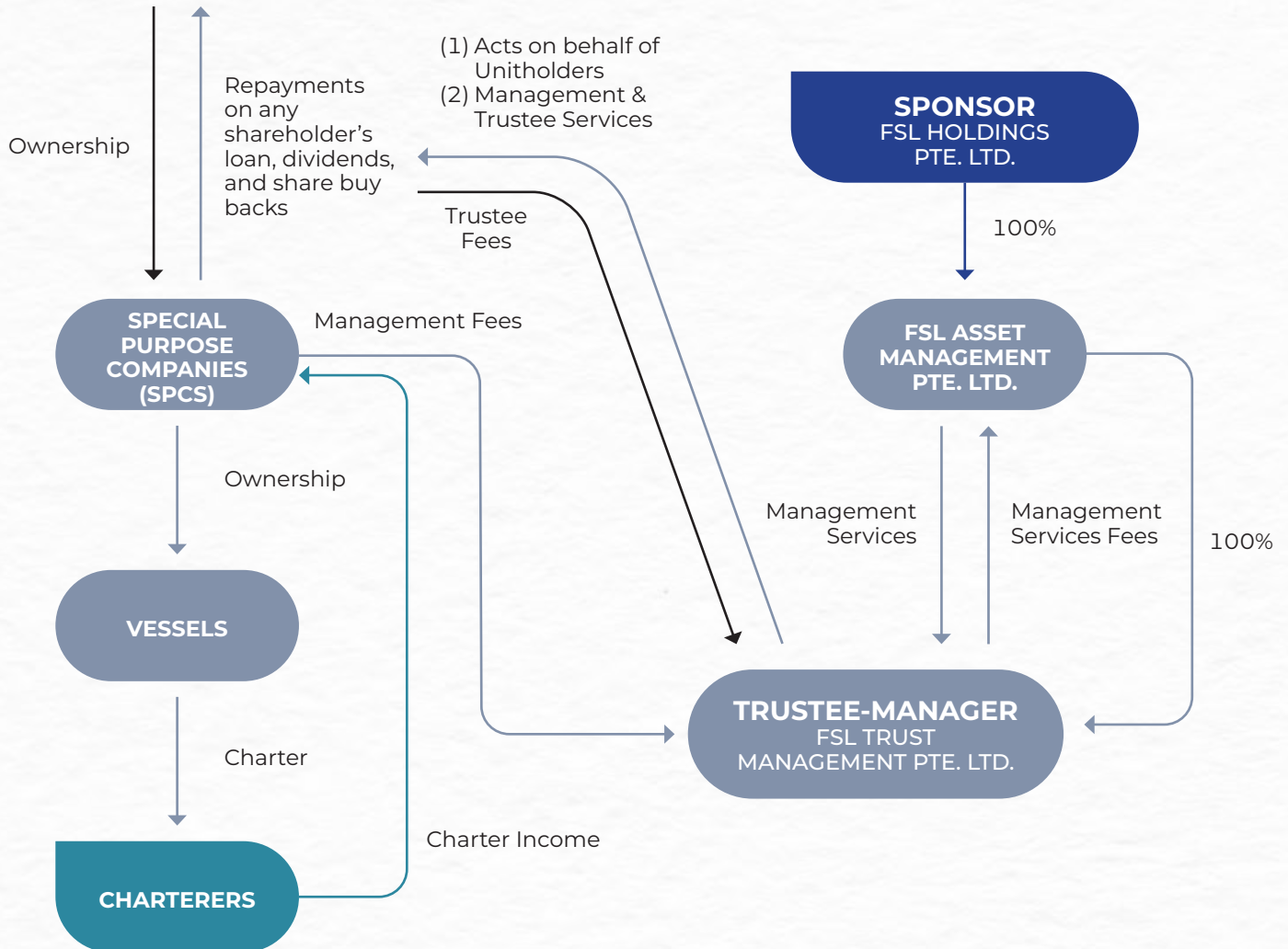


HOLDINGS OF UNITS
Public/Investors – 27%
Sponsor – 73%

**SINGAPORE
TAX EXEMPT
DISTRIBUTIONS**



CORPORATE STRUCTURE



CORPORATE INFORMATION

TRUSTEE-MANAGER

FSL Trust Management Pte. Ltd.

CORPORATE DIRECTORY

UEN/Company Registration
No. 200702265R
Corporate website: www.fsltrust.com

REGISTERED OFFICE

7 Temasek Boulevard
#26-02 Suntec Tower One
Singapore 038987
Phone: +65 6836 3000
Fax: +65 6836 6001

COMPANY SECRETARIES

Elizabeth Krishnan
Bridget Boyd

UNIT REGISTRAR OF FIRST SHIP LEASE TRUST

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-03/07 Keppel Bay Tower
Singapore 098632
Phone: +65 6536 5355
Fax: +65 6536 1360

BOARD OF DIRECTORS

Stathis Topouzoglou

Non-Independent, Non-Executive Chairman

Michael Chalkias

Non-Independent, Non-Executive Director

Michael Gray

Lead Independent, Non-Executive Director and
Chairman of the Audit and Risk Committee

Narayanan Sreenivasan

Independent, Non-Executive Director and
Chairman of the Nominating Committee

Ang Siew Geok (Judy)

Independent, Non-Executive Director and
Chairwoman of the Remuneration Committee

SENIOR MANAGEMENT

Roger Woods

Chief Executive Officer

Ivy Low

Financial Controller

AUDIT AND RISK COMMITTEE

Michael Gray (Chairman)
Narayanan Sreenivasan
Ang Siew Geok (Judy)

REMUNERATION COMMITTEE

Ang Siew Geok (Judy) (Chairwoman)
Michael Gray
Narayanan Sreenivasan

NOMINATING COMMITTEE

Narayanan Sreenivasan (Chairman)
Michael Gray
Ang Siew Geok (Judy)

EXTERNAL AUDITORS OF FIRST SHIP LEASE TRUST

Moore Stephens LLP
10 Anson Road
#29-15 International Plaza
Singapore 079903
Telephone: +65 6221 3771
Fax: +65 6221 3815

Partner-in-charge
Neo Keng Jin

Date of appointment
Appointed during the financial year ended
31 December 2023

INTERNAL AUDITORS OF FIRST SHIP LEASE TRUST

BDO LLP
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778
Telephone: +65 6828 9118

Partner-in-charge
Willy Leow

Date of appointment
13 July 2015

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation
Limited



We remain cautious in our capital deployment approach, prioritising investments that are supported by long-term charters and aligned with our disciplined investment criteria.

Stathis Topouzoglou
Chairman

Message from the

CHAIRMAN and the CEO

Roger Woods
CEO



Dear Unitholders,

2025 was a year of pronounced dislocations across global shipping markets, with selective strength emerging in specific segments. The year began with softer tanker markets, reflecting conditions carried over from the previous winter.

In April, global trade entered a new phase of geopolitical realignment, with tariffs introduced on imports into the world's largest economy. While the initial impact on energy and tanker markets was limited, uncertainty increased later in the year amid discussions about potential fees on non-U.S.-built vessels, weighing on sentiment across the shipping sector.

The Russia-Ukraine conflict remained unresolved, while the continued expansion of "dark fleet" activity, alongside stricter sanctions enforcement, further fragmented the global tanker fleet. At the same time, ongoing security risks in the Red Sea led many vessels to reroute via southern Africa, lengthening voyages and affecting trade patterns.

As the year progressed, OPEC+ production policy and floating storage dynamics supported demand for larger crude vessels. Product tanker demand also improved, driven by stronger refinery margins, increased seaborne trade, and longer-haul movements resulting from regional imbalances. On the supply side, fleet growth remained contained, with limited newbuilding deliveries and older tonnage increasingly migrating into the dark fleet.

The year concluded with firmer freight markets, supported by seasonal factors and tightening vessel availability.

DISCIPLINED PERFORMANCE IN A VOLATILE ENVIRONMENT

Against this backdrop, the Trust delivered stable earnings and strengthened its contracted revenue base, underpinned by its low-risk, charter-focused business model.

Our continued emphasis on cash generation, disciplined capital allocation, and proactive risk management enabled us to maintain resilience while preserving financial flexibility. Active fleet management, including charter extensions and redeployments, supported consistent cash flows and improved visibility of future earnings.

The Trust ended the year with six specialised vessels, all on bareboat charters, ensuring minimal operational exposure and limited sensitivity to spot-market volatility.

During the year, we executed a number of value-enhancing transactions. We disposed of the Clyde

Fisher in February at an attractive price ahead of her fourth special survey, avoiding additional capital expenditure and residual risk. We also secured a four-year extension for the Superiority at an improved rate and extended the charters of Speciality and Seniority into 2026 on stronger terms.

In addition, we successfully removed charterer options on Solway Fisher and Shannon Fisher, securing firm employment for both vessels through to 2029 and further enhancing earnings visibility.

Net profit for the year was US\$ 6.9 million, supported by the reversal of prior non-cash impairments. As at 31 December 2025, the Trust had secured US\$ 17.1 million in contracted revenue from fixed-rate charters, providing a solid foundation for forward cash flows.

POSITIONED FOR DISCIPLINED GROWTH

Throughout the year, we remained focused on delivering value for Unitholders while maintaining a conservative risk profile. We continue to evaluate new investment opportunities with attractive risk-reward characteristics, with a clear emphasis on downside protection and cash flow visibility.

The current market environment presents both opportunities and risks. While elevated asset prices and significant newbuilding orders may introduce future supply pressures, market balance will depend on the pace of retirements of older vessels. At the same time, geopolitical developments particularly in the Middle East, highlight the shipping sector's continued exposure to external shocks, which can both support and disrupt market fundamentals.

In this context, we remain cautious in our capital deployment approach, prioritising investments that are supported by long-term charters and aligned with our disciplined investment criteria.

On behalf of the Board and management, we thank our employees, partners, customers and Unitholders for their continued support and trust. We enter 2026 with a clear focus on capital discipline, downside protection, and the delivery of sustainable long-term returns.



Stathis Topouzoglou
Chairman



Roger Woods
Chief Executive Officer

PERFORMANCE HIGHLIGHTS

	FY2025 US\$'000	FY2024 US\$'000	FY2023 US\$'000	FY2022 US\$'000	FY2021 US\$'000
Income Statement					
Revenue	6,051	8,454	8,510	24,224	24,975
Adjusted EBITDA ⁽¹⁾	4,105	6,447	6,368	9,935	6,763
Results from Operating Activities	6,394	7,766	3,919	14,232	(656)
Profit/(Loss) for the Year	6,857	8,259	3,670	13,271	(1,522)
Net Cash Generated from Operating Activities⁽²⁾	4,426	7,348	6,530	13,663	5,683
Financial Position					
Total Assets	43,939	42,659	65,734	65,467	83,674
Total Liabilities	532	6,109	10,922	14,325	17,514
Unitholders' Equity	43,407	36,550	54,812	51,142	66,160
Financial Ratios					
Earnings/(Loss) per unit (US cents/unit) ⁽³⁾	0.39	0.47	0.21	0.75	(0.09)
Net Asset Value (US\$/unit)	0.02	0.02	0.03	0.03	0.04
Gearing Ratio ⁽⁴⁾ (%)	0	12.3	15.6	20.9	20.3

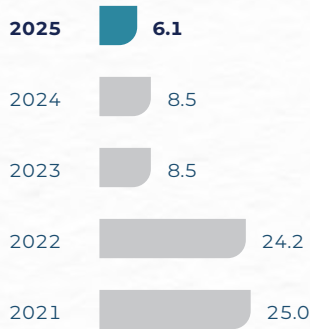
(1) Earnings before interest, taxes, depreciation and amortisation, excluding gain/losses from the disposal of vessels, vessel impairments/reversal of impairments on vessel and other income

(2) Refer to Consolidated Statement of Cash Flows on Page 67

(3) Based on weighted average number of issued units

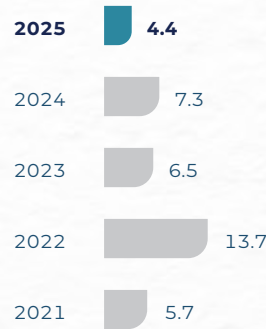
(4) Gearing ratio = outstanding debt / (total unitholders' funds + outstanding debt)

Revenue
(US\$ million)



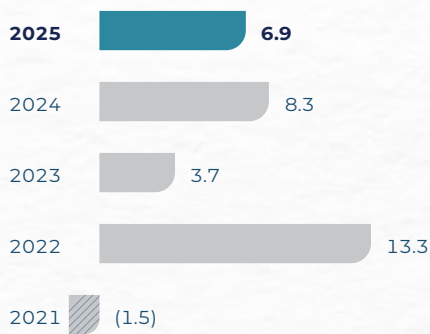
6.1
US MILLION

Net Cash Generated from Operating Activities
(US\$ million)



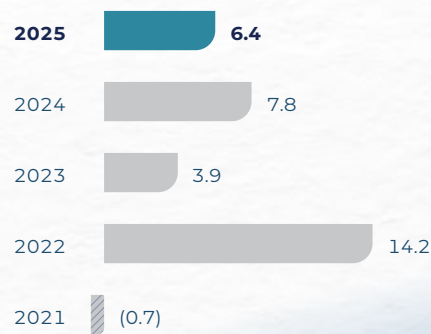
4.4
US MILLION

Profit/(Loss) for the Year
(US\$ million)



6.9
US MILLION

Results from Operating Activities
(US\$ million)



6.4
US MILLION



Board of Directors & Executive Officers



Stathis Topouzoglou (69)
Non-Independent, Non-Executive Chairman

Stathis Topouzoglou was appointed as a Non-Independent, Non-Executive Director of the Trustee-Manager on 28 February 2018, and Chairman of the Trustee-Manager on 9 March 2018.

Mr Topouzoglou is an entrepreneur with more than 40 years' experience in founding and growing companies in the transportation and energy sector. He is the principal shareholder and founder of Prime Marine Group and serves as Chief Executive Officer of Prime Marine Management Inc. since 1999, a predecessor of Prime Tanker Management Inc. and Prime Gas Management Inc., worldwide leading international product tanker and gas carrier management companies.

Mr Topouzoglou is also a founding partner and member of the BOD of Energean PLC (formerly: Energean Oil & Gas PLC), an independent exploration and production company focused on developing gas resources in the Mediterranean, listed on the London Stock Exchange as well as the Tel Aviv Stock Exchange.

Mr Topouzoglou holds a B.A. in Business Administration and Economics from the University of Athens, Greece.

Shares in the Trust or related corporations

Deemed interest in 72.60% of the Units in First Ship Lease Trust and 100% of the Shares in FSL Trust Management Pte. Ltd.

Present Directorships (as at 31 December 2025)

- Emil Frey Automotive Holding S.A.
- Energean PLC (LSE: ENOG)
- Gas Tech Operations S.A.
- HealthBookPlus Holdings, Inc.
- NYTA Delaware LLC
- OneIM Prime Marine Ventures LLC
- PMC Holding Inc.
- Prime Marine Corporation
- Prime Marine Management Inc.
- Prime Partners Inc.

Past Directorships over the last 3 years

(2023 to 2025, excluding Subsidiaries and Associates of the Trust)

- CFPRIME Tanker Holdings LLC
- Dynamic Product Tankers LLC
- NYTA Tanker Maritime LLC
- Prime Gas Holding LLC

Major Appointments (other than Directorships)

None



Michael Chalkias (55)
Non-Independent, Non-Executive Director

Michael Chalkias was appointed as a Non-Independent and Non-Executive Director of the Trustee-Manager on 9 March 2018.

Mr Chalkias co-founded Prime Marine Group in Greece in 1999 and serves as Co-Chief Executive Officer of Prime Marine Management Inc., Prime Tanker Management Inc. and Prime Gas Management Inc., leading international managers of product tankers and gas carriers. Mr Chalkias counts more than 25 years in the shipping industry, during which he has accumulated extensive in-depth knowledge in all aspects of the shipping business and established strong relationships in the maritime industry. Through his career, Mr Chalkias has invested in many ships, mainly product tankers and gas carriers, and has also partnered with a number of reputable US-based private equity funds.

Prior to co-founding Prime Marine, he was employed by Tufton Oceanic Limited, a specialized shipping finance and investment firm in London, where he was actively involved in debt and equity instrument as well as structured financing transactions.

Mr Chalkias holds an MSc with Distinction in Shipping, Trade & Finance from the Cass Business School of London and a BSc with Honours in Maritime Business and Law from the University of Plymouth, United Kingdom.

Shares In The Trust Or Related Corporations

Deemed interest in 72.60% of the Units in First Ship Lease Trust and 100% of the Shares in FSL Trust Management Pte. Ltd.

Present Directorships (as at 31 December 2025)

- Gas Tech Operations S.A.
- Global Ship Lease Inc. (NYSE: GSL)
- NYTA Delaware LLC
- OneIM Prime Marine Ventures LLC
- PMC Holdings Inc.
- Prime Marine Corporation
- Prime Marine Management Inc.
- Prime Partners Inc.

Past Directorships over the last 3 years

(2023 to 2025, excluding Subsidiaries and Associates of the Trust)

- CFPRIME Tanker Holdings LLC
- Dynamic Product Tankers LLC
- NYTA Tanker Maritime LLC
- Prime Gas Holding LLC

Major Appointments (other than Directorships)

None



Michael Grenville Gray (80)
Lead Independent, Non-Executive Director

Michael Gray was appointed as the Lead Independent, Non-Executive Director of the Trustee-Manager on 11 May 2015. He is also the Chairman of the Audit and Risk Committee, as well as a member of the Remuneration Committee and the Nominating Committee.

Mr Gray is a qualified accountant with 35 years' experience in professional practice across a number of international markets. He trained as a Chartered Accountant with Coopers & Lybrand in the United Kingdom and moved to Coopers & Lybrand Singapore in 1978, retiring from the merged firm of PricewaterhouseCoopers in 2004. During this time, he founded the PricewaterhouseCoopers' practice in Indochina and was the Territorial Senior Partner for eight years thereafter. Prior to practicing as an accountant, Mr Gray spent 10 years in the shipping industry as an officer in the Merchant Navy. Mr Gray was a member of the Publications Committee of the Singapore Institute of Directors and former editor of the SID Bulletin. He received the Public Service Medal (P.B.M.) from the Singapore Government in 1992, the Public Service Star (B.B.M.) in 1999 and the Public Service Star Bar (B.B.M. [L]) in 2010.

Mr Gray holds an M.A. in South East Asian Studies from the National University of Singapore and a BSc in Maritime Studies from the University of Plymouth, United Kingdom. He is a Fellow of the Institute of Chartered Accountants in England and Wales, the Institute of Singapore Chartered Accountants, the Singapore Institute of Directors, and the Chartered Institute Logistics and of Transport.

Shares In The Trust Or Related Corporations

4,000,000

Present Directorships (as at 31 December 2025)

None

Past Directorships over the last 3 years

(2023 to 2025, excluding Subsidiaries and Associates of the Trust)

- GSH Corporation Ltd (SGX: BDX)
- Avi-Tech Holdings Limited formerly Avi-Tech Electronics Limited (SGX: BKY)

Major Appointments (other than Directorships)

None



Narayanan Sreenivasan (64)
Independent, Non-Executive Director

Narayanan Sreenivasan was appointed as an Independent, Non-Executive Director of the Trustee-Manager on 20 September 2016. He is also the Chairman of the Nominating Committee, as well as a member of the Audit and Risk Committee and the Remuneration Committee.

Mr Sreenivasan is the Managing Director of Sreenivasan Chambers LLC since August 2024. He was the Managing Director of Straits Law Practice LLC and subsequently of K&L Gates Straits Law LLC from 2003 to July 2024. He was appointed Senior Counsel by the Chief Justice of Singapore in 2013. Over the course of his career, Mr Sreenivasan has had an extensive practice in most areas of commercial litigation, such as contracts, directors' duties, banking facilities, international trade, engineering and technical matters, trust and fraud, and corporate and shareholder disputes. He has served on the Criminal Law Advisory Committee (Hearing) of the Ministry of Home Affairs and the Home Detention Advisory Committee for over 20 years, and was awarded the Public Service Medal (P.B.M.) from the Singapore Government in 2014. He was the Non-Executive Chairman of mainboard listed Q&M Dental Group from 2008 to 2024.

Mr Sreenivasan holds a LLB (Hons) from the National University of Singapore and is a Fellow of the Chartered Institute of Arbitrators (UK) and the Singapore Institute of Arbitrators. He is a specialist mediator with the Singapore International Mediation Centre.

Shares in the Trust or related corporations

1,250,000

Present Directorships (as at 31 December 2025)

- Sreenivasan Chambers LLC

Past Directorships over the last 3 years

(2023 to 2025, excluding Subsidiaries and Associates of the Trust)

- K&L Gates Straits Law Practice LLC
- Pro Bono SG formerly Law Society Pro Bono Services
- P T Alfa Valves Ltd (President Commissioner)
- Q & M Dental Group (Singapore) Limited (SGX: QC7)
- Singapore Business Federation Foundation Limited

Major Appointments (other than Directorships)

- Senior Counsel

Board of Directors & Executive Officers



Judy Ang Siew Geok (62)
Independent, Non-Executive Director

Judy Ang Siew Geok was appointed as an Independent, Non-Executive Director of the Trustee-Manager on 1 April 2025. She is also the Chairwoman of the Remuneration Committee and member of Audit and Risk Committee and the Nominating Committee.

Ms. Ang is a qualified accountant with over 40 years of global finance experience, including leadership role as Board Member. She has experience in auditing, treasury, corporate restructuring, mergers & acquisitions and consultancy roles across different industries, with a particular focus on maritime. Ms Ang previously held senior positions within various maritime based companies including Swire Shipping Pte. Ltd. (formerly known as The China Navigation Pte Ltd) with finance & special projects.

Ms. Ang is a Fellow of the Association of Chartered Certified Accountants (ACCA) and Institute of Singapore Chartered Accountants (ISCA), Associate member of Chartered Secretaries Institute of Singapore (CSIS), Accredited Tax Professionals of Singapore Chartered Tax Professionals (SCTP), Accredited Director of the Singapore Institute of Directors (SID) and Swire Advanced Management Program (Swire AMP), INSEAD, France.

Shares in the Trust or related corporations

None

Present Directorships (as at 31 December 2025)

- Enviro Hub Holdings Pte Ltd (SGX: L23)

Past Directorships over the last 3 years

(2023 to 2025, excluding Subsidiaries and Associates of the Trust)

None

Major Appointments (other than Directorships)

None



Roger Woods (63)
Chief Executive Officer

Roger Woods has been the Chief Executive Officer of the Trustee-Manager since 3 May 2017 following his appointment as Acting Chief Executive Officer on 2 February 2017.

Mr Woods joined the Trustee-Manager as the Chief Operating Officer on 17 September 2013, responsible for overseeing the general business operations of the Trust, including short- and long-term commercial deployment of vessels and relationships with technical managers.

Prior to joining the Trustee-Manager, Mr Woods served as General Manager at FR8 for 6 years, running its office in London, United Kingdom, and focusing on commercial projects and operational performance. He previously was Managing Director at Tamoil Shipping in London, and also held Chartering Manager and Operations Manager positions over a 14-year tenure. Before Tamoil, Mr Woods worked onshore for Uglund Brothers Limited and Jebsens Ship Management Limited for a total of 9 years and was at sea for the formative part of his shipping career, serving on bulk carriers and product/chemical tankers. Over the course of his career, Mr Woods obtained broad experience across chartering, operations and ship-management, dealing with crude oil, oil products and dry cargoes and an established track record of negotiating favourable time charters and sale and purchase transactions as well as dealing with legal disputes, insurance matters and operational issues.

