



PURCHASE OF A PURE CAR TRUCK CARRIER – MV BOHEME

1. Memorandum of Agreement

The Board of Directors of Singapore Shipping Corporation Limited (the “Company”) wishes to announce that SSC Pisces Pte Ltd (“SSC Pisces”), its wholly-owned subsidiary, has entered into a Memorandum of Agreement (“MOA”) with Wallcar AB (“Seller”), a wholly owned subsidiary of Wallenius Lines AB for the purchase of the pure car truck carrier MV Boheme by SSC Pisces.

2. Key Terms

SSC Pisces will purchase MV Boheme from the Seller (“Purchase”), for a gross cash consideration of US\$50 million (the “Purchase Price”).

The completion of the Purchase is conditional upon availability of financing on satisfactory terms. The Purchase is expected to be funded by internal resources and bank borrowings. The Group is in negotiations to secure competitive financing terms to fund the Purchase.

The Purchase Price was arrived at on a willing-buyer and willing-seller basis, taking into account current market conditions. The Purchase Price of US\$50 million shall be paid upon completion of the Purchase, expected by end-April 2010.

Subject to and with effect from the completion of the Purchase, Wallenius Lines AB (the “Charterer”) will undertake a 15-year time-charter for the MV Boheme, with an annual charter hire of approximately US\$10 million.



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3. Rationale

The MV Boheme, built in 1999, was elongated in 2005 and now has a cargo carriage capacity of 7,200 cars or a combination of 3,700 cars and 600 trucks, which is compatible with present trade patterns. She will be a good replacement for the much older and smaller car carrier that the Group disposed of in December 2009.

The Purchase presents an excellent opportunity for the Group to rebuild its fleet of car-carriers, and is in line with the Group's strategy to re-fresh and acquire suitable tonnages at optimal prices.

Moreover, the Charterer's commitment towards the 15-year time-charter for the MV Boheme will help ensure a steady stream of income for the Group.

4. Financial Effects

For illustrative purposes only, the financial effects of the Purchase on the share capital, net tangible assets ("NTA") and earnings per share ("EPS") of the Company, based on the last audited consolidated financial statements of the Company for the financial year ended 31 March 2009 are set out below:-

- 4.1 Share Capital. The Purchase will not have any impact on the issued and paid-up share capital of the Company.
- 4.2 NTA. Assuming that the Purchase had been completed on 31 March 2009, being the most recently completed financial year, it will not have any impact on the NTA per share of the Company as at 31 March 2009.
- 4.3 EPS. Assuming that the Purchase had been completed on 1 April 2008, being the beginning of the most recently completed financial year, it will increase the EPS of the Company for the financial year ended 31 March 2009 by approximately 0.7 Singapore cent per share.



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5. Further Information

- 5.1 No Shareholder Approval. As the Purchase is in the ordinary course of the Company's business, shareholders' approval is not required under Chapter 10 of the SGX Listing Manual.
- 5.2 Interests of Directors and Substantial Shareholders. Mr Bengt Christer Olsson, an Independent Director of the Company, is also the non-executive, Vice-Chairman of Wallenius Lines AB. Mr Olsson has voluntarily abstained from all deliberations of the Board of Directors relating to the Purchase. Save as aforesaid, as far as the Company is aware, no Director or Substantial Shareholder of the Company has any interest, direct or indirect, in the Purchase.
- 5.3 Directors. The Directors (with Mr Olsson abstaining), having considered the rationale and terms for the Purchase, have determined that (i) the terms of the Purchase are on normal commercial terms and is not prejudicial to the interests of the Company and its shareholders; and (ii) it is in the best interests of the Company to proceed with the Purchase.
- 5.4 Further Updates. The Directors will make further announcement(s) on the progress of the Purchase, as and when appropriate.

BY ORDER OF THE BOARD

CHEW HENG SIANG CHRISTINA
COMPANY SECRETARY
SINGAPORE
10 MARCH 2010