Mr Woods holds a Diploma in Nautical Science and is a Member of the Institute of Chartered Shipbrokers (MICS).

Shares in The Trust or Related Corporations

750,000

Present Directorships (as at 31 December 2025)

(excluding Subsidiaries and Associates of the Trust)

None

Past Directorships over the last 3 years

(2023 to 2025, excluding Subsidiaries and Associates of the Trust)

None

Major Appointments (other than Directorships)

None



Ivy Low (64)
Financial Controller

Ivy Low has been the Financial Controller of the Trustee-Manager since 9 December 2013 and is responsible for the treasury, financial and accounting functions of the Trustee-Manager's operations.

Prior joining the Trustee-Manager, Ms. Low was the Regional Financial Controller of Asia of Asian Groupage Services Pte Ltd, where she was responsible for all aspect of the financial functions and accounting activities of Asian Groupage Services - Asia Pacific for two years. She previously worked for MCC Transport Singapore Pte Ltd the "intra-asia" shipping line of A P Moeller-Maersk Group for 16 years with last held position as Assistant General Manager, Finance. Over the course of her career, Ms. Low obtained broad experience in financial and accounting across various vessel segments in the shipping industry.

Ms. Low is a member of the Institute of Singapore Chartered Accountants (ISCA) and a fellow of the Association of Chartered Certified Accountants (ACCA).

Shares In The Trust Or Related Corporations

None





PELICAN FISHER

Year Built	2008
Builder	Zhejiang Jingang SB, China
Capacity	9,596 DWT
Flag	United Kingdom

VESSEL

(As at 31 December 2025)

PORT



SHANNON FISHER

Year Built	2006
Builder	Damen Galati, Romania
Capacity	5,421 DWT
Flag	Bahamas



SOLWAY FISHER

Year Built	2006
Builder	Damen Galati, Romania
Capacity	5,421 DWT
Flag	Bahamas



SPECIALTY

Year Built	2006
Builder	Qingshan Shipyard, China
Capacity	4,426 DWT
Flag	Bahamas/UK

FOLIO



SENIORITY

Year Built	2006
Builder	Qingshan Shipyard, China
Capacity	4,426 DWT
Flag	Bahamas/UK



SUPERIORITY

Year Built	2007
Builder	Qingshan Shipyard, China
Capacity	4,426 DWT
Flag	Bahamas/UK

Financial & Operational Review

During the financial year 2025 (“FY 2025”), the tanker markets have experienced another year of volatile rates. The year started with rates flat in the first quarter and as the year progressed, the trading environment came under increasing pressure with tariffs affecting much of shipping. Fortunately, tankers were less impacted by these frequent changes. The Middle east conflict continued to push owners to route vessels around Africa, resulting in the increased length of voyages. The impact from the Russia Ukraine conflict remained, with further sanctions making the dark fleet less efficient and helping demand move across to the compliant fleet loading from unsanctioned exporters. In the last quarter, the markets moved materially higher, especially for larger vessels as OPEC released more oil onto the market, hence increasing the demand for tankers, while few new buildings were being delivered and older vessels were sold into the dark fleet, resulting in supply of vessels becoming tighter.

In the FY 2025, the revenue of FSL Trust was US\$ 6.1 million reflecting a reduced fleet as compared to last year, FY 2024 at US\$ 8.5 million. Earnings before interest, taxes, depreciation

and amortisation, excluding gain/loss from the disposal of vessels, vessel impairments/reversal of impairments on vessel and other income (adjusted EBITDA), was lower at US\$ 4.1 million as compared to US\$ 6.5 million in the preceding year. The Trust achieved a net income of US\$ 6.9 million in FY 2025 with the inclusion of a reversal of impairment on three product tankers of US\$ 3.7 million and a gain of \$ 0.7 million on the disposal of *Clyde Fisher*.

The Trust generated a net cash flow from operations of US\$ 4.4 million. Together with the existing cash and cash equivalents of US\$ 14.8 million at the beginning of the year, this allowed the Trust to fully prepaid all its outstanding loan.

FSL Trust maintains its healthy financial structure with an equity ratio¹ of 98.8%.

VESSEL PORTFOLIO

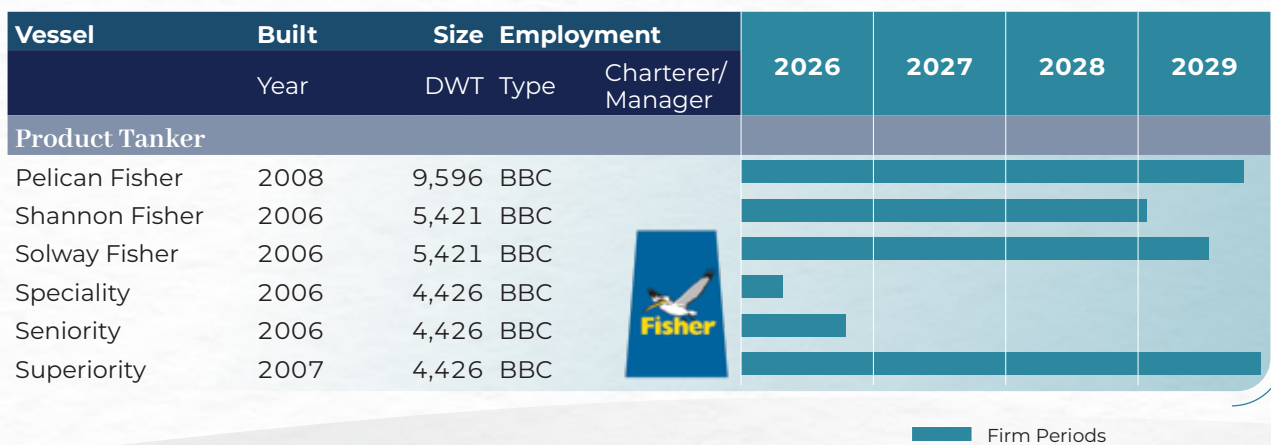
As at 31 December 2025, FSL Trust’s vessel portfolio comprised six small product tankers operating under fixed-rate period charters.

1 Total equity to total assets; Group

FLEET EMPLOYMENT

As at 31 December 2025, six vessels were employed under fixed-rate bareboat charters as illustrated in **Figure 1**.

Figure 1:
Fleet Employment Profile As At 31 December 2025



BAREBOAT CHARTERS

Six product tankers, namely *Pelican Fisher*, *Shannon Fisher*, *Solway Fisher*, *Speciality*, *Seniority* and *Superiority*, have been employed under multi-year bareboat charters with James Fisher Everard

Limited (“James Fisher”) since the Trust acquired the vessels. The vessels generated an aggregate adjusted EBITDA of US\$ 4.57 million in the FY 2025 (FY 2024: US\$ 6.95 million).

An overview of the allocation of adjusted EBITDA by vessel type and by employment type is provided in **Figure 2 and Figure 3**.

CONTRACTED REVENUE

As at 31 December 2025, FSL Trust has had US\$ 17.1 million of contracted future revenue from fixed-rate bareboat charters for the six vessels in the portfolio. The contracted future revenue are spread over multiple years up to 2029, when the last charter matures. The contracted future revenue provide a certain level of cash flow predictability and downside protection in periods of adverse tanker markets.

An overview of the contracted future revenue as at 31 December 2025 is provided in **Figure 4**.

OPERATING AND OTHER EXPENSES

The depreciation expenses for vessels lower in line with reduced fleet at US\$ 2.2 million for FY 2025 (FY 2024: US\$ 2.9 million). Other trust expenses were lower at US\$ 0.5 million (FY 2024: US\$ 0.6 million).

DEBT FINANCINGS AND COVENANTS

In May 2021, the Trust entered into a new 5-years, US\$ 15.0 million loan facility agreement with Chailease International Financial Services (Singapore) Pte. Ltd. ("Chailease") in relation to the refinancing of the vessels *Cumbrian Fisher*, *Clyde Fisher*, *Shannon Fisher*, *Solway Fisher*, *Seniority* and *Superiority*. In October 2021, the Trust entered into another new 7-years, approx. US\$ 4.0 million loan facility agreement with Chailease to partly refinance the previously acquired *Pelican Fisher*.

During the FY 2025, FSL Trust's subsidiaries fully prepaid the outstanding loan under the US\$ 15.0 million and US\$ 3.95 million term loan facility agreements with Chailease International Financial Services (Singapore) Pte Ltd.

The Trust ended FY 2025 with no outstanding loan. Finance expenses incurred decreased by 66.5% year-on-year to US\$ 0.3 million in the FY 2025.

The Trust was in compliance with the covenants agreed with in the relevant financing agreements throughout the FY 2025.

Figure 2:
Adjusted EBITDA By Vessel Type

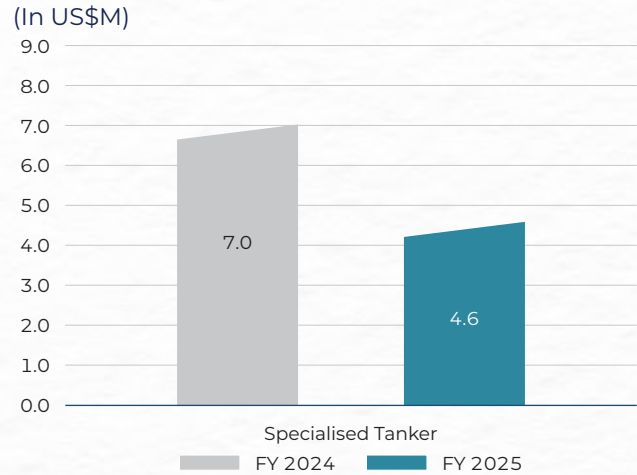


Figure 3:
Adjusted EBITDA By Employment Type

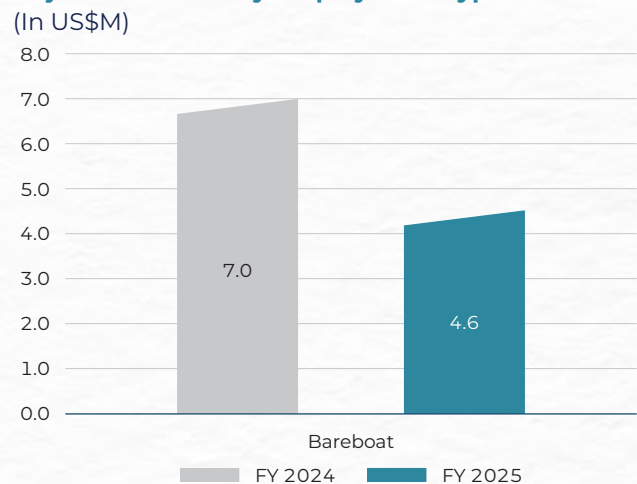
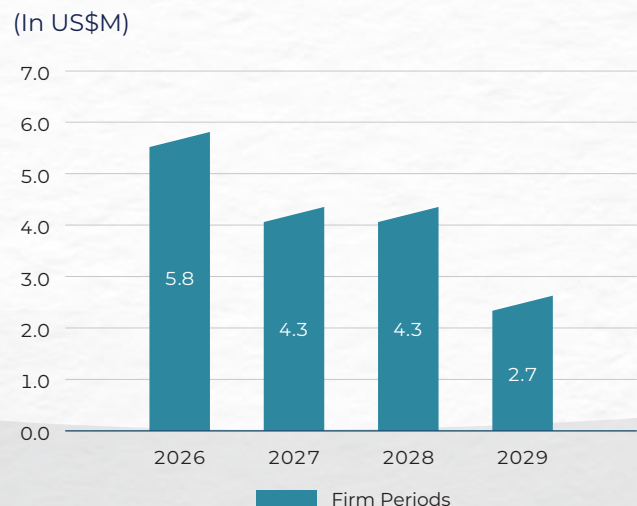


Figure 4:
Contracted Revenue



Corporate Governance

First Ship Lease Trust (“FSL Trust” or “the Trust”) is a business trust constituted under the Business Trusts Act 2004. FSL Trust Management Pte. Ltd. (“FSLTM” or “the Trustee-Manager”) in its role as trustee-manager of FSL Trust, is responsible for managing the business of FSL Trust.

FSL Asset Management Pte. Ltd. (“FSLAM”) was constituted in 2010 as the resource centre for the FSL group of companies (the “Group”). Pursuant to a management services agreement between FSLTM and FSLAM, FSLAM (which is the sole shareholder of FSLTM) provides FSLTM all agreed management services, including the services of the Chief Executive Officer, other management personnel and staff. FSLTM is charged and bears the cost of management services rendered to it by FSLAM. This is determined according to a market based benchmarked formula. FSL Trust has no employees and no executive directors.

FSLAM is owned by FSL Holdings Pte. Ltd., the sponsor of the Trust (the “Sponsor”), and led by Roger Woods, who is also the Chief Executive Officer of FSLTM. The sole shareholder of the Sponsor is Prime Shareholdings Inc., which is an affiliate of the international ship-owning and ship-management group Prime Marine.

Prime Marine Group was founded in Greece in 1999 and has since grown to become a leading international ship-owner and ship-manager of crude oil tankers, product tankers and gas carriers, providing seaborne transportation for refined petroleum products, light chemicals, naphtha, liquefied petroleum gas (LPG) and ammonia along global shipping routes. Through Prime Tanker Management Inc. and Prime Gas Management Inc. and with 100 shore-based employees, Prime Marine Group has a significant operational and commercial platform and currently manages a fleet of 14 product tankers of different sizes with an aggregate tonnage of approximately 1 million dwt.

FSL Trust itself has no directors. The directors referred to in this annual report are directors of FSLTM, the trustee-manager of FSL Trust by virtue of the deed of trust constituting FSL Trust dated 19 March 2007, as amended and supplemented from time to time (the “Trust Deed”).

The units of FSL Trust are listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST) under the ticker symbol “D8DU”. FSL Trust is principally regulated by:

- (i) the Securities and Futures Act 2001 (the “SFA”);
- (ii) the Business Trusts Act 2004 (the “BTA”);
- (iii) the Listing Manual of SGX-ST (the “Listing Manual”); and
- (iv) the Trust Deed.

The setting of and maintaining high standards of corporate governance is a core value of FSLTM and embraces the tenets of good governance, including accountability, transparency and sustainability as required by the Code of Corporate Governance 2018 (the “Code”).

The Trustee-Manager believes that effective corporate governance is critical to its performance and success and has, in the last year further enhanced its procedures to ensure that best practices have been implemented and are followed to safeguard the interest of the unitholders of the Trust (the “Unitholders”), whilst taking account of the interests of other stakeholders.

This report sets out the corporate governance practices in place for financial year 2025 with reference to the Code and Business Trusts Regulations. Where there are significant deviations from the Code, appropriate explanations on a comply-or-explain basis are provided in this report.

THE MANAGER OF FSL TRUST

The Trustee-Manager was appointed in accordance with the terms of the Trust Deed.

Pursuant to the Trust Deed, the Trustee-Manager’s main responsibility is, on behalf of FSL Trust, the acquisition, disposition, management, operation, finance leasing, leasing and chartering of vessels and all activities, concerns, functions and matters reasonably incidental thereto for the benefit of Unitholders.

The Trustee-Manager is required, pursuant to the BTA, to:

- (a) act in the best interests of all the Unitholders of the Trust as a whole; and
- (b) give priority to the interests of all the Unitholders of the FSL Trust as a whole over FSLTM's own interests in the event of a conflict between the interests of all the Unitholders of FSL Trust as a whole and FSLTM's own interests.

In addition, the trustee-manager must at all times act honestly and exercise reasonable diligence in the discharge of its duties as a trustee-manager in accordance with the BTA and the Trust Deed.

The Trustee-Manager has the appropriate people, processes and structures so as to direct and manage the business and affairs of the Trust. All the directors of the Trustee-Manager are competent and experienced individuals who have considerable experience in the shipping industry and/or other fields relevant to the business of the Trust.

The Trustee-Manager sets the general business direction, the investment and portfolio strategy, the financing strategy, and the approach to governance of FSL Trust. The Trustee-Manager aims to optimize the cash flow generation and create and maximise value for the Unitholders of the Trust by actively managing the vessel portfolio, ensuring that the vessels in the portfolio of the Trust are efficiently operated and employed, and managing the various risks and opportunities related to the business of the Trust.

Other key functions and responsibilities of the Trustee-Manager include:

- (i) conduct all transactions on behalf of the Trust at arm's length, using best endeavours;
- (ii) develop and implement the Trust's business plan and budget;
- (iii) ensure compliance with all applicable prevailing laws and regulations, as well as the Trustee-Manager's obligations under the Trust Deed;
- (iv) obtain finance for the Trust's assets and operations as required and ensuring that all terms of any loan covenants are complied with;
- (v) maintain a framework of appropriate and effective controls to enable financial, operational and compliance risks to be assessed and managed; and
- (vi) manage regular communications with Unitholders and any necessary announcements in accordance with the Listing Manual.

The remuneration of the Trustee-Manager is as follows:

1. a management fee of 4.0% of the lease income and any income, other than lease income, generated by the Trust from its authorised businesses, net of any other commissions or deductions by third parties and taxes, duties and levies, subject to a minimum fee of US\$350,000 per calendar quarter;
2. a trustee fee at 0.02% per annum of the value of the Trust property;
3. an acquisition fee at the rate of 1.0% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the acquisition cost of any investments acquired directly or indirectly in the Trust Property;
4. a divestment fee at the rate of 0.5% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the disposal proceeds, excluding proceeds from exercise of original purchase or early buy out options, of any investments in the Trust Property sold or divested directly or indirectly by the Trust; and
5. an incentive fee calculated on a quarterly basis on the excess of the net distributable amount ("DAU") over the benchmark DAU as defined in the Trust Deed.

The Trustee-Manager is furthermore entitled to the reimbursement of all out-of-pocket expenses incurred by the Trustee-Manager in the performance of its duties under the Trust Deed.

Corporate Governance

In consideration of the above, the Trustee-Manager shall not impose any other charge or fee for its services or for its normal expenses with the exception of charges and fees authorised by the Trust Deed.

The fees payable by the Trust are detailed in note 1 to the financial statements of this annual report. The fees paid to FSLTM in financial year 2025 are set out in note 19 to the financial statements.

The Trust Deed outlines the circumstances where the Trustee-Manager can be appointed or removed, and the event of the resignation of the Trustee-Manager. Removal, includes the proposal and passing of a resolution by, in aggregate a majority of the voting rights of all Unitholders of the Trust, cast at a meeting of Unitholders duly convened in accordance with the provisions of the Trust Deed.

CODE OF CORPORATE GOVERNANCE 2018

This report describes the Trust's corporate governance processes and activities with specific reference to each of the principles set out in the Code. The Trust has materially complied with all principles and provisions set out in the Code and as far as practicable also the Practice Guidelines. In areas where the Trust deviates from the Code, the rationale has been provided, where appropriate.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS	Provision
<i>Principle 1 – FSLTM is headed by an effective Board which is collectively responsible and works with Management for the long-term success of FSL Trust.</i>	

Board's Role

1.1

The Board's role is to:

- provide entrepreneurial leadership, and set strategic objectives, which should include appropriate focus on value creation, innovation and sustainability;
- ensure that the necessary resources are in place for the Trust to meet its strategic objectives;
- establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and Trust's performance;
- constructively challenge Management and review its performance;
- instil an ethical corporate culture and ensure that the Trust's values, standards, policies and practices are consistent with the culture; and
- ensure transparency and accountability to key stakeholder groups.

Fiduciary Duties of the Members of the Board

The members of the Board are aware of their fiduciary duties and that they must act objectively in the best interests of the Trust. To this end, the Board guides the corporate strategy and directions of management, reviews the budget and all business plans, approves any investments, divestments and borrowings/debt financings, monitors the financial and non-financial performance of FSL Trust, puts in place all relevant internal controls and risk management processes, approves all public announcements, the semi-annual and full year announcements and financial statements, identifies key stakeholder groups, and oversees the management of FSL Trust. The Board is fully aware that it is accountable to the Unitholders of FSL Trust for the long-term financial performance and stability of FSL Trust.

In addition to his/her fiduciary duties, a director is aware that he must take all reasonable steps to ensure that the trustee-manager discharges its duties under the BTA.

Provision**Board Organisation and Support**

The Board is committed to conducting its business activities in a legal and ethical manner. Continued business success for FSL Trust and FSLTM is based on honesty, integrity and ethical conduct.

The Board has issued a written code of conduct outlining FSLTM's expectations and guidelines in the conduct of its business (the "Code of Conduct"). The Code of Conduct applies to all employees, officers and directors. Also, the business partners and service providers are expected to conduct their business activities with FSLTM in accordance with applicable laws and regulations and this Code of Conduct. Violations may result in disciplinary actions up to, and including, the termination of the contract in the case of a director, officer or employee.

The Code of Conduct also defines and sets out the procedures for conflicts of interest covering both the staff and the directors.

Directors facing conflicts of interest recuse themselves from discussions and decisions involving issues of conflict

Scope of Director Duties- Executive Directors, Non-executive Directors, Independent Directors

1.2

All directors are non-executive directors. This enables the management to benefit from the director's external, diverse and objective perspective on issues that are brought before the Board. It also enables the Board to interact and work with the management through an open exchange of ideas and views to help shape the strategic process. As all board members are non-executive directors, the Board is able to constructively challenge the management and help to develop strategies. The majority of directors are independent which strengthens the corporate governance of the Trust.

Induction for New Directors

The Board ensures that all incoming new directors will receive comprehensive and tailored induction. This includes briefings by existing directors on issues relevant to the Board and its committees. Incoming new directors are also briefed by the management on the Trust's business activities, strategic direction and policies, key business risks, the regulatory environment in which the Trust operates, and governance practices, as well as their statutory and other duties and responsibilities as directors of FSLTM.

Incoming new directors also receive the corporate manual including such areas as corporate governance, financial risk management, financial reports, cash management, procurement, sustainability reporting, human resources, code of conduct and staff resources.

All new first-time directors, who have no prior experience as a director of an entity listed on the SGX-ST, must undergo relevant training in the roles and responsibilities of a director of a listed issuer, within one year from the date of appointment to the Board, as prescribed by the SGX-ST. If the nominating committee of the Board is of the view that training is not required because the incoming new director has other relevant experience, the basis for this assessment must be disclosed.

Corporate Governance

Provision

Training

The Board considers it important that directors understand the shipping business and the areas relevant to it to be able to fulfil their duties as a director. To this end, training is made available by the Trust to help directors to develop and maintain their skills. All directors furthermore receive updates on the shipping industry extracted from worldwide sources from the business and shipping press.

To enable the directors to fully discharge their duties and obligations, directors have been furnished with a legal and compliance regulatory manual prepared by professional advisers. As and when necessary, they have also been provided with updates on relevant practices, new laws, rules and regulations, changes in accounting standards and risk management issues applicable to FSL Trust and/or FSLTM, including briefings by relevant professionals.

All Board members are encouraged to receive regular training programmes, particularly on relevant new laws, regulations and changing commercial risks, from time to time. Directors are strongly encouraged to keep abreast with sustainability matters and in this regard, they have complied on such matters. The Board is mindful of the best practice in the Code, to initiate programmes for Directors to meet their relevant training needs. In this regard, the Trust is supportive of Board members in the participation of industry conferences and seminars and, will fund Directors' attendance at any course or training programme in connection with their duties as directors.

In the financial year under review, Ms Ang Siew Geok (Judy) attended the following training programmes:

- Audit and Risk Committee Seminar 2025
- Transatlantic Divide on ESG: Approaches and Implications
- Navigating D&O Insurance: Essential Protection for Directors and Executives
- A Director's Guide for Navigating Climate Change
- Global Trade Chaos: How should Directors Respond?
- SID Directors Conference 2025
- Cyber Resilience Training for Board Directors
- Building an Agile Startup Board: Balancing Governance and Growth
- Digital Transformation in the Era of 5G and AI
- AI and Analytics for Business Valuation and Finance
- ACCA Annual Conference 2025
- Corporate Governance Conference

Reserved Matters

1.3

The Board has adopted internal guidelines setting forth the matters which are specifically reserved to the Board for approval, including the following:

- material acquisitions and disposals of vessels and other significant capital expenditure;
- vessel leases and extensions;
- corporate or financial restructuring;
- borrowings and other debt financings;
- issue of units, distributions and other capital transactions and returns to Unitholders;
- approval of annual audited financial statements for the Trust and the Directors' Statement thereto;
- SGX submissions and any public reports or press releases reporting the results of operations;
- matters involving a conflict or potential conflict of interest involving a substantial shareholder/ Unitholder or a director; and
- significant policies and procedures.

Provision

Clear directions have also been given to management that such matters must be approved by the Board.

Board Committees

1.4

In accordance with the Code, the Board has, without abdicating its responsibility, established Board committees to assist the Board in discharging its responsibilities and to enhance the Group's corporate governance framework. The Board committees comprise the audit and risk committee ("**ARC**"), the nominating committee ("**NC**") and the remuneration committee ("**RC**"), which have been delegated with specific authorities.

Each Board committee has written terms of reference which clearly set out the authorities and duties of the committee, and functions within its own defined terms of reference and procedures. All committees are chaired by an independent non-executive director. All Board members objectively make decisions in the interests of the Trust. The composition and description of each Board committee is set out in this report.

The management of FSLTM provides regular reports to the Board and its committees.

Board Meeting Dates

1.5

The Board meets (physically and/or virtually) at least once every six months to coincide with the announcement of the Trust's semi-annual and full-year results and to update the Board on significant business activities and overall business environment and as often as warranted by particular circumstances. Ad hoc meetings are also held via telephone- or video-conference for matters requiring urgent attention. Board meetings are also supplemented by resolutions circulated to directors for decisions.

Meetings of Non-Executive Directors

The non-executive directors also communicate amongst themselves, and with the Trust's auditors and legal advisors, without the presence of the management.

Meeting attendance

The attendance of the directors at the meetings of the Board and its committees for 2025 is set out below:

	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee
Director	Attendance / No. of meetings held	Attendance / No. of meetings held	Attendance / No. of meetings held	Attendance / No. of meetings held
Stathis Topouzoglou	3/3	N.A.	N.A.	N.A.
Michael Chalkias	3/3	N.A.	N.A.	N.A.
Michael Gray	3/3	2/2	1/1	1/1
N. Sreenivasan	3/3	2/2	1/1	1/1
Ang Siew Geok (Judy)*	2/3	1/2	0/1	0/1
Michael Oliver **	1/3	1/2	1/1	1/1

* Ang Siew Geok (Judy) was appointed on 1 April 2025.

** Michael Oliver retired as director on 31 March 2025.

N.A. – Not applicable.

The ARC also functions as the whistle-blowing committee.

Corporate Governance

Provision

Mr Stathis Topouzoglou and Mr Michael Chalkias, both non-independent, non-executive directors, attend the meetings of the ARC, the NC and the RC by invitation. Mr Roger Woods attend the meetings of the Board and ARC by invitation.

Directors Provided Relevant Information

1.6

Directors are provided with relevant information in a timely manner before or at each meeting to enable them to be properly informed of matters to be discussed and/or approved, and to enable them to make informed decisions to discharge their duties and responsibilities as directors. Directors are entitled to request for additional information as needed. In addition, semi-annual and full-year financial statements are submitted to the Board for approval, prior to release to the SGX-ST.

Independent Access to Management

1.7

Directors have separate and independent access to the management and the company secretaries at all times. The external and internal auditors are also available on-hand to provide additional insight when financial statements are considered.

Directors may seek further independent professional advice, if required, to allow directors to fulfil their duties properly, and such expenses will be paid by the Trust.

Company Secretary

Pursuant to Section 7 of the BTA, the company secretary is a person who:

- (a) for at least 3 years in the period of 5 years immediately preceding appointment as secretary, held the office of secretary of a company or trustee-manager of a registered business trust;
- (b) is a qualified person under the Legal Profession Act 1966, a public accountant, a member of the Singapore Association of the Institute of Chartered Secretaries and Administrators or a member of such other professional association as may be prescribed; or
- (c) is, by virtue of such academic or professional qualifications as may be prescribed, capable of discharging the functions of secretary of the trustee-manager.

Both company secretaries have the required experience and qualifications to hold the position of company secretary to the Trust.

The company secretaries attend all formal meetings of the Board and its committees. The company secretaries are responsible for ensuring that procedures are followed and that FSLTM has complied with the requirements of the BTA and all other relevant rules and regulations applicable to the Trust. The appointment and removal of the company secretary is a matter for the Board as a whole.

BOARD COMPOSITION AND GUIDANCE

Principle 2 - The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Director Independence

2.1

An “independent director” is one who is independent in conduct, character and judgement, and has no business relationship with the Trust, its related corporations, its substantial Unitholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent role and responsibilities in the best interests of the Trust.

Provision

A director to be independent must be:

- (a) independent from management and business relationships with FSLTM (“Trustee-Manager”); and
- (b) independent from every substantial shareholder of FSLTM.

The independence of any director who has served on the Board beyond nine years from the date of first appointment should be subject to particularly rigorous review. Since the board of FSLTM comprises a majority of independent directors and it has an Audit and Risk Committee consisting of Independent Directors who satisfy the independence requirements as stipulated in Rule 3 of the Business Trust Regulations, the NC considers that there are adequate safeguards to ensure the independent element on the board.

There is no board tenure and no requirement for regular re-appointments of directors as the directors are appointed by the Trustee-Manager and not the Trust, which units are listed.

Proportion of Non-executive Directors

2.2/2.3

The composition of the Board of FSLTM is determined using the following principles:

- the majority of Board members should be non-executive, independent directors;
- the chairman of the Board should be a non-executive director;
- the Board should comprise directors with a wide range of commercial and managerial experience; and
- at least a majority of the directors should be independent from management and business relationships with FSLTM and from every substantial shareholder of FSLTM.

Non-executive independent directors make up a majority of the board

Independent directors should make up a majority of the Board where the chairman is not independent. The chairman of the Board is not independent. Currently, the Board comprises five directors. All five current directors are non-executive, three of whom are independent, resulting in independent directors making up a majority of the board.

Director	Board Membership	Date of First Appointment as a Director	Audit and Risk Committee	Nominating Committee	Remuneration Committee
Stathis Topouzoglou	Chairman and non-independent/non-executive director	28 February 2018			
Michael Chalkias	Non-independent/non-executive director	9 March 2018			
Michael Gray	Lead Independent Director	11 May 2015	member	member	member
N. Sreenivasan	Independent Director	20 September 2016	member	member	member
Ang Siew Geok (Judy)	Independent Director	1 April 2025	member	member	member

The Board members are not appointed by Unitholders of the Trust but by the Trustee-Manager and are not subject to retirement by rotation.

Corporate Governance

Provision

2.4

Director Competencies

The directors come from diverse backgrounds with expertise in the areas of shipping, accounting and finance, taxation, legal, business and management and are able to apply their experience in support of the interests of FSL Trust. Profiles of the directors can be found on page 8 of this annual report.

The Board has the appropriate balance of independent directors. The three independent directors are particularly aware of their responsibility to constantly place the interests of Unitholders as a whole foremost in the consideration of all relevant matters.

The composition of the Board and its committees is reviewed periodically to ensure that the Board and its committees comprise an appropriate mix of expertise and experience to best serve the interests of FSL Trust and all its Unitholders. To refresh the board composition, Ms Ang Siew Geok Judy was appointed as a director during the financial year, on 1 April 2025.

The directors are expected to diligently discharge their duties and responsibilities, always acting in the best interests of FSL Trust and its Unitholders. Updates on business and operations are provided and discussed at board meetings.

Balance and Diversity of the Board

Core Competencies	Number	%
Accounting or finance related	2	40%
Management experience in the shipping industry	2	40%
Legal or corporate governance	1	20%
Total	5	

Gender Diversity	Number	%
Male	4	80%
Female	1	20%
Total	5	

Board Diversity Policy

The Board recognises the benefits of a diverse Board as being an important element which will better support the Trustee-Manager in achieving the Trust's strategic objectives, by enhancing the decision-making process of the Board, through the perspectives derived from the various skills, business experience, industry discipline, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the Directors.

In recommending or endorsing the appointment of new Directors, the NC takes into consideration the current Board size and composition, including the diversity of gender, skills, experience and knowledge which a new Director can provide to the Trust. The NC will also meet with candidates to become a director, to understand and assess how a candidate can effectively contribute and commit time to the Trustee-Manager and the Trust.

Having regard to the scope and size of the operation of the Trust, the Board concurs with the NC's view that the current composition of the Board provides for diversity with a good balance of skills, business experience, industry knowledge, geographical background and nationalities, gender and age which serves to support the Trustee-Manager in achieving the Trust's strategic objectives.

Provision

Discussions of Independent Directors

2.5

The independent directors have held a number of discussions separately without the presence of the management and feedback is given to the Board and/or its chairman, as appropriate. These discussions are conducted by both physical meetings and by electronic means.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3 - There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman and the Chief Executive Officer

3.1

Stathis Topouzoglou is the chairman of the Board and Roger Woods is the Chief Executive Officer ("CEO"). The chairman and CEO are not related to one another. The chairman and the CEO have separate and distinct roles, resulting in an effective balance of power and authority. At general meetings, the chairman facilitates constructive dialogue and ensures effective communication between the Board, the management and Unitholders. The chairman is responsible for the effective functioning of the Board in the interests of all Unitholders. Board meetings are led by the chairman and there is a culture of openness and debate and all directors are given ample opportunity and time to express their views and opinions. The CEO has full executive responsibility over the business direction and operational decisions in the day-to-day operations and management of FSLTM, as trustee-manager of FSL Trust.

Division of Responsibilities Between the Chairman and the CEO.

3.2

FSL Trust's "Policies and Procedures Manual" sets out in writing, the division of responsibilities between the chairman and the CEO.

The role of the chairman of the Board includes:

- lead the Board to ensure its effectiveness on all aspects of its role and setting its agenda;
- ensure that the directors receive accurate, timely, and clear information;
- ensure effective communication with Unitholders;
- encourage constructive relations between the Board and management;
- facilitate the effective contribution of directors;
- encourage constructive relations between independent directors and non-executive directors; and
- promote high standards of corporate governance.

The role of the CEO includes:

- having full executive responsibility over the business direction; and
- making the operational decisions in the day-to-day operations and management of FSLTM, as trustee-manager of FSL Trust.

To evaluate if the CEO has any conflict of interests, he is required to disclose to the Board, his other directorships and principal commitments, in addition to his unitholding/shareholding interest in the FSL Group. The information is disclosed on page 10 of this annual report.

Corporate Governance

Provision

Role of the Lead Independent Director

3.3

The role of a lead independent director is to provide leadership in situations and matters where the chairman is conflicted. The chairman of FSLTM is considered not independent.

Michael Gray is the lead independent director. As a lead independent director, Michael Gray leads and co-ordinates the activities of the independent directors. He is the principal liaison on board issues between the independent directors and the chairman. The independent directors have held informal meetings as and when required, without the presence of the management and the non-independent directors.

In the absence of the chairman of the Board or if there is a conflict of interest, the lead independent director, assumes the role of chairman of the Board.

The lead independent director is also available and has attended to Unitholders' queries and issues raised to SGX-ST by Unitholders.

BOARD MEMBERSHIP

Principle 4 - The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

The Terms of Reference of the Nominating Committee

4.1

The scope and responsibilities of the NC include:

- identify, review and recommend candidates for nomination for appointment as directors and/or management personnel of FSLTM or FSLAM and the members of various committees;
- review the Board structure, size and composition and making recommendations to the Board with regard to any adjustments that are deemed necessary;
- review the strength and assessing the effectiveness of the Board as a whole;
- determine, on an annual basis, the independent status of the directors;
- decide whether or not a director is able to and has been adequately carrying out his/her duties as a director of FSLTM, particularly when the director has multiple board representations;
- oversee the management, development and succession planning of FSLTM; and
- identify training and professional development programs for directors.

The NC takes into consideration the Board's size, experience and overall competency and expertise to determine if the Board is effective. When reviewing the succession planning of FSLTM, in particular, directors, Chairman and CEO, the NC will take into consideration the objective and long-term business strategy of the Trust, before making its recommendation to the Board.

The Independent Directors

4.2

The NC of FSLTM comprises three independent directors, namely:

- N. Sreenivasan (Chairman);
- Michael Gray; and
- Ang Siew Geok (Judy).

The lead independent director is a member of the NC.

Provision

4.3

Selection, Appointment and Re-appointment Process

From time to time, new directors may be identified by the NC for appointment if necessary, to replace existing Board members who are retiring or have retired or to add to areas of experience and competency that is required on the Board.

The Board uses various channels to source for appropriate candidates:

- recommendations from current directors as to contacts that they may have or suitable persons that they may be aware of;
- other sources in the market such as lawyers, accountants, bankers etc.;
- executive recruitment agencies, where necessary; and
- the Sponsor due to its extensive worldwide contacts in the shipping industry.

In the selection and nomination of new directors, the NC identifies the key attributes that a new director should have, based on attributes of the existing Board and the requirements of the Trust.

The criteria used to identify and evaluate potential new directors include:

- the necessary skills for a director and to fill the various roles on the Board which include, depending on the role, experience in areas such as shipping, accounting, finance, legal, corporate planning, etc.;
- the ability to work constructively with the existing members of the Board without causing unnecessary conflict;
- the willingness to speak up at meetings and constructively challenge the management;
- the preference for a candidate with prior experience in a listed entity and, if not, the willingness to attend the relevant training courses; and
- the time necessary to attend the meetings of the Board and, if applicable, its committees, formal and informal, and to prepare for such meetings.

The potential candidates will go through a shortlisting process. Interviews are then arranged with the shortlisted candidates for the assessment by the NC before a recommendation and decision is made.

The NC will also consult the Sponsor as to its view on the candidate as the directors are not appointed by the Trust but by FSLTM, which is a company ultimately fully controlled by the Sponsor.

All directors receive a written letter of appointment setting out the terms of appointment that have to be accepted by the director. The appointment letter includes, inter alia: the term and termination provisions, amount and payment of director's fees, board meetings and board committees, duties, confidentiality and agreement to the disclosure of personal particulars.

Corporate Governance

Provision

Confirmation of Independence

4.4

The Directors have disclosed in writing any relationships with the Trust, its related corporations, its substantial shareholders and the management, if any, which may affect their independence. The Directors are required to complete the annual declaration of independence which is then put to the NC for review. The NC will make its recommendation to the Board.

Having regard to the circumstances set out in Provision 2.1 above and in accordance with Rule 12(8) of the Business Trust Regulations, the Board of Directors of FSLTM as Trustee-Manager of FSL Trust, has determined that the following Directors are independent from management and business relationships with the Trustee-Manager, and independent from every substantial shareholder of the Trustee-Manager:

- Michael Gray;
- N. Sreenivasan; and
- Ang Siew Geok (Judy).

Appointment of Alternate Directors

4.5

There are no alternate directors on the Board.

The NC interviews potential new directors and ensures that new directors are aware of their duties and obligations.

The NC also decides if a director is able to and has been adequately carrying out his/her duties as a director.

The NC determines annually, whether each director with multiple board representations or other principal commitments outside of the Group, is able to and has been adequately carrying out his/her duties as a director of the Trustee-Manager. Each director is required to annually declare his/her directorship and other principal commitments, in addition to changes in such appointments or commitments during the year. The NC takes into account the attendance and contributions of the directors at meetings of the Board and/or, if applicable, its committees, level of commitment required of the director's other principal commitments, degree of complexity of the other listed companies where the director holds directorships, expectations of the director's obligations in the capacity as director in other organisations, results of the assessment of the effectiveness of the Board as a whole and its committees, and the respective directors' actual conduct and participation on the Board and its committees, in making the determination.

In respect of the financial year under review, the NC was of the view that each director has devoted sufficient time and attention to the affairs of the Trust and has been able to discharge his/her duties as director, effectively. The NC noted that based on the attendance at meetings of the Board and its committees during the financial year under review, all directors were able to participate in all such meetings to carry out their duties. The NC is satisfied that all directors have been able to and had adequately carried out their duties notwithstanding, their multiple board representations, where applicable and other principal commitments.

Nonetheless, to ensure that the directors continue to give sufficient time and attention to the affairs of the Trust, the Board has, subject to annual review, determined that the maximum number of listed company board representations which any director may hold is five (5). However, if a director is in full time employment, the director should not have more than three (3) listed company board representations.

FSL Trust discloses in its annual report the listed company directorships and principal commitments of each director.

BOARD PERFORMANCE**Provision**

Principle 5 - The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Board Evaluation Process

5.1

The NC has implemented a formal Board evaluation process to be carried out annually to assess the effectiveness of the Board as a whole and its Board committees, namely, the ARC, NC and RC. For the financial year under review, an evaluation of the performance of the Board and its committees was conducted. The objective of the evaluation process is to assess and identify areas for continuous improvement to the Board's overall effectiveness.

The assessment of the Board as a whole and its committees, is conducted by way of a Board evaluation questionnaire to be completed by the directors, covering the following areas:

- Board composition;
- Board information;
- Board process, internal controls and risk management;
- Board accountability including the various committees; and
- Standards of conduct.

Directors are not required to complete appraisal forms to assess the contributions made by each of the other directors towards the effectiveness of the Board. This process is conducted by the chairman in discussion with the various directors. The assessment parameters for each director include attendance records at the meetings of the Board and its committees and quality of participation at meetings as well as special contributions.

Each member of the Board shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC and Board, in respect of the assessment of his/her performance.

Board Assessment

5.2

The consolidated results of the Board assessment questionnaire were reported to the Board and the various issues were discussed. Particularly, where there were low ratings and also where specific recommendations were made by any director. The Board adopted the recommendations and in areas of low ratings, is proposing further improvements to help the Board to discharge its duties more effectively.

The Chairman will act on the results of his evaluation and, in consultation with the NC and if necessary, propose new members to be appointed to the Board or seek the resignation of directors.

No external facilitator has been used for the evaluation.

The NC, having reviewed the performance of the Board in terms of its roles and responsibilities and the conduct of its affairs as a whole, is of the view that the Board and its committees have operated efficiently, the Board has met its performance objectives and each director has contributed to the overall effectiveness of the Board in the financial year under review.

Corporate Governance

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Provision

Principle 6 - The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Terms of Reference of the Remuneration Committee

6.1

According to its terms of reference, the RC's responsibilities include:

- reviewing and recommending a framework of remuneration policies for the Board and the management;
- recommending specific remuneration packages for each director as well as for the management;
- overseeing major changes in employee benefits and remuneration structure;
- setting performance measures and determining targets for any performance related pay schemes; and
- reviewing and recommending to the Board, the remuneration packages and terms of employment of the management.

Whilst the RC is composed of directors of FSLTM, it does assist and advise FSLAM in respect of remuneration matters.

During the financial year under review, the RC reviewed and made recommendations in relation to the general remuneration framework for the Board as well as regarding the specific remuneration packages of the directors and management and submitted them for endorsement by the entire Board. As the management is not employed by the Trust but by FSLAM, the Board submitted its recommendations to the Board of FSLAM.

Each member of the RC abstained from voting and discussing on any resolutions in respect of his/her own remuneration package.

Members of the Remuneration Committee

6.2

The RC of FSLTM comprises three directors, namely:

- Ang Siew Geok (Judy) (Chairwoman);
- Michael Gray; and
- N. Sreenivasan.

all of whom are independent directors.

The RC has considered all relevant aspects of remuneration. In particular, it reviews obligations and effect on the Trust, in the event that FSLAM should terminate management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoids rewarding poor performance when setting the remuneration packages of the management.

6.3

Provision

6.4

The Trust has engaged remuneration consultants in the past but no external remuneration consultants were appointed for the financial year under review, as it was deemed not necessary.

The RC members are not specialists in the field of executive compensation, but do generally have some broad knowledge in this area and have access to external professional advice. The RC is competent in reviewing and recommending to the Board, the appropriate remuneration framework for the Board and management, in accordance with the terms of reference duly adopted by the Board.

In reviewing and recommending to the Board, the appropriate remuneration framework for the Board and management, the RC took guidance from past report of the independent remuneration consultant, with respect to directors' fees and management's salary and had also reviewed remuneration surveys published by consulting groups and the government.

As and when deemed appropriate by the RC, expert advice will be obtained from remuneration consultants at the Trust's expense. The RC shall ensure that existing relationships, if any, between the Trust and its appointed remuneration consultants, will not affect the independence and objectivity of the remuneration consultants.

LEVEL AND MIX OF REMUNERATION

Principle 7 - The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

7.1

An annual review of the compensation is carried out by the RC to ensure an appropriate remuneration level and mix that recognizes performance, potential and responsibilities of the individuals. The remuneration packages of the management, comprises a basic salary and an annual performance incentive bonus. These are considered market competitive and commensurate with their performance and that of the Trust.

The annual basic salary is benchmarked against the relevant industry market data, where available. The annual performance incentive variable bonus is tied to the performance of the Trust, functional role and individual employee. Performance conditions, to which entitlement to such annual and short-term incentives are subject to include, benchmarking performance against industry, business operation, expectations and performance that exceeds such expectations, as well as measuring performance based on the Trust's financial performance vis-à-vis industry performance.

The RC also recognises the need for a reasonable alignment between risk and performance-related remuneration to discourage excess risk taking. As such, in determining the performance-related remuneration structure, the RC had taken into account the risk policies and risk tolerance of the Group, and whether such remuneration was symmetric with risk outcomes and sensitive to the time horizon of risks.

Corporate Governance

Provision

Remuneration of Non-Executive Directors

7.2

The structure for the payment of directors' fees for non-executive directors is based on a framework of basic fees for serving on the Board and its committees. The fees take account of factors such as effort, time spent and responsibilities.

All directors' fees payable to the independent directors in respect of services rendered to FSLTM will be reimbursed by FSL Trust. The fees are payable out of the trust property, as provided for in the Trust Deed.

Mr Stathis Topouzoglou, non-independent, non-executive chairman, and Mr Michael Chalkias, non-independent, non-executive director, have waived the directors' fees payable to them for the financial year under review.

Holding units in the Trust is encouraged so as to better align the interests of the non-executive directors with the interests of the Unitholders. Whilst it is not an official policy of the RC, the following non-executive directors hold units in the Trust:

- Michael Gray: 4,000,000 units; and
- N. Sreenivasan: 1,250,000 units.

The unitholdings are not significant enough to compromise their independence.

The RC is of the view that the remuneration is appropriate to attract, retain and motivate directors to provide good stewardship of the Trust and management to successfully manage the Trust for the long term. 7.3

DISCLOSURE ON REMUNERATION

Principle 8 - The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Trust discloses in its annual report, the remuneration of the non-executive directors, as the fees are paid by FSLTM and charged to the Trust. 8.1

There are no executive directors and the management is not employed or paid for or charged directly to the Trust, but by FSLAM, which charges a management fee to the Trust for services provided.

No officer is an immediate family member of any director of FSLTM. 8.2

Provision

8.3

Remuneration of Directors

There are no executive directors.

The directors' fees paid/payable to the non-executive directors in respect of financial year under review are set out below:

Director	Fee	Bonus/Profit share	Benefits in Kind	Total
	US\$	US\$	US\$	US\$
Stathis Topouzoglou	- *	-	-	-
Michael Chalkias	- *	-	-	-
Michael Gray	56,259	-	-	56,259
N. Sreenivasan	28,129	-	-	28,129
Ang Siew Geok (Judy)	21,326	-	-	21,326
Michael Oliver**	6,803	-	-	6,803

* represents directors who waived any entitlement for fees

** Michael Oliver retired as director on 31 March 2025.

Remuneration of Key Management Personnel

The Trust does not employ any staff. The Key Management Personnel referred to below is employed by FSLAM.

Key Management Personnel remuneration in respect of financial year under review is set out below:

Name	Salary	Benefits	Cash Bonus	Total
	US\$	US\$ ¹	US\$ ²	US\$
Roger Woods, CEO	375,853	9,327	31,691	416,871

Notes:

1. Benefits are stated on the basis of direct costs to FSLAM and include medical and other benefits in kind.
2. Cash Bonus varies based on Group and individual performance for the financial year ended 31 December 2025.

Corporate Governance

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Provision

Principle 9 - The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The risk management approach of the Trust can be found on page 48 of this annual report, in the section "Risk Management". 9.1

The Board is responsible for governance of risk, including determining the nature and extent of significant risks, the Trust is willing to take.

The Board is mindful that it needs to ensure that the management maintains a sound system of risk management and internal controls to safeguard the interests of Unitholders as a whole and the trust property.

The Board has established a risk management committee ("RMC"), which is chaired by the Chief Executive Officer and reports to the ARC.

Risk matters addressed by the Board:

- (a) the RMC, assisted by the internal auditors, assesses the Trust's risk management and internal control systems;
- (b) the Trustee-Manager has implemented an enterprise risk management process ("ERM"), which is updated regularly. Details of the principal risks and how they are being mitigated are included in the section "Risk Management";
- (c) the ERM process, led by the management and the ARC, is the main basis for identifying the key and emerging risks, which are taken into account in designing the internal audit programme, where the risks are measured and monitored; and
- (d) the industry that the Trust is active in – the ownership, operation and chartering of vessels – is subject to various risks, external factors and market cyclicalities and volatility. Charter rates and market values of vessels can fluctuate considerably over a short period of time and demand for charters are affected by such market conditions. In general, the Trustee-Manager takes a longer term approach in considering risk, dependent on prevailing and anticipated market conditions, market trends and regulatory aspects when considering vessel acquisitions, divestments and employments. The Trustee-Manager follows a diversified vessel portfolio strategy, to reduce the reliance on any one vessel type, and a diversified employment strategy, including short-, medium- and long-term employments, to mitigate risk and balance the risk/opportunity profile of the Trust. The Trustee-Manager does take advantage, from time to time, of the volatility of the market, to sell vessels in times that prices are on the upside.

No system can provide absolute assurance against material errors, human errors, fraud or other irregularities and the internal financial controls of FSLTM are designed to provide reasonable but not absolute assurance that trust property is safeguarded, accounting records are properly maintained and financial information and records are reliable. These controls are designed with the risks of the relevant exposure in mind, the likelihood of it occurring and costs involved to protect against it.

In compliance with the Monetary Authority of Singapore ("MAS") Guidelines on Outsourcing, FSLTM maintains a register of the outsourced arrangements with third parties. FSLTM undertakes appropriate due diligence of the service providers and from time to time conducts self-assessments of materiality of the outsourced arrangements.

Provision

The Board and the ARC have evaluated the internal financial controls and financial and accounting policies and procedures. The Board is of the view that FSLTM has adequate and effective internal controls including financial, operational, compliance and information technology controls and risk management systems.

The ARC concurs with the Board's view, having regard to the feedback it has received from the internal and external auditors and after discussion with the management, on matters highlighted by the internal and external auditors.

Assurance to the Board from the Management

9.2

For the financial year ended 31 December 2025, the CEO and FC have provided assurance to the Board that:

- (a) the financial records of FSL Trust have been properly maintained and the financial statements give a true and fair view of the Trust's operations and finances; and
- (b) that an adequate and effective risk management and internal control system has been put in place.

AUDIT AND RISK COMMITTEE**Provision**

Principle 10 - The Board has an Audit and Risk Committee ("ARC") which discharges its duties objectively.

Terms of Reference of the Audit and Risk Committee

10.1

The written terms of reference of the ARC include the following:

- review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any announcements relating to the financial performance;
- monitor and evaluate the quality and reliability of information prepared for inclusion in financial statements;
- appoint the internal auditors and reviewing their scope of services and results of their report and recommending their remuneration;
- monitor and evaluate the adequacy and effectiveness of FSLTM's internal controls and risk management systems;
- nominate the external auditors and review their independence annually;
- review the external audit plan and the adequacy of external audit in respect of cost, scope and performance;
- review external audit reports to ensure that where deficiencies in risk management and internal controls have been identified, appropriate and prompt remedial action is taken by the management;
- monitor the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the BTA;
- monitor the procedures established to regulate interested person transactions, including ensuring compliance with the provisions of the Listing Manual and BTA in relation to them and to review such interested person transactions;
- review the assistance given by the officers of FSLTM to the external auditors;
- investigate of any reports of improprieties or irregularities and assess areas where internal controls need to be improved or corrective measures need to be taken;
- meet the internal and external auditors without the presence of management, annually;
- assess of the adequacy, effectiveness and independence of the internal audit function; and
- review the adequacy of financial risk management processes.

Corporate Governance

Provision

Authority to investigate matters

The ARC is authorised to investigate any matters it deems appropriate within its written terms of reference. The ARC also has full discretion to invite any director or person to attend its meetings, and to meet the external auditors and internal auditors without the presence of the management. The ARC has been given all reasonable resources to perform its duties.

The ARC may require any such director, executive officer or other person in attendance to leave the meeting (temporarily or otherwise) to facilitate open discussion, should they have an interest in the matter under discussion.

The ARC also has explicit authority to investigate any matter brought to its attention, within its terms of reference, with the power to obtain professional advice at the Trust's expense.

The ARC has reasonable resources to enable it to discharge its functions properly. The members of the ARC also take measures to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements as and when the ARC, or the Board or the Trustee-Manager, deems necessary and appropriate.

Appointment of External Auditors

The ARC has recommended the re-appointment of Moore Stephens LLP as the auditors for FSL Trust at the forthcoming AGM and for all of the subsidiaries of FSL Trust.

Other Activities of the ARC

The ARC's activities for 2025, in accordance with its responsibilities and duties, included the following:

- review of significant issues and judgements in relation to the financial statements;
- review of the financial statements before the announcement of the semi-annual and full-year results. In the process, the ARC reviewed the key areas of management's estimates and judgment applied for key financial issues including carrying amount of vessels, critical accounting policies and any other significant matters that might affect the integrity of the financial statements; and
- consideration of the report from the external auditors, including their findings on the key areas of audit focus. Significant matters that were discussed with the management and external auditors have been included as key audit matters ("KAMs") in the Independent Auditors' Report for the financial year ended 31 December 2025 on page 58 of this annual report.

The Board, through its semi-annual and full-year results announcements and press releases, aims to provide a balanced and understandable assessment of FSL Trust's performance and prospects.

FSLTM believes in prompt disclosure of pertinent and relevant information to Unitholders. Semi-annual and full-year financial statements, distribution notices (where applicable), information on lease and charter transactions and acquisitions and disposal of vessels and other material developments are announced through the SGX-ST, press releases and through its website at www.firstshiplease.com. Media and analysts' briefings are held as and when necessary.

Provision

Key Audit Matters

Matter raised by the external auditor	Response by ARC
1. Carrying amount of vessels	the ARC has reviewed, has discussed with the management, and has challenged where appropriate, the estimated useful lives, residual values and discount rate used by management, and has concluded that the estimates and assumptions used in determining estimated useful lives and residual value of vessels are reasonable.

Other matters include:

(a) Assessment of Internal Controls and Risk Management

The ARC's procedures on risk management and internal controls are set out in provision 9.1 above and the assessment of the adequacy and effectiveness of internal controls and risk management systems in provision 9.2 above.

(b) Assessment of the Internal Audit Function

The Trust has outsourced the internal audit function to BDO LLP, who report to the chairman of the ARC. The ARC agrees the scope of work and fees with the internal auditors, on an annual basis. The internal auditors have access to the ARC and all the Trust's documents, records, properties and personnel. The ARC approves the hiring, removal, evaluation and compensation of the internal auditors.

Following the review of the internal audit plan and the internal auditors' resources to conduct the internal audit plan, the ARC is satisfied that the internal audit function is independent, effective, adequately resourced and is satisfied with the adequacy of the qualifications and experience of the staff.

The internal audit performed by BDO LLP is guided by the International Standards for the Professional Practice of Internal Auditing.

(c) Assessment of External Auditors independence and objectivity

The ARC has conducted an annual review of the independence and objectivity of the Trust's external auditors, Moore Stephens LLP, and the total fees for non-audit services compared with audit services, to satisfy itself that the nature and volume of any non-audit services will not prejudice the independence and objectivity of the auditors and to consider the cooperation extended by management to allow an effective audit.

There were no non-audit fees payable to the external auditors for the financial year under review that would affect the independence or objectivity of the external auditors. The external auditors, in the one to one meeting with the ARC confirmed that they had full cooperation from Management at all times.

The external auditors have affirmed their independence in this respect.

The fees paid to the external auditors, Moore Stephens LLP, for the financial year 2025, are set out in note 14 to the financial statements of this annual report.

Corporate Governance

Provision

(d) Assessment of quality of work of the External Auditors

The ARC has also evaluated the performance of the external auditor by using an internal assessment questionnaire and taking into account, the Audit Quality Indicators Disclosure Framework published by ACRA.

The ARC and Board have proposed to Unitholders that Moore Stephens LLP be reappointed as the external auditors to the Trust. The Board and the ARC considered and are satisfied with the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Trust being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. The firm and the audit partner have shipping industry experience.

Moore Stephens LLP has confirmed that it is registered with the ACRA. FSL Trust has complied with Rules 712 and 715 of the Listing Manual. Moore Stephens LLP were the external auditors for FSL Trust and for all of the Singapore-incorporated subsidiaries in FY2025.

(e) Significant matters raised through the whistle blowing channel

To achieve a high standard of corporate governance for the operations of the Group, the Group has implemented a whistle-blowing policy. Details of the policy and procedures are set out under the section "Whistle-Blowing Policy" on page 51.

The whistle-blowing policy enables staff and any other persons, in confidence, to raise concerns about possible improprieties in matters of financial reporting and questionable accounting practices or other matters such as criminal offences, unlawful acts, fraud, corruption, bribery and blackmail, failure to comply with legal or regulatory obligations, unsafe work practices or substantial wasting of the Trust's resources, and concealment of any of the foregoing.

The ARC oversees the administration of the whistle-blowing policy. The telephone number of the chairman of the ARC is made available publicly so that persons can contact him directly without passing through the staff in the Trust.

All reports including unsigned reports, reports weak in details and verbal reports will be considered.

In the event that the whistle-blowing report is about a director, that director shall not be involved in the review and any decisions with respect to that whistle-blowing report.

The ARC has reviewed and has ensured that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. Details of the whistle-blowing policy have also been made available to the directors, employees and contractors of the Group.

There were no whistle-blowing reports received by the ARC in the financial year under review.

The ARC has also:

- (i) reviewed the semi-annual and full-year financial statements and announcements required by the SGX-ST for recommendation to the Board for approval;
- (ii) reviewed all interested person transactions to ensure compliance with the Listing Manual and the BTA ;
- (iii) reported and explained to the Board how it has discharged its responsibilities and confirmed that it was able to carry out its duties independently without any impediment; and
- (iv) with the assistance of the external auditors, assessed changes in accounting standards and issues that have an impact on the financial statements.

Provision

The ARC comprises three directors, all of whom are independent directors namely: 10.2

- Michael Gray (Chairman);
- N. Sreenivasan; and
- Ang Siew Geok (Judy).

The members of the ARC are appropriately qualified to discharge their responsibilities with Michael Gray being a former partner of PricewaterhouseCoopers, N. Sreenivasan being a senior practicing lawyer and Ang Siew Geok (Judy) being a former accountant.

Michael Gray and Ang Siew Geok (Judy) have recent and relevant accounting or related financial management expertise or experience.

The ARC does not comprise of any former partners or directors of the Trust's existing auditing firm. 10.3

The internal audit function of FSL Trust is outsourced to BDO LLP. The internal auditors report directly to the ARC on audit matters and to the Board on administrative matters. The ARC is of the view that the internal auditor has adequate resources to perform its functions and is effective and independent from the activities that it audits. Refer to provision 10.1 above. 10.4

Meeting with External and Internal Auditors without the Management 10.5

In respect of the financial year under review, the ARC has met with the Trust's external and internal auditors, in each case without the presence of management, in order to have free and unfiltered access to information that it may require, to discuss the results of their examinations and the evaluation of the Group's system of risk management and internal controls, and to discuss any problems and concerns which they may have.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11 - The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Trust provides Unitholders with the opportunity to participate effectively in and vote at general meetings of Unitholders and informs them of the rules governing general meetings of Unitholders. 11.1

All resolutions at general meetings will be voted by poll. Detailed results showing the number of votes cast for, against and abstained in respect of each resolution and the respective percentages will be announced after the meeting.

The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and supports the Code's provision regarding "bundling" of resolutions. In the event that there are resolutions which are interlinked, the Board will explain the reasons and material implications. 11.2

Corporate Governance

Provision

Unitholders are entitled to attend and vote at the general meetings and will be given the opportunity to raise questions and seek clarifications regarding any rules governing general meetings, resolutions or other business of FSL Trust. The Board, the management and external auditors will be present at such general meetings to address questions that Unitholders may have. 11.3

Unitholders who are unable to attend the general meeting may appoint a proxy to attend the general meeting. Presentations made at the general meetings are uploaded on SGXNet for the benefit of Unitholders.

The Trust Deed does not provide for absentia voting methods, which call for elaborate and costly implementation of a foolproof system, the need for which does not arise presently. 11.4

Minutes of general meetings are available upon a Unitholder's request. The minutes record substantial and relevant comments or queries from Unitholders relating to the agenda of the general meeting, and responses from the Board and management. 11.5

The Trust's annual general meeting ("AGM") held on 28 April 2025 was conducted by physical means. All the independent directors attended the meeting. Unitholders or their duly appointed proxies participated and voted at the AGM in-person. In addition to Directors and management answering questions raised at the AGM, the Trustee-Manager also facilitated Unitholders submitting questions in advance of the AGM and posted the answers on its website. The minutes of that AGM was published on the SGXNet and the Trustee-Manager's website.

Similarly, the forthcoming AGM will be held by physical means, to enable Unitholders to attend the AGM in person. Upon the issuance of the annual report for the financial year 2025, unitholders are given a reasonable time of about seven (7) calendar days to submit their questions to enable them to properly consider the matters to be tabled at the forthcoming AGM before they submit their proxy forms. Answers to the questions will be published on SGXNet and the Trustee-Manager's website after the AGM.

The Trust will organise a virtual information session for certain corporate actions as prescribed by SGX-ST, should it carry out any of such corporate actions.

Distribution Policy 11.6

FSL Trust makes distributions to its Unitholders out of its net distributable amount which consists of net lease income and after-tax interest income less management fees, financing costs, other trust expenses (excluding depreciation, impairment loss and amortisation of debt up-front fees), credit facility repayments, plus previously reserved amounts, less any additional amount to be set aside to meet upcoming payment obligations of the Trust, but before deduction of any Incentive Fees (as defined in the Trust Deed) payable to the Trustee-Manager.

In the event that there are net taxable income and/or proceeds arising from any sale of vessels, and only if such income and/or proceeds are surplus to the business requirements and needs of FSL Trust and its taxability or otherwise confirmed by the Inland Revenue Authority of Singapore (IRAS), the Trustee-Manager may also, in its discretion, distribute such income and/or proceeds.

The form, frequency and amount of future distributions (if any) will depend on earnings, financial position, results of operations and if relevant, net income and/or proceeds arising from sale of any vessel as well as expected working capital requirements and capital expenditure, contractual restrictions, loan covenants, provisions of applicable law and other factors which the Trustee-Manager may deem relevant.

Provision

Distributions will be declared in US dollars. For holders of units that are held through the Central Depository (CDP), the distributions will be paid in the Singapore dollar equivalent of the US dollar distribution declared, unless the Unitholder elects to receive the distributions in US dollars by submitting to the CDP a “Distribution Election Notice” by the closing date for election which will be specified in the “Distribution Election Notice”. The “Distribution Election Notice” will be sent to each Unitholder holding units through the CDP, who is eligible to receive the relevant distributions. For the distributions to be paid in Singapore Dollars, the Trustee-Manager will make the necessary arrangements to convert the distributions in US dollars into Singapore dollars (taking into account the cost of exchange) at the prevailing market exchange rate. Neither the CDP, nor the Trustee-Manager, nor FSL Trust will be liable for any loss howsoever arising from the conversion of the distributions payable to Unitholders from US dollars into Singapore dollars. Save for approved depository agents (acting as nominees of their individual customers) each Unitholder may elect to receive distributions in either Singapore dollars or US dollars and shall not be able to elect to receive distributions partially in US dollars and partially in Singapore dollars.

In accordance with the Trust Deed, the distributions will be calculated as at 31 March, 30 June, 30 September and 31 December and will be paid within 90 days after such calculation date. In respect of the last financial year, the Trust did not pay any distributions.

Unitholders should note that all the foregoing statements merely represent the Trustee-Manager’s current intention and shall not constitute legally binding statements in respect of FSL Trust’s future distributions which remain subject to modification in the Directors’ sole and absolute discretion.

No inference should or can be made from any of the foregoing statements as to FSL Trust’s actual future profitability or its ability to make distributions in the future. The actual performance of FSL Trust is subject to significant business, economic, financial, regulatory and competitive risks, uncertainties and contingencies that could cause actual results to differ materially from expectations.

MANAGING STAKEHOLDERS RELATIONSHIP

ENGAGEMENT WITH SHAREHOLDERS

Principle 12 - The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

FSLTM believes in prompt disclosure of pertinent and material information to Unitholders. 12.1

Semi-annual and full-year financial statements, distribution notices (where applicable), information on the significant employments, acquisitions and disposals of vessels and other material developments are announced through the SGX, press releases and through the Trustee-Manager’s website at www.firstshiplease.com. Media and analysts’ briefings are held as and when necessary.

The Trust provides channels for communication between the Board and all Unitholders, and discloses in its annual report the steps taken to solicit and understand the views of Unitholders.

The investor relations function is handled by the CEO. The management meets with analysts, institutional investors and fund managers to promote FSL Trust, communicate its business performance and developments and gather views and feedback. Please refer to the “Investor Relations” section on page 50 of this annual report. 12.2

Corporate Governance

Provision

The website of the Trustee-Manager at www.firstshiplease.com provides the name of the investor relations contact together with a contact telephone number and an email address. This provides the mechanism through which Unitholders may contact the Trustee-Manager with questions and through which the Trustee-Manager may respond to such questions. 12.3

The investor relations contact is able to provide information as to how Unitholders can contact the lead independent director directly, rather than having to go through the Trust.

Additionally, it is possible to sign up for the email alert service so as to keep updated on FSL Trust's announcements and SGXNet filings.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13 - The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

FSLTM has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. 13.1

The Trustee-Manager has considered all stakeholders in determining the corporate strategy of FSL Trust, mindful of the overriding importance of the operational efficiency of the vessels in the fleet, and the financial performance and viability of FSL Trust.

The Trust may access the capital markets and other sources of funding to raise capital for investments, including, but not limited to, the acquisition of new vessels and renew the fleet. Matters relating to environmental, social and governance ("ESG") aspects as well as economic considerations are integral considerations in the decision-making processes for any investment and/or divestment of the Trust, and in the implementation of the Board corporate strategy for the Trust. The Trustee-Manager aims to work with clients and service providers who share the same vision in respect of sustainability and ESG matters.

The following are some of the Trust's main stakeholders:

- Unitholders (investors);
- Clients (charterers);
- Technical managers, commercial managers, and pool managers;
- Suppliers, service providers, and shipyards;
- Banks and other financiers;
- Analysts;
- Community/Society;
- Media;
- Regulators and other governmental agencies; and
- Staff, including crew on board our vessels and office personnel.

The nature of business of the Trust of owning, operating and chartering of vessels requires a close coordination between the Trustee-Manager, charterers and managers of the vessels in the portfolio of the Trust as well as with banks and other financiers. The management of the Trustee-Manager keeps close and ongoing contact with the charterers, and banks and other financiers. 13.2

Provision

13.3

The website of the Trustee-Manager (www.firstshiplease.com) is a key resource of information for the investment community. It provides comprehensive investor-related information on FSL Trust, including, but not limited to, annual reports and financial reports, investor presentations, recordings of earnings conference calls/webcasts, upcoming events, the distribution policy and investor factsheets. Contact details of the investor relations contact are also listed on the website to facilitate dialogue and queries from stakeholders.

In addition, the sustainability reports are provided to stakeholders. See below under “Sustainability Reporting”.

BUSINESS ETHICS POLICY

As a business concern and as trustee-manager for FSL Trust, FSLTM and the Group are committed to conducting its business activities in a legal and ethical manner. Continued business success for FSL Trust and FSLTM are based on honesty, integrity and ethical conduct.

DEALING IN SECURITIES

FSLTM has adopted an internal code (“Internal Code”) based on the Listing Manual on dealings in securities and all directors and staff of FSLTM and all companies of the Group have been guided that they should refrain from dealing in units of FSL Trust during the period commencing one month before the announcement of FSL Trust’s both semi-annual and annual results and ending on the date of the announcement of the relevant results.

All directors and staff of FSLTM and all companies of the Group are also informed that they (A) must not deal in (i) the units of FSL Trust on short-term considerations; (ii) the units of FSL Trust while in possession of unpublished material price sensitive information; and (iii) the securities of other listed companies, while in possession of unpublished material price sensitive and trade sensitive information relating to those securities; and (B) must be mindful of the laws relating to insider trading.

SUSTAINABILITY REPORTING

The Trustee-Manager publishes annual sustainability reports for FSL Trust in accordance with Practice Note 7.6 of the Listing Manual and the same will be uploaded on the Trustee-Manager’s website as well as on SGXNet. Since 2020 (for the year 2019), the annual sustainable reports are prepared with reference to the standards published by the internationally recognized Global Reporting Initiative (GRI) which provide a suitable and robust framework for the reporting of ESG matters.

The material environmental, social and governance factors for FSL Trust have been identified and will be regularly reviewed by the Trustee-Manager’s management, the ARC, and the Board.

The Trustee-Manager has considered various global initiatives on sustainability, including initiatives relevant specifically to the shipping industry, and the sustainability challenges for the shipping industry and the Trust, such as the aging of the vessels in the portfolio, compliance with current and future environmental regulations, greenhouse gas emissions and decarbonisation. Alongside economic considerations, ESG aspects are key considerations in the corporate strategy of the Trust and the Trustee-Manager believes that a holistic approach to sustainability will support the future performance of the Trust and create long-term value for Unitholders.

Corporate Governance

Material ESG factors selected, in the context of the value chain of the business, are as follows:

Upholding Good Governance:

- Anti-Corruption – enforce corporate governance policies across all operations
- Customer Privacy – advocate good governance for safeguarding customer data
- Non-Discrimination – treating employees fairly without prejudice
- Occupational Health and Safety - govern health and safety standards for charterers.

Protecting the Environment

- Energy & Emissions – Ships fuel efficiency and renewable energy
- Pollution – repairs & maintenance, ballast water, waste management treatment and ship recycling
- Supplier Assessment - responsible sourcing and mitigate supply chain risks

Building Climate Resilience

- Economic Performance – Business resilience against climate change

STATEMENT OF POLICIES AND PRACTICES

FSLTM has established the following policies and practices in relation to its management and governance:

- (a) The trust property of FSL Trust is properly accounted for and trust property is kept distinct from the property of FSLTM held in its own capacity and the property of FSLAM. Different bank accounts are opened for FSLTM in its capacity as trustee-manager of FSL Trust, FSLTM in its own capacity and FSLAM, and regular internal reviews are carried out to ascertain that all trust property has been fully accounted for.
- (b) Board approval is required for all vessel acquisitions and disposals, and other material business transactions of FSLTM and FSL Trust. As the trustee-manager of FSL Trust, FSLTM remains focused on the acquisition, disposition, ownership, management, operation, finance leasing, leasing and chartering of vessels, which are all authorised businesses of FSL Trust as set out in the Trust Deed. FSLTM has not engaged in other businesses on behalf of FSL Trust. The management of FSLTM provides regular briefings to the Board about the potential projects that it is looking into on behalf of FSL Trust and the Board ensures that all such projects are within the scope of the authorised businesses of FSL Trust.
- (c) FSLTM does not currently have other businesses other than that of managing FSL Trust. Any potential conflicts that may arise will be reviewed by the Board and management. In addition, the majority of the directors of FSLTM are independent and do not have management or business relationships with the substantial shareholder of FSLTM (namely, FSLAM and the Sponsor) or the substantial shareholders of the Sponsor and are therefore able to examine any potential conflict between the interests of FSLTM in its own capacity and the interests of all Unitholders of FSL Trust as a whole, independently and objectively. In respect of matters in which a director has an interest, direct or indirect, such interested director will abstain from participating in the review and approval process with regard to the matter.
- (d) The Sponsor has also given two undertakings in favour of FSL Trust not to compete in the businesses of FSL Trust, namely
 - (i) the financing lease of shipping assets through long-term bareboat charters for a lease term of seven years or longer; and
 - (ii) (aa) the financing lease of vessels on a bareboat basis which have a lease term of less than seven years, and (bb) any vessels on a time charter basis (regardless of the duration of the charters of such vessels),

save where it has first offered to FSLTM (on behalf of FSL Trust) the opportunity to acquire the charter/lease, together with the relevant vessel and FSLTM has declined to acquire such vessel and charter/lease. The Sponsor will not enter into any charter/lease that has not first been offered by it to FSLTM (on behalf of FSL Trust).

As at the date of this annual report, all vessel acquisitions and charter leasing to lessees, subsequent to the initial public offering, have been with independent third parties unrelated to FSL Trust, FSLTM, FSLAM or the Sponsor.

- (e) Interested person transactions in relation to FSL Trust have been identified by the management and have been fully disclosed on page 101 of this annual report. The ARC conducts an annual review of all such transactions to determine if such transactions have been undertaken on normal commercial terms and will not be prejudicial to the interests of FSL Trust and the Unitholders as a whole. In addition, all such interested person transactions conducted and any contract entered into by FSLTM on behalf of FSL Trust with a related party of FSLTM or FSL Trust shall comply and be in accordance with all applicable requirements of the BTA and the Listing Manual as well as such other guidelines as may from time to time be prescribed to apply to business trusts in Singapore.
- (f) The expenses payable to FSLTM in its capacity as the trustee-manager of FSL Trust out of trust property are appropriate and in accordance with the Trust Deed, and regular internal reviews are carried out to ensure that such expenses payable are in order.
- (g) FSLTM has engaged the services of and obtained advice from professional advisers and consultants from time to time, particularly with regard to transactions on vessel acquisitions, vessel disposals and facility borrowings, and has complied with the requirements of the BTA and the Listing Manual.

SUMMARY OF DISCLOSURES – CORPORATE GOVERNANCE

Rule 710 of the Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the 2018 Code in their annual reports.

Key information on each Director in this Annual Report

Pages 8 - 10 – Directors' independence status, appointment dates, length of service, academic & professional qualifications, present and past directorships, major appointments and background and working experience.

Page 21 – Directors' meeting attendance.

Page 33 – Directors' remuneration

Express Disclosure Requirements of the Code

PROVISION	DETAILS	PAGE REF
Provision 1.2	The induction, training and development provided to new and existing Directors	19
Provision 1.3	Matters that require Board approval	20
Provision 1.4	Names of the members of the Board Committees, terms of reference of the Board Committees, any delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities	21
Provision 1.5	The number of meetings of the Board and Board Committees held in the year, as well as the attendance of every Board member at these meetings	21

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Provision 2.4	The board diversity and progress made towards implementing the board diversity policy, including objectives	24
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Provision 4.3	Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidate	27
Provision 4.4	Where the Board considers a Director to be independent in spite of the existence of a relationship which may affect his or her independence, the nature of the Director's relationship and the reasons for considering him or her as independent should be disclosed	28
Provision 4.5	The listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, the NC's and Board's reasoned assessment of the ability of the directors to diligently discharge his or her duties are disclosed	28

Board Performance

Provision 5.2	How the assessments of the Board, its Board committees and each Director have been conducted, including the identity of any facilitator and its connection, if any, with the Company or any of its Directors	29
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Procedures for Developing Remuneration Policies

Provision 6.4	The Company discloses the engagement of any remuneration consultants and their independence	31
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Disclosure on Remuneration

Principle 8	The induction, training and development provided to new and existing Directors	32
Principle 8.1	The Company discloses the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel	32
Principle 8.2	Names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a Director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder	32
Principle 8.3	The Company discloses all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company, and also discloses details of employee share schemes	33

Risk Management and Internal Controls

Provision 9.2	Whether the Board has received assurance from (a) the CEO and the FC that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (b) the CEO and the other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems	35
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Unit holder Rights and Conduct of General Meetings

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Provision 12.1	The steps taken to solicit and understand the views of unit holders	41
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Engagement with Stakeholders

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Risk Management

FSLTM manages risks under an overall strategy determined by the Board of Directors and supported by the Audit and Risk Committee (ARC).

At senior management level, the Board has appointed the Chief Executive Officer to take the role of the Chief Risk Officer. The Chief Risk Officer oversees and ensures that risks are being managed by appropriate units holistically across the Trust.

The Chief Risk Officer assesses the risks arising from lease or charter transactions and asset acquisitions, monitors the market and portfolio risk exposure as well as the possibility for lessee or charterer defaults and residual value risks, manages the liquidity and financing risks, monitors foreign exchange and interest rate risks and considers appropriate hedging strategies, and mitigates operational risk by actively engaging with its third party commercial and technical managers.

ENTERPRISE RISK MANAGEMENT

FSLTM is committed to ensure that the Trust has an effective and practical enterprise risk management framework in place to safeguard unitholder's interest, the sustainability of the Trust operations and to make informed decisions to maximise value creation. The Board and senior management review the significant risks on a regular basis and update the Enterprise Risk Management Programme to reflect any changes that may be relevant.

RISK ASSESSMENT

Credit Risk

Prior to entering into or extending a long-term lease or charter, the Trustee-Manager's risk assessment process focuses on the counterparty credit risk associated with the lessee or charterer, concentration risks, and asset risks attached to the transaction to ensure investment returns are commensurate with the transaction's overall risk profile. This involves a comprehensive due diligence process to ascertain the credit strength of the counterparty and may also include obtaining third party advice and/or credit reports.

To evaluate the suitability of counterparties and transaction parameters, risk assessment does not only focus on the financial strength and track record of the counterparties. It is also supported by market insights gained from the experience of senior

management and the Board, and their extensive networks in the global marine transportation industry.

Asset Risk

The asset risk assessment process evaluates the expected economic of a vessel and its residual value, estimating asset residual values based on a statistical analysis of historical transaction and asset price data provided by reputable third parties, quality and fungibility, and industry developments.

Market Risk

As the Trust deploys a diversified employment strategy, the Chief Risk Officer also monitors the overall shipping market environment for risks and opportunities and actively monitors the availability of new or alternative employment options and prospects for vessel redeployment, and, when deemed appropriate, weighing the costs and benefits of asset disposals.

Liquidity Risk

The ownership of vessels is a capital intense business. The Trustee-Manager manages the liquidity risks involved in the employment and operation of the vessels in the portfolio and the financing of the same. The Trustee-Manager also monitors the loan markets, maintains relationships with banks and other financiers and arranges (re-) financing for the Trust's vessels in line with the overall financing strategy.

Regulatory Risk

The operation of vessels is subject to rules and regulations by international bodies, governments, flag states, classification societies, and other regulatory authorities, with regard to, amongst others, the safety management of vessels, ballast water management, the reduction of carbon emissions. Changes in the regulatory framework may lead to increased cost and affect the asset values and asset residual values. The Trustee-Manager monitors the changes in the regulatory frameworks, including environmental and technological regulations, and the (potential) impact on the business of the Trust.

Cyber Security Risk

FSLTM and its appointed IT vendor is responsible for the implementation and maintenance of cybersecurity controls in system(s) supporting business activities. They identify the potential threats to a system, conceptualise cybersecurity

risk scenarios, determine risk likelihood, as well as advise the appropriate measures to address the identified threats/attacks as tabled in their Business Continuity Plan.

Risk Monitoring

FSLTM monitors risks through regular reviews of the financial performance of counterparties, lease payment conduct, credit rating (if available) and compliance with the respective vessel insurance covenants. FSLTM also maintains a regular dialogue with each counterparty to monitor developments in their business. For vessels not employed under bareboat charters, FSLTM also actively monitors the commercial and technical management of the Trust's vessels through the rigorous assessment and appointment of third party commercial and technical managers.

RISK MITIGATION

Concentration Risk

As at 31 December 2025, 6 vessels of the Trust were employed under fixed-rate period charters. Hence, the Trust is exposed to more types of risks than a pure lessor would be exposed to. These include counterparty or transaction-specific risks. Operating vessels also exposes the Trust to industry and market-related risks, as well as operational and compliance risks. FSLTM aims to mitigate these risks by actively managing its relationships with third party commercial and technical managers and thorough consultation with intermediaries, insurance service providers, legal advisers and regulatory authorities. This ensures that the Trust is able to operate safely and maintain a fleet of commercially viable vessels.

Interest Rate and Foreign Currency Risk Hedging

To manage interest rate and foreign exchange risks that may arise in the course of FSL Trust's business as well as in the financing of its transactions, FSLTM may from time to time enter into derivative transactions. This may include interest rate swaps to convert floating interest rates to fixed rates, foreign currency forward contracts or cross currency swaps. FSLTM believes that the use of these risk hedging instruments may help to reduce the volatility and increase the stability of the cash flows from the lease portfolio. FSL Trust does not hedge the credit risk related to its lessees.

RISK REPORTING

Periodic Risk Reports

Periodic risks report will be prepared by the Chief Risk Officer to highlight any emerging risks or high risk issues to the ARC on a timely basis. In addition, any new risk of significant values will be assessed using prescribed risk templates and reported to the ARC.

Annual Risk Report

Annually, a risk refresher will be performed within the Group to understand if there are any changes to the existing top risks identified and if there are any risks that require more detailed assessment. A report with the updated top risks to the company will be compiled by the Chief Risk Officer and submitted to the ARC. The Risk Register maintained will also be updated to reflect any changes highlighted.

Investor Relations

The Trustee-Manager has an open and proactive approach to the communication with the capital markets and investor community. Maintaining a regular dialogue, the investor relations activities are aimed to demonstrate and promote a high standard of integrity and transparency through the timely, accurate, effective and fair disclosure of important information. This includes matters relating to the operating and financial performance, the strategy and the prospects of FSL Trust and shall support unitholders, investors and other stakeholders in their investment decisions.

TRANSPARENT COMMUNICATION

The Trustee-Manager, under the direction of the Chief Executive Officer, provides an avenue for two-way communication between the Trustee-Manager and unitholders, investors and other stakeholders.

FSLTM ensures transparency and good corporate governance by promptly disseminating important corporate information (such as all major corporate developments, financial performance and other relevant information) to the unitholders and investors via announcements or news releases on SGXNet, as well as through dialogues with analysts and the media.

PROACTIVE ENGAGEMENT THROUGH APPROPRIATE CHANNELS

FSLTM actively updates unitholders, investors and their stakeholders with key developments about the Trust and provides industry information, as and when necessary, to foster a better understanding of the Trust's business and the wider global marine transportation industry.

FSLTM maintains regular and proactive communication with its unitholders, investors and other stakeholders through one-on-one meetings, conference calls/live webcasts and emails. The Trustee-Manager organises half yearly meetings and results briefing sessions via conference calls/live webcasts, providing unitholders, investors and other stakeholders an opportunity to have an in-depth discussion with the senior management on the Trust's performance. Recordings of such conference calls/live webcasts are subsequently made available to the public through FSL Trust's website.

STRENGTHENING RELATIONSHIP BETWEEN FSL TRUST AND UNITHOLDERS

While the annual general meeting (AGM) is the principal forum for dialogue with Unitholders, the

Trustee-Manager may also call for extraordinary general meetings (EGM) as and when such meetings are required. Notices of general meetings and annual reports are sent to unitholders at least 14 calendar days prior to the meeting date to enable Unitholders to have sufficient time to peruse the annual report and other documents relevant to the resolutions proposed.

At general meetings, Unitholders are given the opportunity to ask questions regarding resolutions being proposed, before putting the resolutions to the vote, as well as matters relating to the Trust's operations in general. The Board encourages participation at general meetings and encourages poll voting for all resolutions.

The Trustee-Manager convened the AGM in April 2025 by physical means. During the AGM, the senior management delivered a presentation on the operating and financial performance of the Trust in the financial year 2024. Unitholders were able to submit questions in advance of the meeting and the questions were addressed by the senior management during the meeting. Members of the Board who were available have attended the AGM. Resolutions were voted by proxy and successfully passed at the meeting, with the results disclosed on SGXNet. Minutes of the AGM were also made available on the corporate website of the Trustee-Manager for greater transparency.

USING INFORMATION TECHNOLOGY FOR EFFECTIVE DISSEMINATION OF INFORMATION

In support of the investor relations activities, FSLTM maintains a corporate website at www.firstshipplease.com. The website contains an extensive archive of information related to FSL Trust, including, but not limited to, company announcements filed with the Singapore Exchange Limited (SGX) and other news releases, information related to the operations of the Trust, such as information on its vessel portfolio and employment of the vessels, as well as financial information such as financial statements and annual reports, and investor presentations and audio recordings of result presentations. Unitholders, investors and other stakeholders are encouraged to sign up for the Trust's email alert service to receive company announcements and SGXNet filings as and when they are made by FSLTM.

Unitholders, investors and other stakeholders can also address their queries to a dedicated email-contact: investors@firstshipplease.com

Whistleblowing Policy

The Trustee-Manager adheres to the highest ethical standards and complies with all applicable laws, regulations and other legal requirements. In support of its values and to ensure that employees and any other persons can raise concerns in the conduct of the Trustee-Manager's business without fear of reprisal in a transparent and confidential process, the Trustee-Manager has adopted a whistleblowing policy.

THE POLICY

Subject to all applicable laws and regulations, this policy relates to and governs the handling of complaints, reports and regarding potential:

- fraud;
- corruption, bribery or blackmail;
- criminal offences;
- failure to comply with applicable laws, rules and regulations;
- miscarriage of justice;
- misrepresentation or false statements and/or financial reporting of FSL Trust;
- non-compliance with policies of FSL;
- deliberate failure to follow/operate systems and procedures, which may put the assets or the Trust's reputation at risk;
- endangering the health and safety of an individual; and
- concealment of any of the above.

and any other potential improprieties and malpractices.

REPORTING OF CONCERNS

If a person believes reasonably and in good faith that improprieties in the conduct of the business activities of FSL and/or FSL Trust, financial reporting and other malpractices exists, then he or she should report this immediately to the senior management of the Trustee-Manager. However, if for any reason the person is reluctant to do so, then he or she should report their concerns to either:

- (i) BDO LLP, who is the internal auditor of the Trust and an independent party who can provide the person care counselling and advice service, at +65 6828 9185. The concerns will be reported to the Trustee-Manager without revealing the identity of the whistle-blower.

- (ii) The Chairman of the Audit and Risk Committee, particularly if employees and any other persons still have concerns, or if employees and any other persons feel the matter is so serious that it cannot be discussed with any of the above, they can report suspected wrongdoings via:
 - a. Regular mail or other means of delivery, addressed to the corporate address of the Trustee-Manager, by which complaints may be submitted in a sealed envelope marked "Attention of the: Chairman of the Audit and Risk Committee, FSL Trust Management Pte Ltd – Private and Confidential to be opened by addressee only". The envelope will be forwarded unopened to the Chairman of the Audit and Risk Committee; and
 - b. Email sent directly to the Chairman of the Audit and Risk Committee at mikegray@hotmail.com; or
 - c. Telephone call to the Chairman of the Audit and Risk Committee at +65 9855 0055.

HANDLING OF CONCERNS

A person who has raised concerns, will be informed of who is handling the matter, how they can make contact with them and if there is any further assistance required. The Trustee-Manager will give as much feedback as possible without any infringement on a duty of confidence owed by the Trustee-Manager to someone else.

The following principles apply with respect to the handling of concerns:

- (i) All concerns raised will be treated fairly, objectively and properly.
- (ii) The person's identity will not be disclosed without prior consent (except where disclosure obligations are required under law and regulations). Where concerns are unable to be resolved without revealing the identity of the person who raised concern, (e.g. if their evidence is required in court), FSL will enter in to a dialogue with the person as to whether and how to proceed.

Whistleblowing Policy

- (iii) In all cases, upon receipt of the concern, the Audit and Risk Committee shall:
- (a) acknowledge the receipt to the person reporting the concern (where the identity has been disclosed);
 - (b) make an initial assessment as to the prima facie merits;
 - (c) investigate the concerns raised expeditiously, without sacrificing thoroughness;
 - (d) inform the person reporting the concern (where the identity has been disclosed) in writing of the outcome of the investigations;
 - (e) ensure that the principles of due process and natural justice are applied.
- (vi) If the Audit and Risk Committee deems it appropriate, it may engage at the Trust's expense independent advisors, such as lawyers and accountants, unaffiliated with the Trust's lawyers or external auditors, to assist in its deliberations.
- (vii) Following the investigation and evaluation of the concern, the Audit and Risk Committee will prepare a written report on its finding, recommended disciplinary, remedial or other actions, if any.

RIGHT OF APPEAL

If someone who has reported a concern remains dissatisfied with the outcome of the investigation because either:

- (i) they believe the procedures have not been followed properly or; and/or
- (ii) they are convinced that the decision is one which no reasonable person could have reached,

the Chairman of the Board (or the Chairman of the Audit and Risk Committee, if the whistle-blowing allegation involves the Chairman) will appoint a person to hear the appeal. This will be an external lawyer or qualified accountant not involved with the Trust and who has such experience with such matters.

NO RETALIATION

The Trustee-Manager will not permit any negative or adverse actions to be taken against employees or any other person who raises concerns because that person has made a report in good faith, even if such report proves to be mistaken, unless the person maliciously raises a matter he or she knows to be untrue.

Retaliation, harassment or victimisation of anyone raising a genuine concern will not be tolerated. Any act of alleged retaliation, harassment or victimisation should be reported immediately to the Chairman of the Audit and Risk Committee and will be promptly investigated and resolved.



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Report of the Trustee-Manager of First Ship Lease Trust

For the financial year ended 31 December 2025

The directors of FSL Trust Management Pte. Ltd. (the "Trustee-Manager"), in its capacity as trustee-manager of First Ship Lease Trust (the "Trust") and its subsidiaries (together referred to as the "Group"), are pleased to submit this annual report to the unitholders of the Trust, together with the audited financial statements for the financial year ended 31 December 2025.

1 DIRECTORS

The directors of the Trustee-Manager in office at the date of this report are as follows:

Stathis Topouzoglou
Michael Chalkias
Michael Gray
Narayanan Sreenivasan
Ang Siew Geok (Judy) (Appointed on 1 April 2025)

2 DIRECTORS' INTERESTS

According to the register kept by the Trustee-Manager for the purposes of Section 13 and 76 of the Business Trusts Act 2004, no director who held office at the end of the financial year had interests in units, debentures, warrants or unit options of the Trust, or of related corporations, either at the beginning, or at the date of appointment, or at the end of the financial year except as follows:

Name of director	Direct Interest		Deemed Interest	
	At 31 December 2025 (Number of Units)	At 1 January 2025 (Number of Units)	At 31 December 2025 (Number of Units)	At 1 January 2025 (Number of Units)
Michael Gray	4,000,000	4,000,000	–	–
Narayanan Sreenivasan	1,250,000	1,250,000	–	–
Stathis Topouzoglou	–	–	1,283,671,008	1,283,671,008
Michael Chalkias	–	–	1,283,671,008	1,283,671,008

Neither at the end of, nor at any time during the financial year was the Trustee-Manager a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units, debentures or unit options of the Trust.

Except as disclosed in Note 19 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Trust or a related corporation with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

There were no changes in any of the above mentioned interests in the Trust between the end of the financial year and 21 January 2026.

Report of the Trustee-Manager of First Ship Lease Trust

For the financial year ended 31 December 2025

3 UNIT OPTIONS

During the financial year, there were:

- (i) no options granted by the Trustee-Manager to any person to take up unissued units in the Trust; and
- (ii) no units issued by virtue of any exercise of an option to take up unissued units of the Trust. At the end of the financial year, there were no unissued units of the Trust under option.

4 AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee as at the date of this report comprise three independent and non-executive directors:

Michael Gray (Chairman)
Narayanan Sreenivasan
Ang Siew Geok (Judy)

The Audit and Risk Committee carried out its functions in accordance with Regulation 13(6) of the Singapore Business Trusts Regulations and the Listing Manual of the Singapore Exchange Securities Trading Limited.

In performing its functions, the Audit and Risk Committee reviewed the overall scope of the external audit and the assistance given by the Trustee-Manager's officers to the auditors. It met with the external auditors to discuss the scope and results of their annual audit. In addition, the Audit and Risk Committee reviewed the financial statements of the Group and the Trust before their submission to the Board of Directors of the Trustee-Manager.

5 INDEPENDENT AUDITORS

The independent auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants have expressed their willingness to accept re-appointment.

For and on behalf of the Board of Directors of the Trustee-Manager



.....
Stathis Topouzoglou
Director



.....
Michael Chalkias
Director

17 March 2026

Statement by the Trustee-Manager

For the financial year ended 31 December 2025

STATEMENT AND CERTIFICATION

In our opinion:

- (a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Group and of the Trust as at 31 December 2025 and of the financial performance, changes in unitholders' funds and cash flows of the Group for the year ended on that date in accordance with the provisions of the Business Trusts Act 2004 (the "Act") and International Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

In accordance with Section 86(2) of the Act, we further certify that:

- fees or charges paid or payable out of the trust property to the Trustee-Manager are in accordance with the Deed of Trust dated 19 March 2007 as amended and supplemented from time to time;
- interested person transactions are not detrimental to the interests of all the unitholders as a whole based on the circumstances at the time of the transaction; and
- the Board of Directors is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the unitholders as a whole.

The Board of Directors has, on the date of this statement, authorised the above statements and these financial statements for issue.

For and on behalf of the Board of Directors of the Trustee-Manager



.....
Stathis Topouzoglou
Director



.....
Michael Chalkias
Director

17 March 2026

Statement by the Chief Executive Officer

For the financial year ended 31 December 2025

In accordance with Section 86 of the Business Trusts Act 2004, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.



.....
Roger Woods
Chief Executive Officer

17 March 2026

Independent Auditor's Report to the Unitholders of First Ship Lease Trust

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of First Ship Lease Trust (the "Trust") (constituted in the Republic of Singapore pursuant to a Deed of Trust dated 19 March 2007) and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in unitholders' funds and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Trust are properly drawn up in accordance with the provisions of the Business Trusts Act 2004 (the "Act") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2025 and of the consolidated financial performance, consolidated changes in unitholders' funds and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report to the Unitholders of First Ship Lease Trust

(cont'd)

Key Audit Matters (cont'd)

Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying amount of vessels</p> <p>We refer to Note 2.4, Note 3.1, Note 3.2 and Note 3.3 to the financial statements.</p> <p>The carrying amount of the Group's vessels amounted to US\$22,491,000 (2024: US\$26,693,000) as at 31 December 2025.</p> <p>Management considers whether there were any indicators of impairment for the Group's vessels at year end having regard to the performance of the vessels as well as any adverse industry economic conditions.</p> <p>Where there are indicators of impairment, the carrying amount of the Group's vessels are compared against their recoverable amount. Management estimated the recoverable amounts for the Group's vessels by reference to valuations performed by an external party as well as through value in use ("VIU") models using discounted cash flow projections. The key assumptions used in the calculation of VIU involve significant estimates with respect to a) expected future charter rates, b) residual values of the vessels and c) discount rate.</p>	<p>Our response</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of management's processes and controls in relation to the identification of indicators of impairment and performing the impairment test on the Group's vessels; • In relation to valuations obtained from the external party, we: <ul style="list-style-type: none"> – evaluated the competence, experience and objectivity of the external expert used; – evaluated the scope and appropriateness of the valuations obtained; and – assessed whether the valuations obtained were consistent with other audit evidence obtained, including management's VIU calculations. • In relation to the VIU calculations, we: <ul style="list-style-type: none"> – reviewed the reasonableness of the key assumptions used in the discounted cash flow projections including discount rates and residual values used, based on our knowledge of the business and the industry; – reperformed the calculations of VIU prepared by management to check the mathematical accuracy; and – considered the appropriateness of the disclosures in Note 3.3 to the financial statements. <p>We found the assumptions and estimates used by management to determine the recoverable amount of the Group's vessels to be reasonable based on available evidence.</p>

Independent Auditor's Report to the Unitholders of First Ship Lease Trust

(cont'd)

Other Information

The management of the Trustee-Manager is responsible for the other information. The other information comprises the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors of the Trustee-Manager for the Financial Statements

The management of the Trustee-Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets that are part of the trust property of the registered business trust are safeguarded against loss from unauthorised use or disposition; and transactions by the Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the registered business trust are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the management of the Trustee-Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the directors of the Trustee-Manager include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Unitholders of First Ship Lease Trust

(cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the Trustee-Manager.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the management of the Trustee-Manager and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Trustee-Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Trustee-Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor's Report to the Unitholders of First Ship Lease Trust

(cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with the directors of the Trustee-Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of the Trust and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Neo Keng Jin.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
17 March 2026

Statements of Financial Position

As at 31 December 2025

	Note	Group		Trust	
		2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Assets					
Vessels	4	22,491	26,693	-	-
Subsidiaries	5	-	-	35,993	35,072
Non-current assets		22,491	26,693	35,993	35,072
Trade and other receivables	6	614	1,178	89	83
Cash and cash equivalents	7	20,834	14,788	18,932	10,682
Current assets		21,448	15,966	19,021	10,765
Total assets		43,939	42,659	55,014	45,837
Equity attributable to unitholders of the Trust					
Units in issue	8	561,332	561,332	561,332	561,332
Reserves	9	(517,925)	(524,782)	(540,858)	(541,993)
Total equity		43,407	36,550	20,474	19,339
Liabilities					
Secured loans	10	-	2,645	-	-
Non-current liabilities		-	2,645	-	-
Other payables	11	472	944	34,480	26,453
Secured loans	10	-	2,475	-	-
Income tax payable		60	45	60	45
Current liabilities		532	3,464	34,540	26,498
Total liabilities		532	6,109	34,540	26,498
Total equity and liabilities		43,939	42,659	55,014	45,837

The accompanying notes form an integral part of these financial statements.

Consolidated Income Statement

For the financial year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
Revenue	12	6,051	8,454
Gain on disposal of vessels		737	2,281
Expenses:			
Depreciation expense on vessels	4	(2,173)	(2,930)
Reversal of impairment on vessels	4	3,725	1,968
Management fees	19	(1,400)	(1,400)
Trustee fees	19	(8)	(9)
Other trust expenses		(538)	(598)
Total operating expenses		<u>(394)</u>	<u>(2,969)</u>
Results from operating activities		6,394	7,766
Other income	14	150	1,000
Finance income	13	640	377
Finance costs	13	<u>(291)</u>	<u>(868)</u>
Net finance income/(costs)		<u>349</u>	<u>(491)</u>
Profit before tax	14	6,893	8,275
Income tax expense	15	<u>(36)</u>	<u>(16)</u>
Profit for the year		<u>6,857</u>	<u>8,259</u>
Earnings per unit (US cents)			
Basic	17	<u>0.39</u>	<u>0.47</u>
Diluted	17	<u>0.39</u>	<u>0.47</u>

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2025

	2025 US\$'000	2024 US\$'000
Profit for the year	6,857	8,259
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>6,857</u>	<u>8,259</u>

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Unitholders' Funds

For the financial year ended 31 December 2025

	Note	Units in issue US\$'000	Foreign currency translation reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 January 2025		561,332	(6,725)	(518,057)	36,550
Profit for the year		–	–	6,857	6,857
Other comprehensive income		–	–	–	–
Total comprehensive income for the year		–	–	6,857	6,857
At 31 December 2025		561,332	(6,725)	(511,200)	43,407
At 1 January 2024		561,332	(6,725)	(499,795)	54,812
Profit for the year		–	–	8,259	8,259
Other comprehensive income		–	–	–	–
Total comprehensive income for the year		–	–	8,259	8,259
Transactions with unitholders, recognised directly in equity					
Distributions to unitholders	16	–	–	(26,521)	(26,521)
Total transactions with unitholders		–	–	(26,521)	(26,521)
At 31 December 2024		561,332	(6,725)	(518,057)	36,550

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
Cash Flows from Operating Activities			
Profit before tax		6,893	8,275
Adjustments for:			
Depreciation expense on vessels	4	2,173	2,930
Reversal of impairment on vessels	4	(3,725)	(1,968)
Amortisation of debt transaction costs		78	134
Amortisation of initial direct costs		4	4
Interest income		(640)	(377)
Interest expense		209	739
Gain on disposal of vessels		(737)	(2,281)
Operating cash flows before movements in working capital		4,255	7,456
Changes in trade and other receivables		166	205
Changes in other payables		26	(180)
Cash generated from operations		4,447	7,481
Income taxes paid		(21)	(133)
Net cash generated from operating activities		4,426	7,348
Cash Flows from Investing Activities			
Net proceeds on disposal of vessels		5,998	7,108
Interest received		618	377
Net cash generated from investing activities		6,616	7,485
Cash Flows from Financing Activities			
Distributions to unitholders	16	-	(26,521)
Security deposits received	10	420	180
Prepayment of secured loans	10	(4,143)	(1,945)
Repayment of secured loans	10	(1,055)	(3,179)
Interest paid		(218)	(754)
Net cash used in financing activities		(4,996)	(32,219)
Net increase/(decrease) in cash and cash equivalents		6,046	(17,386)
Cash and cash equivalents at 1 January		14,788	32,174
Cash and cash equivalents at 31 December	7	20,834	14,788

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2025

(cont'd)

Reconciliation of liabilities arising from financing activities:

	At 1 January US\$'000	Principal and interest payments US\$'000	Interest expense US\$'000	← Non-cash changes → Amortisation of debt transaction costs US\$'000	At 31 December US\$'000
2025					
<u>Secured loans (Note 10)</u>					
Secured loans	5,198	(5,198)	–	–	–
Less: Unamortised debt transaction costs	(78)	–	–	78	–
	5,120	(5,198)	–	78	–
<u>Accrued financing expenses (Note 11)</u>					
Accrued loan interest	9	(218)	209	–	–
2024					
<u>Secured loans (Note 10)</u>					
Secured loans	10,322	(5,124)	–	–	5,198
Less: Unamortised debt transaction costs	(212)	–	–	134	(78)
	10,110	(5,124)	–	134	5,120
<u>Accrued financing expenses (Note 11)</u>					
Accrued loan interest	24	(754)	739	–	9

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL INFORMATION

First Ship Lease Trust (the "Trust") is a Singapore-domiciled business trust constituted pursuant to a Deed of Trust dated 19 March 2007 as amended and supplemented from time to time (the "Trust Deed") with FSL Trust Management Pte. Ltd. (the "Trustee-Manager"). The Trustee-Manager's registered office is 7 Temasek Boulevard, #26-02 Suntec Tower One, Singapore 038987. The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee-Manager is under a duty to take into custody and hold the assets of the Trust in trust for the unitholders as a whole.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited on 27 March 2007.

The Trust is a shipowner and provider of leasing services to the international shipping industry. As at 31 December 2025, the vessel portfolio comprised 6 tankers of different sizes, all of which are employed under fixed-rate period charters.

The combined portfolio of vessels had an average age of approximately 19 years and a dollar-weighted average remaining lease period of approximately 3 years.

The consolidated financial statements relate to the Trust and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The financial statements were authorised for issue by the Trustee-Manager on 17 March 2026.

The ultimate holding company of the Trust is Joelma Holding Inc. and the ultimate controlling party is Stathis Topouzoglou.

The Trust Deed provides for the following fees payable to the Trustee-Manager:

Management fees

The Trustee-Manager is entitled to receive a management fee of 4.0% of the value of lease income and any income, other than lease income, net of any other commissions or deductions by third parties and all applicable tax, duties and levies whatsoever imposed by the relevant authorities in Singapore or elsewhere generated by the Trust from its authorised businesses. In the event that the management fee received by the Trustee-Manager is less than US\$350,000 per calendar quarter (the "Minimum Management Fee"), the Trustee-Manager shall be entitled to receive an Adjustment Payment. For the purposes of this clause, the "Adjustment Payment" shall refer to the difference between the Minimum Management Fee and the actual management fee received by the Trustee-Manager for the relevant calendar quarter.

Any change in the structure of the management fee must be approved by an extraordinary resolution of a meeting of unitholders duly convened and held in accordance with the provisions of the Trust Deed.

The management fee payable to the Trustee-Manager is payable in the form of cash and/or units (as the Trustee-Manager may elect, such election to be irrevocable). Where the management fee is paid in cash, the amount is paid monthly, in arrears. Where the management fee is paid in the form of units, the amount is paid quarterly, in arrears.

Notes to the Financial Statements

For the financial year ended 31 December 2025

1 GENERAL INFORMATION (CONT'D)

Trustee fees

The Trustee-Manager is entitled to receive a trustee fee of 0.02% per annum of the value of the Trust Property (being all the assets of the Trust, as stipulated in the Trust Deed). The trustee fee is payable out of the Trust Property of the Trust in cash on a quarterly basis. Each quarterly payment shall be determined based on the value of the Trust Property as at the last day of the immediately preceding quarter and as reflected in the quarterly financial information of the Group for that quarter. The Trustee-Manager is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Any change in the structure of the trustee fee must be approved by an extraordinary resolution of a meeting of unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Other fees

The Trustee-Manager is also entitled to the following:

- An acquisition fee amounting to 1.0% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the acquisition price of vessels acquired directly or indirectly by the Trust, pro-rated if applicable, to the proportion of the Trust's interest. The acquisition fee is payable in the form of cash and/or units (as the Trustee-Manager may elect, such election to be irrevocable and made before the payment of the acquisition fee). No acquisition fee is payable on the acquisition of the initial portfolio of vessels.
- A disposal fee amounting to 0.5% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the sale price of vessels disposed, pro-rated if applicable, to the proportion of the Trust's interest. The disposal fee is payable in cash.

Any increase in the acquisition fee or disposal fee above the permitted limit or any change in the structure of such fees shall be approved by an extraordinary resolution of a meeting of unitholders duly convened and held in accordance with the provisions of the Trust Deed.

- An incentive fee payable quarterly and calculated as at 31 March, 30 June, 30 September and 31 December each year for the three-month period ending on each of the said dates. The incentive fee is determined on the basis of comparing the net distribution amount per unit against a benchmark quarterly distribution per unit in accordance with the formula stipulated in the Trust Deed.

The incentive fee payable to the Trustee-Manager is payable in the form of cash or, at the option of the Trustee-Manager, by way of the issue of new units as soon as practicable after the end of the relevant quarter.

Any change in the structure of the incentive fees must be approved by an extraordinary resolution of a meeting of unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the Trustee-Manager to exercise its judgement and make certain critical accounting estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Adoption of New and Revised IFRS

For the financial year ended 31 December 2025, the Group has adopted the following new and revised IFRS which are relevant to the Group and mandatory for application:

Amendments to IAS 21

The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The amendments require entities to assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. When a currency is not exchangeable into another currency, an entity needs to estimate the spot exchange rate at a measurement date. It also added new disclosure requirements for affected entities to enable users of financial statements to understand the impact of a currency not being exchangeable. Consequential amendments are made to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The adoption of this standard does not have an impact on the financial performance or the financial position of the Group for the current financial year ended 31 December 2025.

New and Revised IFRS Issued but not yet Effective

Description	Effective for annual financial periods beginning on or after
Amendments to IFRS 9 and IFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Annual Improvements to IFRS Accounting Standards	1 January 2026
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IAS 21 <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027

Notes to the Financial Statements

For the financial year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

2.1 Basis of Preparation (cont'd)

New and Revised IFRS Issued but not yet Effective (cont'd)

IFRS 18 Presentation and Disclosure in Financial Statements

This standard will replace IAS 1 *Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard will have impacts on the presentation of the Consolidated Statement of Profit or Loss and consequential impacts on the Consolidated Statement of Cash Flows. It will also require the disclosure of the non-IFRS management performance measures and may impact the level of aggregation and disaggregation throughout the primary financial statements and the notes.

An entity is required to apply the amendments to IAS 1 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. IFRS 18 requires retrospective application with specific transition provisions.

Other than the above, the directors do not expect any material impact from the application of these standards.

2.2 Basis of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries by the Trust

Investments in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated impairments.

2.3 Foreign Currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The financial statements are presented in United States ("US") dollars which is the Trust's functional currency. All financial information presented in US dollars has been rounded to the nearest thousand, unless otherwise stated.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

2.3 Foreign Currencies (cont'd)

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below).

Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Trust's net investment in a foreign operation are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve in the consolidated financial statements. When the foreign operation is disposed of, the cumulative amount in the foreign currency translation reserve is transferred to the income statement as an adjustment to the profit or loss arising on disposal.

2.4 Vessels

Vessels are stated at cost less accumulated depreciation and accumulated impairments.

Cost includes expenditure that is directly attributable to the acquisition of the vessel as well as initial direct costs incurred in negotiating and arranging the operating lease of the vessel.

The cost of replacing part of an item of a vessel is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

Vessels are depreciated on a straight-line basis at rates which are calculated to write-down their cost to their estimated residual values at the end of the economic useful life of 25 years. The residual value of such vessel is estimated based on the average scrap steel price per light weight tonne in recent years.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

On disposal of a vessel, the difference between the disposal proceeds and its carrying amount is recognised in the income statement.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

2.5 Financial Instruments

(a) Financial assets

Recognition and de-recognition

Financial assets are recognised when, and only when the Group becomes party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Classification and measurement

The Group classifies its financial assets at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the income statement.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Debt instruments mainly comprise cash and cash equivalents and trade and other receivables.

The Group measures its debt instruments at amortised cost. These are debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the income statement when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

2.5 Financial Instruments (cont'd)

(a) Financial assets (cont'd)

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with (i) financial assets measured at amortised cost and (ii) intra-company financial guarantee contracts.

Loss allowances of the Group are measured on either of the following bases:

- 12-month expected credit losses – represents the expected credit losses that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime expected credit losses – represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument or contract asset.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach – Trade receivables

The Group applies the simplified approach to provide expected credit losses for all trade receivables. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

General approach - Other financial instruments and financial guarantee contracts

The Group applies the general approach to provide for expected credit losses on all other financial instruments and financial guarantee contracts, which requires the loss allowance to be measured at an amount equal to 12-month expected credit losses at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, a loss allowance is measured at an amount equal to lifetime expected credit losses. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information that is reasonable and supportable, including the Group's historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

2.5 Financial Instruments (cont'd)

(a) Financial assets (cont'd)

Impairment (cont'd)

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month expected credit losses.

The Group considers a financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

Measurement of expected credit losses

Expected credit losses are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Any recoveries made are recognised in profit or loss.

(b) Financial liabilities and units in issue

Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities into other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise secured loans and other payables.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

2.5 Financial Instruments (cont'd)

(b) Financial liabilities and units in issue (cont'd)

Units in issue

Units issued are classified as equity.

Unit issue costs represent expenses incurred in connection with the issue of units. All such expenses are deducted directly from unitholders' funds, net of any tax effects.

When the Trust purchases the units issued, the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within statement of changes in unitholders' funds, until they are cancelled, sold or reissued.

When units are subsequently cancelled, the costs of units are deducted against the units in issue if the units are purchased out of capital of the Trust.

2.6 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.7 Leases (when entities within the Group are lessors of an operating lease)

The Group owns vessels and leases them to lessees under fixed bareboat charter arrangements. These charters are classified as operating leases. In determining lease classification at inception, the Group evaluated the terms and conditions of the charter arrangement. As the present values of minimum lease payments do not amount to substantially the fair values of the vessels, and the purchase options, where applicable, are not expected to be sufficiently lower than the fair values at the date the options become exercisable, the Group has assessed that substantially all the risks and rewards of the vessels remain with the Group.

Lease income is recognised in the income statement on a straight-line basis over the lease term. Initial direct costs incurred by the Group in negotiating and arranging an operating lease added to the carrying amount of the leased asset are recognised as an expense in the income statement over the lease term on the same basis as the lease income.

2.8 Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairments are recognised in the income statement. Impairment recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

2.8 Impairment of Non-Financial Assets (cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment in respect of non-financial assets recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

2.9 Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue from bareboat charters, which is an operating lease in nature, is recognised on a straight-line basis over the period of the charter contracts (Note 2.7).

2.10 Finance Income and Finance Costs

Finance income comprises interest income from cash and cash equivalents that is recognised in the income statement. Interest income is recognised as it accrues, using the effective interest method.

Finance costs mainly comprise interest expense on secured loans and amortisation of debt transaction costs that are recognised in the income statement.

All borrowing costs are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

2.11 Income Tax Expense

Income tax expense comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income or in equity.

Current tax is the expected tax payable on the taxable income for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

2.11 Income Tax Expense (cont'd)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences, and temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.12 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management of the Trustee-Manager who are responsible for allocating resources and assessing performance of the operating segments.

2.13 Distribution Policy

The Trust makes distributions to its unitholders out of its net distributable amount, which consists of net lease income and after-tax interest income less management fees, financing costs, other trust expenses (excluding depreciation, impairment loss and amortisation of debt up-front fees), credit facility repayments, plus previously reserved amounts, less any additional amount to be set aside to meet upcoming payment obligations of the Trust, but before deduction of any incentive fees payable to the Trustee-Manager.

In the event that there are net taxable income and/or proceeds arising from any sale of vessels, and only if such income and/or proceeds are surplus to the business requirements and needs of the Trust and its taxability or otherwise confirmed by the Inland Revenue Authority of Singapore (IRAS), the Trustee-Manager may also, in its discretion, distribute such income and/or proceeds.

Notes to the Financial Statements

For the financial year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

2.13 Distribution Policy (cont'd)

The form, frequency and amount of future distributions (if any), will depend on earnings, financial position, results of operations and if relevant, net income and/or proceeds arising from the sale of any vessel, as well as expected working capital requirements and capital expenditure, contractual restrictions, provisions of applicable law and other factors which the Trustee-Manager may deem relevant.

Distributions will be declared in US dollars. For holders of units that are held through the Central Depository (Pte) Limited ("CDP"), the distributions will be paid in the Singapore dollar equivalent of the US dollar distribution declared, unless the unitholder elects to receive the distributions in US dollars, by submitting to the CDP a "Distribution Election Notice" by the closing date for election which will be specified in the "Distribution Election Notice". The "Distribution Election Notice" will be sent to each unitholder holding Units through the CDP, who is eligible to receive the relevant distributions. For the distributions to be paid in Singapore Dollars, the Trustee-Manager will make the necessary arrangements to convert the distributions in US dollars into Singapore dollars (taking into account the cost of exchange) at the prevailing market exchange rate. Neither the CDP, the Trustee-Manager nor The Trust will be liable for any loss howsoever arising, from the conversion of the distributions payable to unitholders from US dollars into Singapore dollars. Save for approved depository agents (acting as nominees of their individual customers), each unitholder may elect to receive distributions in either Singapore dollars or US dollars and shall not be able to elect to receive distributions partially in US dollars and partially in Singapore dollars.

The distributions will be calculated as at 31 March, 30 June, 30 September and 31 December and will be paid within 90 days after such calculation date.

2.14 Financial Guarantee

Financial guarantee in the separate financial statements

The Trust had issued a corporate guarantee to a financial institution for loans of its subsidiaries in the previous financial years. The guarantee was a financial guarantee as they require the Trust to reimburse the financial institution if the subsidiary fails to make principal or interest payments when due in accordance with the terms of the loans. Intra-group transactions were eliminated on consolidation.

Financial guarantee was measured initially at their fair values plus transaction costs and subsequently measured at the higher of:

- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of IFRS 15; and
- the amount of loss allowance determined in accordance with expected credit loss model under IFRS 9.

Notes to the Financial Statements

For the financial year ended 31 December 2025

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are reviewed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates and Assumptions

The following are the key sources of estimation and assumptions at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1 Estimated Useful Lives of Vessels

The Group estimates the useful lives of the vessels based on the period over which the vessel is expected to be available for use. The estimated economic useful lives of the vessels (25 years) are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical obsolescence and legal or other limits on the use of the relevant asset. In addition, the estimation of the useful lives of the vessels is on the collective assessment of industry practice, internal technical evaluation and experience with similar vessels.

During the financial year ended 31 December 2025, the Group has reviewed and is satisfied that the useful lives of these vessels remained appropriate. The depreciation charged on the vessels for the financial year ended 31 December 2025 amounted to US\$2,173,000 (2024: US\$2,930,000). As at 31 December 2025, the carrying amount of the vessels amounted to US\$22,491,000 (2024: US\$26,693,000). If the expected useful lives of the vessels are to increase/decrease by 10% from management estimates, the Group's depreciation will decrease and increase by approximately US\$198,000 (2024: US\$266,000) and US\$241,000 (2024: US\$325,000) respectively.

3.2 Estimated Residual Values of Vessels

The Group reviews the residual values of the vessels at each reporting date to ensure that the carrying amounts are consistent with the estimated value of a future disposal.

The residual values of the vessels are estimated based on the average scrap steel price per light weight tonne in recent years. In determining the residual values of vessels leased on a long-term bareboat charter basis under operating lease agreements, the Group has considered various factors such as the type, size, age of these vessels and the existing lease arrangements.

Notes to the Financial Statements

For the financial year ended 31 December 2025

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONT'D)

Critical Accounting Estimates and Assumptions (cont'd)

3.3 Impairment Assessment of Vessels

Impairment is recognised when events and circumstances indicate that the vessel may be impaired and the carrying amount of the vessel exceeds the recoverable amount. The recoverable amount for each vessel is determined based on the higher of the fair value of the vessel less the estimated costs of disposal and the carrying amount of the vessels based on a "value-in-use" methodology.

In determining the fair value less costs of disposal, the Group has obtained valuation reports from a third party source in December 2025. The valuation of the vessels was prepared assuming a sale between a willing seller and a willing buyer on a charter-free basis.

For the value-in-use calculations, the Group determined the cash flows based on existing charter contract rates and their expectation of market developments. The Group prepared the value-in-use calculation based on projected cash flows over the remaining useful life of each vessel and its projected residual value. The post-tax discount rate is 14.73% (2024: 15.56%) and takes into account the time value of money and the risks specific to the vessels' estimated cash flows. If the post-tax discount rate increases by 1%, there will be no changes to the carrying amount of the vessels.

During the financial year ended 31 December 2025, the Group recognised a reversal of impairment on vessels amounting to US\$3,725,000 (2024: US\$1,968,000). As at 31 December 2025, the carrying amount of the vessels was US\$22,491,000 (2024: US\$26,693,000).

Critical Judgements

In the process of applying the Group's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements are as follows:

3.4 Classification of Leases

The Group owns vessels and leases them to lessees under fixed rate bareboat arrangements. These charters are classified as operating leases. In determining lease classification at inception, the Group evaluated the terms and conditions of the charter arrangement. As the present values of minimum lease payments do not amount to substantially the fair values of the vessels, and the purchase options, where applicable, are not expected to be sufficiently lower than the fair values at the date the options become exercisable, the Group has assessed that substantially all the risks and rewards of the vessels remain with the Group.

During the financial year ended 31 December 2025, the Group earned bareboat charter lease income of US\$6,051,000 (2024: US\$8,454,000).

Notes to the Financial Statements

For the financial year ended 31 December 2025

4 VESSELS

	Vessels US\$'000	Initial direct costs US\$'000	Total US\$'000
Group			
2025			
Cost			
At 1 January	97,636	719	98,355
Disposal	(22,179)	–	(22,179)
At 31 December	75,457	719	76,176
Less:			
Accumulated depreciation/ amortisation and impairments			
At 1 January	70,980	682	71,662
Depreciation/amortisation charge for the year	2,173	4	2,177
Reversal of impairment recognised in the income statement	(3,725)	–	(3,725)
Disposal	(16,429)	–	(16,429)
At 31 December	52,999	686	53,685
Carrying amount			
At 31 December 2025	22,458	33	22,491
2024			
Cost			
At 1 January	119,398	719	120,117
Disposal	(21,762)	–	(21,762)
At 31 December	97,636	719	98,355
Less:			
Accumulated depreciation/ amortisation and impairments			
At 1 January	87,442	678	88,120
Depreciation/amortisation charge for the year	2,930	4	2,934
Reversal of impairment recognised in the income statement	(1,968)	–	(1,968)
Disposal	(17,424)	–	(17,424)
At 31 December	70,980	682	71,662
Carrying amount			
At 31 December 2024	26,656	37	26,693

As at 31 December 2024, the Group's vessels with a net carrying amount of US\$17,773,000 were mortgaged to a financial institution (Note 10).

Notes to the Financial Statements

For the financial year ended 31 December 2025

4 VESSELS (CONT'D)

During the financial year ended 31 December 2025, the Group disposed one product tanker (*Clyde Fisher*) for a net cash consideration of approximately US\$6,495,000 (2024: US\$6,619,000), resulting in a gain on disposal of US\$745,000 (2024: US\$2,281,000).

During the financial year ended 31 December 2025, the Group recognised a reversal of impairment on vessels amounting to US\$3,725,000 based on value in use calculations (2024: US\$1,968,000 based on fair value less costs of disposal). The value in use calculations use discounted cash flow projections based on the projected cash flows over the remaining useful life of each vessel and its projected residual value, which was based on the average scrap steel price per lightweight ton in recent years. The fair value less costs of disposal was based on the sale of similar vessels and was therefore within Level 2 of the fair value hierarchy (Note 21(f)).

Carrying amount of the vessels, where the Group leases out under operating lease

	Group	
	2025	2024
	US\$'000	US\$'000
At 1 January	26,693	31,997
Depreciation/Amortisation charge for the year	(2,177)	(2,934)
Reversal of impairment recognised in the income statement	3,725	1,968
Disposal	(5,750)	(4,338)
At 31 December	22,491	26,693

5 SUBSIDIARIES

(a) Total interests in subsidiaries

	Trust	
	2025	2024
	US\$'000	US\$'000
Equity investments		
At cost (Note (i))	49,299	49,349
Return of equity	(9,947)	(9,947)
Impairment recognised ⁽¹⁾	(3,359)	(4,330)
	35,993	35,072
(i) Movement of equity investments, at cost		
At 1 January	49,349	49,449
De-registered during the year	(50)	–
Write off against waiver of amounts due to subsidiaries	–	(100)
At 31 December	49,299	49,349

(1) Impairment recognised is eliminated at consolidation.

Notes to the Financial Statements

For the financial year ended 31 December 2025

5 SUBSIDIARIES (CONT'D)

(b) Management performed an impairment test for the investment in its subsidiaries. A reversal of impairment of US\$921,000 (2024: US\$7,745,000) was recognised for the financial year ended 31 December 2025 to write back the investment in subsidiaries to their recoverable amount. The recoverable amount of the investment in these subsidiaries have been determined based on value in use/fair value less costs of disposal which approximates their net assets as at 31 December 2025.

(c) Details of the subsidiaries are as follows:

Name of subsidiaries	Country of Incorporation	Effective equity held by the Group	
		2025 %	2024 %
FSL-1, Inc.	Marshall Islands	100	100
FSL-2, Inc.	Marshall Islands	100	100
FSL-3, Inc.	Marshall Islands	100	100
FSL-4, Inc.	Marshall Islands	100	100
FSL-5, Inc.	Marshall Islands	100	100
FSL-6, Inc.	Marshall Islands	100	100
FSL-9 Pte. Ltd.	Singapore	100	100
FSL-10 Pte. Ltd.	Singapore	100	100
FSL-14, Inc.	Marshall Islands	100	100
FSL-15, Inc.	Marshall Islands	100	100
FSL-16, Inc.	Marshall Islands	100	100
FSL-19 Pte. Ltd.	Singapore	–	100
FSL-20, Inc.	Marshall Islands	100	100
FSL-21, Inc.	Marshall Islands	100	100
FSL-22, Inc.	Marshall Islands	100	100
FSL-23 Pte. Ltd.	Singapore	–	100
FSL-27 Pte. Ltd.	Singapore	–	100
FSL-28, Inc.	Marshall Islands	100	100
FSL-29, Inc.	Marshall Islands	100	100
FSL 9 & 10 Holding Ltd	Cyprus	100	100

Moore Stephens LLP, Singapore is the auditor for all of the Singapore-incorporated subsidiaries. No statutory audit is required for subsidiaries incorporated in the Marshall Islands and in Cyprus under the laws of their respective countries of incorporation.

Notes to the Financial Statements

For the financial year ended 31 December 2025

6 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Trade receivables	-	148	-	-
Other receivables	47	29	47	28
Deposits with third parties	1	421	1	1
Claims receivables due from a former charterer (Note 22)	517	517	-	-
Trade and other receivables	565	1,115	48	29
Prepayments	49	63	41	54
	614	1,178	89	83

- (a) Trade receivables were amounts due from a charterer which were unsecured, interest-free and repayable within 60 days. As at 31 December 2024, the trade receivables were classified as current debts. The Group did not have historical credit loss and loss allowance measured at an amount equal to lifetime expected credit losses were assessed to be minimal.
- (b) Other receivables (including deposits with third parties) are considered to have low credit risk. Loss allowance, measured at an amount equal to 12-month expected credit loss, is assessed to be minimal.
- (c) In place was a master offsetting agreement between the Trust and its subsidiaries to settle the net amount due to or from each other if required. For such arrangements, the receivables and payables from each counterparty are presented on a net basis.

Amounts due from/(to) subsidiaries	Related amounts set off in the statement of financial position		Net amounts-financial liabilities presented in the statement of financial position US\$'000
	Gross amounts- financial assets	Gross amounts- financial liabilities	
	US\$'000	US\$'000	
2025	6,754	(41,082)	(34,328)
2024	5,235	(31,538)	(26,303)

- (d) The gross amounts due from subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand. The movement in allowance for impairment of gross amounts due from subsidiaries was as follows:

	Trust	
	2025 US\$'000	2024 US\$'000
At 1 January	-	846
Write back of impairment	-	(846)
At 31 December	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2025

7 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Short-term fixed deposits with a maturity period of less than 3 months	18,000	10,300	18,000	10,300
Cash at banks	2,834	4,488	932	382
Cash and cash equivalents in the Consolidated Statement of Cash Flows	20,834	14,788	18,932	10,682

As at 31 December 2025, the weighted average effective interest rate relating to fixed deposits at the reporting date for the Group and the Trust is 3.92% (2024: 4.90%) per annum.

8 UNITS IN ISSUE

Group and Trust	Number of units '000	Amount paid US\$'000
	2025	
At 1 January and 31 December	1,768,058	561,332
2024		
At 1 January and 31 December	1,768,058	561,332

9 RESERVES

	Group		Trust	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Foreign currency translation reserve	(6,725)	(6,725)	-	-
Accumulated losses	(511,200)	(518,057)	(540,858)	(541,993)
	(517,925)	(524,782)	(540,858)	(541,993)

The foreign currency translation reserve comprises: foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group; and foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations.

Notes to the Financial Statements

For the financial year ended 31 December 2025

10 SECURED LOANS

	Group	
	2025 US\$'000	2024 US\$'000
Secured loans		
Non-current	–	2,645
Current	–	2,475
Total carrying amount of secured loans	–	5,120
Add: Unamortised debt transaction costs	–	78
Total face value of secured loans	–	5,198

- (a) In 2021, the Group secured two loan facilities with one lender, amounting to US\$18,950,000 in aggregate. The two loans incurred interest at margin over US\$ 1-month London Inter-bank Offered Rate (“LIBOR”). Two security deposits amounting to US\$600,000 were placed with the lender. The security deposits will be returned upon full and final repayment of the loans (or partially upon repayment of a tranche relating to a vessel), including interest and any other amounts due and payable. In 2023, the two loans with the LIBOR-based benchmark rate were replaced by Term Secured Overnight Financing Rate (“Term SOFR”)-based benchmark rate. For the change of interest rate benchmarks, the Group had applied the practical expedients provided under Phase 2 amendments for inter-bank offer rate (IBOR) reform for its secured loans. The revised principal weighted average interest margin over Term SOFR was 4.08948%.
- (b) The loan facilities were secured on the following for 2024:
- (i) a first priority mortgage over the Group’s relevant vessels;
 - (ii) a first priority assignment of the Group relevant vessels’ 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 relevant vessels’ rights, title and interest in and to the charter agreements and the charter income of each vessel;
 - (iv) pledge of the shares of the relevant vessel-owning subsidiaries and their bank accounts; and
 - (v) a corporate guarantee by the Trustee-Manager, on behalf of the Trust.
- (c) During the financial year ended 31 December 2025, the Group prepaid in full the outstanding loan amounting to US\$4,143,000 (2024: US\$1,945,000) for the remaining five subsidiaries under the loan facilities with the lender and security deposits of US\$420,000 (2024: US\$180,000) were returned to the Group.

Notes to the Financial Statements

For the financial year ended 31 December 2025

10 SECURED LOANS (CONT'D)

- (d) Under the terms of the two loan facilities entered in 2021, the loans were repayable in quarterly instalments, and mature between 2026 and 2028. During the financial year ended 31 December 2025, the Group made total loan prepayments and repayments amounting to US\$5,198,000 (2024: US\$5,124,000). The table below summarises the maturity profile of the Group's secured loans at the end of the reporting period based on contractual undiscounted repayment obligations.

	Cash flows including interest			
	Carrying amount US\$'000	Total Contractual cash flows US\$'000	Within one year US\$'000	Within one to five years US\$'000
Group				
Secured loans				
2024	5,120	(5,758)	(2,859)	(2,899)

Subject to the terms of the loan agreements, the Group may prepay the whole or any part of the loan and/or be obliged to repay the relevant amount on the relevant date, in the case of the occurrence of events as defined in the loan agreements.

11 OTHER PAYABLES

	Group		Trust	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Accrued financing expenses	–	9	–	–
Accrued operating expenses	137	141	106	113
Other payables	46	529	46	37
Amounts due to subsidiaries (net)	–	–	34,328	26,303
Amounts due to the Trustee-Manager	289	265	–	–
	472	944	34,480	26,453

As at 31 December 2024, included in the Group's other payables were amounts of US\$489,000 relating to a vessel's disposal costs payable to third parties.

The amounts due to subsidiaries (net) are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts due to the Trustee-Manager are trade in nature, unsecured, interest-free and repayable within 30 days.

The carrying amounts of the Group's and the Trust's financial liabilities have a maturity of less than one year and approximate the contractual undiscounted cash flows amounts.

Notes to the Financial Statements

For the financial year ended 31 December 2025

12 REVENUE

	Group	
	2025	2024
	US\$'000	US\$'000
Performance obligations satisfied over time		
Bareboat charter lease income	6,051	8,454

Bareboat charter lease income relates to lease income derived from operating leases.

13 FINANCE INCOME AND FINANCE COSTS

	Group	
	2025	2024
	US\$'000	US\$'000
Finance income		
Interest income from cash and cash equivalents	640	377
Finance costs		
– secured loans	(209)	(739)
– amortisation of debt transaction costs	(78)	(134)
Net foreign exchange (loss)/gain	(4)	5
	(291)	(868)
Net finance income/(costs) recognised in the income statement	349	(491)

14 PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group	
	2025	2024
	US\$'000	US\$'000
Other income – Claim settlement from an insurer (2024: a former charterer)	(150)	(1,000)
Audit fees paid/payable to auditors of the Trust	60	62
Professional fees	118	148
Amortisation of initial direct costs	4	4

There are no non-audit fees paid/payable to the external auditors of the Trust during the financial years ended 31 December 2025 and 31 December 2024.

Notes to the Financial Statements

For the financial year ended 31 December 2025

15 INCOME TAX EXPENSE

	Group	
	2025 US\$'000	2024 US\$'000
Income tax		
Current tax expense	60	46
Over provision in prior year	(24)	(30)
	<u>36</u>	<u>16</u>

	Group	
	2025 US\$'000	2024 US\$'000
Reconciliation of effective tax rate		
Profit before income tax	<u>6,893</u>	<u>8,275</u>
Tax calculated using the Singapore tax rate of 17% (2024: 17%)	1,172	1,407
Expenses not deductible for tax purposes	38	66
Income not subject to tax*	(1,136)	(1,414)
Singapore statutory tax exemption	(14)	(13)
Over provision in prior year	(24)	(30)
	<u>36</u>	<u>16</u>

* Includes reversal of impairment on vessels and gain on disposal of vessels.

As at 31 December 2025, the Group has estimated unabsorbed capital allowance of approximately US\$19,045,000 (2024: US\$20,605,000) that are available for set-off against future taxable profits, subject to the agreement of the tax authorities and compliance with the relevant provisions of the Singapore Income Tax Act. The deferred tax benefit arising from the unabsorbed capital allowances has not been recognised in the financial statements in accordance with the Group's accounting policies (Note 2.11).

No deferred tax liabilities are recognised by the Group in respect of taxes that will be payable upon distribution of unremitted earnings of certain foreign subsidiaries amounting to approximately US\$19,472,000 (2024: US\$12,874,000). The Group controls the distribution of these unremitted earnings and has determined that such earnings will not be distributed in the foreseeable future.

16 DISTRIBUTIONS TO UNITHOLDERS

	Group	
	2025 US\$'000	2024 US\$'000
Distribution of 1.50 US cents per unit for the period from 1 July 2023 to 31 December 2023 (tax-exempt income)	<u>-</u>	<u>26,521</u>

Notes to the Financial Statements

For the financial year ended 31 December 2025

17 EARNINGS PER UNIT

	Group	
	2025	2024
	US\$'000	US\$'000
Basic and diluted earnings per unit is based on:		
Profit for the year (US\$'000)	6,857	8,259
Weighted average number of units at the end of the year (basic) ('000)	1,768,058	1,768,058
Basic earnings per unit (US cents)	0.39	0.47
Weighted average number of units at the end of the year (diluted) ('000)	1,768,058	1,768,058
Diluted earnings per unit (US cents)	0.39	0.47

18 COMMITMENTS

Operating lease commitments

The undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	Group	
	2025	2024
	US\$'000	US\$'000
Within one year	5,814	6,112
Between one to two years	4,328	1,670
Between two to three years	4,319	1,077
Between three to four years	2,645	1,080
Between four to five years	-	764
	17,106	10,703

Operating lease - Bareboat charter

The rental rates of six (2024: seven) bareboat charter arrangements are fixed over the lease term. The remaining lease period under these non-cancellable leases ranges from five months to four years (2024: one month to four years nine months) at the end of the financial year. Where considered necessary to reduce credit risk, the Group may obtain guarantees for the term of the lease.

The bareboat charter lease income from vessels is disclosed in Note 12.

Notes to the Financial Statements

For the financial year ended 31 December 2025

19 RELATED PARTY TRANSACTIONS

A related party is a person or entity that is related to the entity that is preparing its financial statements ("reporting entity").

Parties are considered to be related if (a) a person or a close member of that person's family is related to a reporting entity, if that person (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to a reporting entity if (i) the entity and the reporting entity are members of the same group; (ii) one entity is an associate or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (vi) the entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity; and (viii) the entity or any member of a group of which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The Trustee-Manager is a subsidiary of a substantial unitholder of the Trust. Other than disclosed elsewhere in the financial statements, significant transactions with related parties are as follows conducted at terms agreed between the parties:

	Group	
	2025	2024
	US\$'000	US\$'000
<hr/>		
Transactions with the Trustee-Manager:		
Management fees	1,400	1,400
Trustee fees	8	9
Disposal fees	35	36
Transactions with other related parties:		
Directors' fees paid to non-executive directors ⁽¹⁾	112	110
Corporate secretarial fees paid to FSL Asset Management Pte. Ltd. ⁽²⁾	11	17
	<hr/>	<hr/>

(1) Directors' fees paid to the three Non-Executive and Independent Directors.

(2) FSL Asset Management Pte Ltd is the 100% shareholder of FSL Trust Management Pte Ltd, who is deemed interested in 77 of the Trust's issued units as at 31 December 2025.

Notes to the Financial Statements

For the financial year ended 31 December 2025

20 SEGMENT INFORMATION

The Trustee-Manager has determined the Group as one reportable segment as the Group is only involved in the leasing and chartering of vessels which is carried out in international waters.

Geographical information

Revenues from external customers are wholly attributed to Europe based on the customer's country of origin.

With respect to the presentation of vessels by geographical information, the Group deals with only one lessee and the vessels are deployed to various parts of the world at the discretion and direction of the lessee. Accordingly, the Trustee-Manager does not consider it meaningful to allocate vessels to specific geographical locations.

All other non-current assets are attributed to the countries based on the Group's country of domicile.

As at 31 December 2025, the Group has one customer (2024: one customer) accounting for more than 10% (2024: 10%) of the Group's total revenue.

21 FINANCIAL RISK MANAGEMENT

Overview

Risk management is integral to the whole business of the Group. The Group is exposed to credit, liquidity and market risks. The Group from time to time may use derivative financial instruments to hedge its interest rate and foreign currency risk exposures. The Group does not hold or issue derivative financial instruments for trading purposes.

Management uses natural hedges or closely monitors the Group's business risk exposures in connection with its financial assets and financial liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures or losses.

(a) Credit Risk

As part of the Trustee-Manager's due diligence activities and prior to the completion of a lease transaction, each new lessee is analysed individually for creditworthiness. The Trustee-Manager then incorporates the results from its due diligence activities into a risk-adjusted pricing model. This model incorporates a credit loss component which takes into account the likelihood of default, the level of recoverability following a default and the credit exposure at the time of default.

Upon the completion of a lease transaction, the Trustee-Manager conducts on-going credit reviews annually or semi-annually to monitor each lessee's financial performance and compliance with financial covenants (if any). In addition, the payment conduct of a lessee is monitored on a monthly basis.

The Group's credit risk is concentrated in lessees in the shipping industry; and the Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations as of 31 December 2025 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statements of Financial Position.

Notes to the Financial Statements

For the financial year ended 31 December 2025

21 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit Risk (cont'd)

In addition, the Trust was exposed to credit risk in relation to a financial guarantee given to the financial institution provided by the Trust. The Trust's maximum exposure in this respect was the maximum amount the Trust was liable to pay if the guarantee was called on as disclosed below.

	Trust	
	2025	2024
	US\$'000	US\$'000
Financial guarantee provided to the financial institution on subsidiaries' secured loans (Note 10)	-	5,120

Cash and cash equivalents and other financial assets

The Group does not expect to incur material credit losses on its financial assets. Cash and cash equivalents are placed with financial institutions which are regulated. Deposits are held with a major financial institution with external credit rating (as provided by independent rating agency) of at least an "A" rating.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of expected credit loss for cash and cash equivalents to those used for debt investments. The amount of the allowance on cash and cash equivalents are assessed to be minimal.

Credit risk grading guideline

The Group has established the Group's internal credit risk grading to the different exposures according to their degree of default risk. The internal credit risk grading which are used to report the Group's credit risk exposure to key management personnel for credit risk management purposes are set out in Note 2.5(a) to the financial statements.

Credit risk exposure and significant credit risk concentration

The Group has assessed the financial assets as performing, counterparties having low risk of default and does not have any past due amounts. The basis of recognition of expected credit loss for trade and other receivables are set out in Note 6 to the financial statements. The ageing of trade receivables at the reporting date was:

	Group	
	2025	2024
	US\$'000	US\$'000
Not past due	-	148

Notes to the Financial Statements

For the financial year ended 31 December 2025

21 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit Risk (cont'd)

Financial guarantee

As at 31 December 2024, the Trust issued a financial guarantee to the financial institution for its subsidiaries' secured loans. The guarantee was subject to impairment requirements of IFRS 9. The Trust did not expect significant credit losses arising from the guarantee, as it was unlikely that the Trust will be held liable as a result of the corporate guarantee since there was no default in the payment of secured loans by these subsidiaries to which the guarantee was provided.

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations.

The contractual undiscounted cash outflows for secured loans are disclosed in Note 10 to the financial statements. The contractual undiscounted cash outflows for other payables approximate their carrying amounts stated in the Statements of Financial Position due to their short term maturity.

	1 year or less US\$'000	Carrying amount US\$'000
Trust		
Corporate guarantee* (Note 10)		
– 2025	–	–
– 2024	5,120	5,120

* Based on the maximum amount of the financial guarantee that was allocated to the earliest period in which the guarantee could be called.

(c) Market Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Notes to the Financial Statements

For the financial year ended 31 December 2025

21 FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Interest Rate Risk

The Trustee-Manager, on behalf of the Trust, reviews any unhedged exposures periodically and will consider hedging them after taking into consideration the prevailing interest rate environment. The Group was exposed mainly to the Term SOFR as at 31 December 2024.

Sensitivity analysis

With respect to the variable rate loans, an increase of 100 bps in interest rate at the reporting date would decrease profit after tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group	
	Profit for the year	
	2025	2024
	US\$'000	US\$'000
Variable rate loans	–	80

A decrease of 100 bps in interest rate at the reporting date would have equal but opposite effects of the amounts as shown above, on the basis that all other variables remain constant.

(e) Foreign Currency Risk

In respect of other monetary assets and liabilities held in currencies other than the US dollar, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Group's and the Trust's exposures to foreign currencies are as follows:

	2025		2024	
	Euro	Singapore	Euro	Singapore
	US\$'000	dollar	US\$'000	dollar
	US\$'000	US\$'000	US\$'000	US\$'000
Group				
Other receivables	–	1	–	10
Cash and cash equivalents	–	15	3	89
Other payables	–	(14)	–	(129)
Trust				
Other receivables	–	1	–	10
Cash and cash equivalents	–	15	3	84
Other payables	–	(12)	–	(115)

Sensitivity analysis

The carrying amounts of the Group's and the Trust's monetary assets and monetary liabilities denominated in Euro and Singapore dollar at the reporting date are not material. As such, no sensitivity analysis is disclosed in the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2025

21 FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Fair Values Measurements

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and the Trust.

Non-derivative financial liabilities

The carrying amount of the variable rate loans, which were repriced on a monthly or quarterly basis at prevailing market interest rates (Level 2), closely reflects the corresponding fair values.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and other payables) approximate their fair values due to their short period to maturity and where the effect of discount is immaterial.

Fair Value Hierarchy

Fair value measurement disclosure of other assets that are recognised or measured at fair value, are disclosed in Note 4 to the financial statements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(g) Capital Management

The Trustee-Manager defines "capital" to include funds raised through the issuance of units, revenue reserves and proceeds raised from debt facilities. The Trustee-Manager's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Group and the Trust. The Trustee-Manager monitors capital based on a gearing ratio.

	Group		Trust	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Secured loans	–	5,120	–	–
Equity	43,407	36,550	20,474	19,339
Total debt and equity	43,407	41,670	20,474	19,339
Secured loans against total debt and equity	–	0.12	–	–

Notes to the Financial Statements

For the financial year ended 31 December 2025

21 FINANCIAL RISK MANAGEMENT (CONT'D)

(g) Capital Management (cont'd)

The Trustee-Manager also monitors the distribution per unit (if any), which is the annualised distribution to unitholders divided by total number of units (Note 16).

The cash flows from the operating activities of the Group and the Trust were sufficient to fund the scheduled debt service, payments to the Trustee-Manager and working capital requirements. To the extent that financing for additional vessels is required, additional equity or debt securities may be issued or additional secured borrowings may be incurred.

There were no changes in the Group's and the Trust's approach to capital management during the year. Other than disclosed elsewhere in the financial statements, the Group and the Trust are not subject to externally or regulatory imposed capital requirements.

22 LEGAL CASE

FSL-20, Inc. ("FSL-20"), a wholly-owned subsidiary of the Trust and the owner of the containership "FSL Eminence" (formerly known as "YM Eminence") had entered into a twelve year bareboat charter agreement with the charterer in May 2008.

During the financial year ended 31 December 2020, the charterer had redelivered the vessel back to FSL-20 in breach of the redelivery provisions of the bareboat charter.

Consequently, in order to protect the interests of the Unitholders, FSL-20 performed all necessary repairs. FSL-20 has filed a claim to recover the repair costs and losses incurred from the charterer.

Fleet Employment

As at 17 March 2026

Vessel	Year Built	Capacity	Lessee	Lease Commencement
Product Tanker				
Shannon Fisher	2006	5,421 DWT	James Fisher	01 Feb 2006*
Solway Fisher	2006	5,421 DWT	James Fisher	30 Jun 2006*
Speciality	2006	4,426 DWT	James Fisher	01 Jun 2007*
Seniority	2006	4,426 DWT	James Fisher	01 Jun 2007*
Superiority	2007	4,426 DWT	James Fisher	01 Jun 2007*
Pelican Fisher	2008	9,596 DWT	James Fisher	17 Sep 2021*

Note:

* Initial commencement date for lease

Additional Information

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons for the financial period 1 January to 31 December 2025 which fall under the Listing Manual of the SGX-ST and the Business Trusts Act 2004 of Singapore (excluding transactions less than S\$100,000 each) are as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 (equivalent to approximately US\$77,869 ⁽¹⁾)) and transactions conducted under Unitholders' mandate pursuant to Rule 920	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000 (equivalent to approximately US\$77,869 ⁽¹⁾))
FSL Trust Management Pte. Ltd. – Management Fee – Trustee Fee – Disposal Fee	Trustee-Manager, a wholly-owned subsidiary of FSL Asset Management Pte. Ltd., which is wholly-owned by FSL Holdings Pte. Ltd.	US\$ 1,400,000 ⁽²⁾ US\$ 8,425 ⁽³⁾ US\$ 35,000 ⁽⁴⁾	Not Applicable ⁽⁶⁾ Not Applicable ⁽⁶⁾ Not Applicable ⁽⁶⁾
FSL Asset Management Pte. Ltd. – services rendered	A subsidiary wholly owned by FSL Holdings Pte. Ltd.	US\$ 11,255 ⁽⁵⁾	Not Applicable ⁽⁶⁾

Notes:

- (1) Based on prevailing exchange rate as at 31 December 2025.
- (2) This relates to the management fee payable by FSL Trust under the deed of trust dated 19 March 2007 as amended and supplemented from time to time. Management fee of 4% of the lease income and any income, other than lease, generated by the Trust from its authorised businesses, net of any other commissions or deductions by third parties and taxes, duties and levies, is subject to a minimum fee of US\$ 350,000 per calendar quarter as approved at EGM held on 23 August 2022.
- (3) This relates to the trustee fee payable by FSL Trust under the deed of trust dated 19 March 2007 as amended and supplemented from time to time.
- (4) This relates to the disposal fee payable by FSL Trust under the deed of trust dated 19 March 2007 as amended and supplemented from time to time.
- (5) This relates to the corporate secretarial services fees provided to subsidiary companies.
- (6) FSL Trust has not sought any Unitholders' mandate for interested person transactions.

Except as disclosed above, there were no additional interested person transactions (excluding transactions less than S\$100,000 (US\$77,869) equivalent) entered into up to and including 31 December 2025.

NOTIFICATION OF COMPOSITION OF DISTRIBUTION

In satisfaction of Clause 9.5 of the Trust Deed dated 19 March 2007, the Trustee-Manager notifies that no distribution was made by First Ship Lease Trust for the financial year ended 31 December 2025.

Statistics of Unitholdings

As at 17 March 2026

No. of units issued	:	1,768,057,636
Class of units	:	Ordinary units with 1 vote per unit
Treasury Units	:	Nil

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	Number of Unitholders	%	Number of Units	%
1 – 99	5	0.16	92	0.00
100 – 1,000	223	7.06	192,700	0.01
1,001 – 10,000	1,168	36.99	6,084,155	0.35
10,001 – 1,000,000	1,701	53.86	190,135,391	10.75
1,000,001 and above	61	1.93	1,571,645,298	88.89
Total	3,158	100.00	1,768,057,636	100.00

TWENTY LARGEST UNITHOLDERS

No.	Name of Unitholders	Number of Units	%
1.	FSL HOLDINGS PTE. LTD.	1,283,670,931	72.60
2.	DBS NOMINEES (PRIVATE) LIMITED	45,997,400	2.60
3.	RAFFLES NOMINEES (PTE.) LIMITED	30,703,120	1.74
4.	MAYBANK SECURITIES PTE. LTD.	26,703,600	1.51
5.	CITIBANK NOMINEES SINGAPORE PTE LTD	25,525,163	1.44
6.	NG HWEE KOON	20,066,400	1.13
7.	PHILLIP SECURITIES PTE LTD	11,804,100	0.67
8.	PEH KOK KEONG	10,428,000	0.59
9.	TAN SIEW KENG CHRISTINA	7,910,000	0.45
10.	UOB KAY HIAN PRIVATE LIMITED	5,757,100	0.33
11.	YIM WING CHEONG	5,088,000	0.29
12.	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	4,654,200	0.26
13.	LOH HUI SENG	4,200,000	0.24
14.	IFAST FINANCIAL PTE. LTD.	4,124,500	0.23
15.	WIRTZ JOCHEN	3,811,500	0.22
16.	TIGER BROKERS (SINGAPORE) PTE. LTD.	3,661,400	0.21
17.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,381,650	0.19
18.	SF VENTURES PTE LTD	3,000,000	0.17
19.	TNG BENG CHOON	2,900,000	0.16
20.	ONG SWEE HEE	2,800,000	0.16
TOTAL		1,506,187,064	85.19

Statistics of Unitholdings

As at 17 March 2026

SUBSTANTIAL UNITHOLDERS

(As shown in the Register of Substantial Unitholders)

Name of Substantial Unitholder	Direct Interests	%	Deemed Interests	%
FSL Holdings Pte. Ltd. ⁽¹⁾	1,283,670,931	72.60	77	0.00
Prime Shareholdings Inc. ⁽²⁾	–	–	1,283,671,008	72.60
Prime Investments and Holdings Ltd ⁽²⁾	–	–	1,283,671,008	72.60
Prime Marine Corporation ⁽²⁾	–	–	1,283,671,008	72.60
PMC Holding Inc. ⁽²⁾	–	–	1,283,671,008	72.60
Joelma Holding Inc. ⁽²⁾	–	–	1,283,671,008	72.60
Geomel Holding Inc. ⁽²⁾	–	–	1,283,671,008	72.60
Stella Maris Holding Inc. ⁽²⁾	–	–	1,283,671,008	72.60
Efstathios Topouzoglou ⁽²⁾	–	–	1,283,671,008	72.60
Michail Chalkias ⁽²⁾	–	–	1,283,671,008	72.60
Georgios Kouleris ⁽²⁾	–	–	1,283,671,008	72.60

Notes:

(1) FSL Holdings Pte. Ltd. ("FSLH") is the 100% shareholder of FSL Asset Management Pte. Ltd., which in turn wholly-owns FSL Trust Management Pte. Ltd. FSLH is therefore deemed to be interested in 77 units held by FSL Trust Management Pte. Ltd.

(2) FSLH is a wholly-owned subsidiary of Prime Shareholdings Inc. ("PSI"). PSI is a wholly-owned subsidiary of Prime Investments and Holdings Ltd, which is a wholly-owned subsidiary of Prime Marine Corporation, which is in turn a wholly-owned subsidiary of PMC Holding Inc. ("PMCHI"). PMCHI is 57% held by Joelma Holding Inc., which is 100% held by Efstathios Topouzoglou, 21.5% held by Geomel Holding Inc., which is 100% held by Michail Chalkias, and 21.5% held by Stella Maris Holding Inc., which is 100% held by Georgios Kouleris.

FREE FLOAT

Based on information available as at 17 March 2026, approximately 27.06% of the units of First Ship Lease Trust is in the hands of the public and accordingly Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

Notice Of Annual General Meeting of the Unitholders

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of First Ship Lease Trust (“**FSL Trust**” or the “**Trust**”), will be held at Meeting Room 326, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Tuesday, 28 April 2026 at 3:00 p.m. for the purpose of transacting the following businesses:

ORDINARY BUSINESSES

1. To receive and adopt the Report of the Trustee-Manager, Statement by the Trustee-Manager and Audited Financial Statements of FSL Trust for the financial year ended 31 December 2025, together with the Auditor’s Report thereon. **(Ordinary Resolution 1)**
2. To re-appoint Moore Stephens LLP as the Auditors of FSL Trust to hold office until the conclusion of the next annual general meeting of FSL Trust, and to authorise the Directors of the Trustee-Manager to fix their remuneration. **(Ordinary Resolution 2)**
3. To transact any other ordinary business which may properly be transacted at an annual general meeting of the Unitholders.

SPECIAL BUSINESSES

4. To consider and, if thought fit, to pass the following resolution with or without modifications as an Ordinary Resolution:

THAT:

pursuant to Section 36 of the Business Trusts Act 2004 of Singapore (the “**Business Trusts Act**”), Clause 6.1 of the deed of trust dated 19 March 2007 constituting First Ship Lease Trust (as amended) (the “**Trust Deed**”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Trustee-Manager, on behalf of FSL Trust, be authorised to:

- (a) (i) issue units in FSL Trust (“Units”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that would or might require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Units,

at any time to such persons and on such terms and conditions whether for cash or otherwise as the Trustee-Manager may in its absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Units in pursuance of any Instrument made or granted by the Trustee-Manager while this Resolution was in force,

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 50 per cent. (50%) of the total number of issued Units excluding treasury Units (as calculated in accordance with sub-paragraph (2) below); of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders of FSL Trust shall not exceed 20 per cent. (20%) of the total number of issued Units excluding treasury Units in FSL Trust (as calculated in accordance with sub-paragraph (2) below);

Notice Of Annual General Meeting of the Unitholders

- (2) (subject to such calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the percentage of issued Units shall be based on the total number of issued Units (excluding treasury Units) in FSL Trust at the time of the passing of this Resolution, after adjusting for:
- (a) new Units arising from the conversion or exercise of any Instruments that are convertible into Units; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the Trust Deed and the Business Trusts Act; and
- (4) unless revoked or varied by ordinary resolution of Unitholders of FSL Trust in a general meeting, such authority shall continue in force (i) until the conclusion of the next annual general meeting of the Unitholders of FSL Trust or the date by which the next annual general meeting of the Unitholders of FSL Trust is required by law to be held, whichever is earlier, or (ii) in the case of Units to be issued in pursuance of the Instruments made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments. **(Ordinary Resolution 3)**

5. To consider and, if thought fit, to pass the following resolution with or without modifications as an Ordinary Resolution:

THAT:

authority be and is hereby given to the Trustee-Manager to allot and issue from time to time such number of Units as may be required to be allotted and issued pursuant to the FSL Trust Distribution Reinvestment Scheme. **(Ordinary Resolution 4)**

By Order of the Board
FSL Trust Management Pte. Ltd.
As Trustee-Manager of First Ship Lease Trust

Elizabeth Krishnan / Bridget Boyd
Company Secretaries

Singapore
8 April 2026

Notice Of Annual General Meeting of the Unitholders

Explanatory Notes on Resolution 3

If passed, the Ordinary Resolution set out in Resolution 3 empowers the Trustee-Manager from the date of the Nineteenth Annual General Meeting until the date of the subsequent Annual General Meeting or the date by which the subsequent Annual General Meeting is required by law to be held or such authority is varied or revoked by FSL Trust in a general meeting of Unitholders, whichever is the earlier, to issue Units, make or grant Instruments convertible into Units and to issue Units pursuant to such Instruments in FSL Trust up to a number not exceeding in aggregate 50% of the issued Units in FSL Trust of which up to 20% may be issued other than on a pro rata basis to Unitholders.

The aggregate number of Units which may be issued shall be based on the total number of issued Units (excluding treasury Units) at the time Resolution 3 is passed after adjusting for new Units arising from the conversion or exercise of any Instruments that are convertible into Units, as well as any subsequent bonus issue, consolidation or subdivision of Units.

Explanatory Notes on Resolution 4

Resolution 4 is a renewal of the resolution that was approved by Unitholders at the Eighteenth Annual General Meeting held on 28 April 2025.

If passed, the Ordinary Resolution set out in Resolution 4 authorises the Trustee-Manager to issue Units pursuant to the FSL Trust Distribution Reinvestment Scheme, which was adopted by resolution of the Unitholders at the Extraordinary General Meeting held on 9 October 2008, to Unitholders who, in respect of a qualifying distribution, have elected to receive Units in lieu of the cash amount of that qualifying distribution.

Notes:

1. General

This Nineteenth Annual General Meeting ("AGM"), convened by the Trustee-Manager will be held physically at Meeting Room 326, Level 3, Suntec Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593. There will be no option for unitholders to participate at the AGM virtually.

2. Notice of AGM and Proxy Form

The Annual Report 2025, this Notice of AGM and Proxy Form will be made available to unitholders by electronic means via publication on the Trustee-Manager's website at the URL www.fsltrust.com. The Notice will also be available on the SGX website at the URL www.sgx.com/securities/company-announcements. Printed copies of these documents will not be sent to the unitholders. A unitholder may request for a printed copy of these documents by sending his/her completed Request Form (available in the letter to unitholders dated 8 April 2026) to the Trustee-Manager by 15 April 2026.

3. Attendance at AGM

Attendance at the AGM will be by physical means only.

Notice Of Annual General Meeting of the Unitholders

4. Voting by proxy

A proxy need not be a Unitholder of FSL Trust.

- (a) A Unitholder who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
- (b) A Unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different unit or units held by such Unitholder. Where such Unitholder's form of proxy appoints more than two proxies, the number and class of units in relation to which each proxy has been appointed, shall be specified in the form of proxy.

'Relevant intermediary' has the meaning ascribed to it in Section 60 of the Business Trusts Act 2004.

The instrument appointing a proxy must be submitted in the following manner:-

- (a) if submitted in hard copy, the proxy form may be sent personally or by post and lodged with our Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) if submitted electronically via email, the proxy form must be sent to agm@firstshiplease.com.

In either case, the proxy form must be received by the Unit Registrar not less than 72 hours before the time appointed for the AGM.

Unitholders who hold their units through relevant intermediaries (including SRS investors), who wish to appoint a proxy, should approach their respective relevant intermediaries to submit their voting instructions in advance, in order to allow sufficient time for their respective relevant intermediaries to submit the proxy form to vote on their behalf, by 3.00 p.m. on 25 April 2026.

5. Submission of questions in advance

Unitholders who are unable to attend the AGM, may submit questions related to the resolutions to be tabled at the AGM, at agm@firstshiplease.com latest by 5.00 p.m. on 21 April 2026. The Trustee-Manager will address substantial questions relating to these resolutions at the AGM and post the answers on its website and SGXNet after the AGM. The Trustee-Manager will, within one month after the AGM, publish the minutes of the AGM on SGXNet and its website.

6. Annual Report 2025

The Annual Report 2025 has been published on 8 April 2026 and may be accessed on the Trustee-Manager's website and on SGXNet.

Notice Of Annual General Meeting of the Unitholders

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder of FSL Trust (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or its agents or service providers) for the purpose of the processing, administration and analysis by the Trustee-Manager (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Trustee-Manager (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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FIRST SHIP LEASE TRUST

(A business trust constituted on 19 March 2007)

FSL TRUST MANAGEMENT PTE. LTD.

(Incorporated in the Republic of Singapore)

Company Registration No. 200702265R

(as Trustee-Manager of First Ship Lease Trust)

PROXY FORM**NINETEENTH ANNUAL GENERAL MEETING OF UNITHOLDERS OF FIRST SHIP LEASE TRUST**

I/We _____ (Name)

holder of NRIC/Passport Number or Company registration or UEN _____ of

_____ (Address)

being a Unitholder/Unitholders of First Ship Lease Trust hereby appoint:

Name	Proportion of Unitholdings	
	No. of Units	%
NRIC/Passport Number		
Address		

and/or (delete as appropriate)

Name	Proportion of Unitholdings	
	No. of Units	%
NRIC/Passport Number		
Address		

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the Nineteenth Annual General Meeting ("AGM") of Unitholders of First Ship Lease Trust to be held on Tuesday, 28 April 2026 at 3:00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the AGM.

No.	Resolutions relating to:	No. of votes 'For'*	No. of votes 'Against'*	No. of votes 'Abstain'*
1.	Adoption of the Report of the Trustee-Manager, Statement by the Trustee-Manager and Audited Financial Statements of First Ship Lease Trust for the financial year ended 31 December 2025 together with the Auditor's Report thereon			
2.	Re-appointment of Moore Stephens LLP as Auditors of First Ship Lease Trust and authority of Directors of Trustee-Manager to fix their remuneration			
3.	Authority to issue new Units			
4.	Authority to issue new Units pursuant to the First Ship Lease Trust Distribution Reinvestment Scheme			

* If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the "Abstain" box for a particular resolution, you are directing your proxy not to vote on that resolution and your votes will not be counted in computing the required majority on the poll.

Dated this _____ day of _____ 2026

Total No. of Units in:	No. of Units
CDP Register:	

Signature of Individual Unitholder(s) or
Common Seal of Corporate Unitholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. A Unitholder entitled to attend and vote at the AGM of FSL Trust may appoint a proxy to attend and vote on his/her/its behalf at the AGM.
 - (a) A Unitholder who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
 - (b) A Unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different unit or units held by such Unitholder. Where such Unitholder's form of proxy appoints more than two proxies, the number and class of units in relation to which each proxy has been appointed, shall be specified in the form of proxy.
'Relevant intermediary' has the meaning ascribed to it in Section 60 of the Business Trusts Act 2004.
2. A proxy need not be a Unitholder of First Ship Lease Trust.
3. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), he should insert that number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.
4. The instrument appointing a proxy must be submitted in the following manner:-
 - (a) if submitted in hard copy, the proxy form may be sent personally or by post and lodged with our Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) if submitted electronically via email, the proxy form must be sent to agm@firstshiplease.com.

In either case, the proxy form must be received by the Unit Registrar not less than 72 hours before the time appointed for the AGM, that is, 3.00 p.m. on Saturday, 25 April 2026, failing which, the instrument of proxy shall be treated as invalid.

-
5. The instrument appointing a proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
 6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney or duly authorised officer, the letter or power of attorney or board resolution duly authorising the officer or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
 7. The Trustee-Manager shall be entitled to reject the instrument appointing a proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject the instrument appointing a proxy if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited ("Depository") to the Trustee-Manager.
 8. For the purposes of determining the number of Units held in respect of Units registered in the name of the Depository and the number of votes which a particular Unitholder may cast in respect of such Units, the Trustee-Manager shall be entitled and bound to accept as accurate the number of Units credited in the securities account(s) of the relevant depositor as shown in the records of the Depository as at a time not earlier than 72 hours prior to the time of the relevant meeting supplied by the Depository to the Trustee-Manager, and accept as the maximum number of votes which in aggregate the depositor's proxy is able to cast on a poll a number which is the number of Units credited into the securities account(s) of the relevant depositor, as shown in the aforementioned records of the Depository, whether that number is greater or smaller than that specified by the depositor in the instrument of proxy. The Trustee-Manager shall not, under any circumstances, be responsible for, or liable to any person as a result of it, acting upon or relying on the aforementioned records of the Depository.

Personal Data Privacy:

By submitting an instrument appointing a proxy, the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 April 2026.

Fold this flap for sealing

Please
affix
postage
stamp

THE COMPANY SECRETARY
FSL TRUST MANAGEMENT PTE. LTD.
(as Trustee-Manager of First Ship Lease Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue,
#14-07 Keppel Bay Tower,
Singapore 098632



FSL TRUST MANAGEMENT PTE. LTD.

as Trustee-Manager for First Ship Lease Trust
(Co. Reg. No.: 200702265R)

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