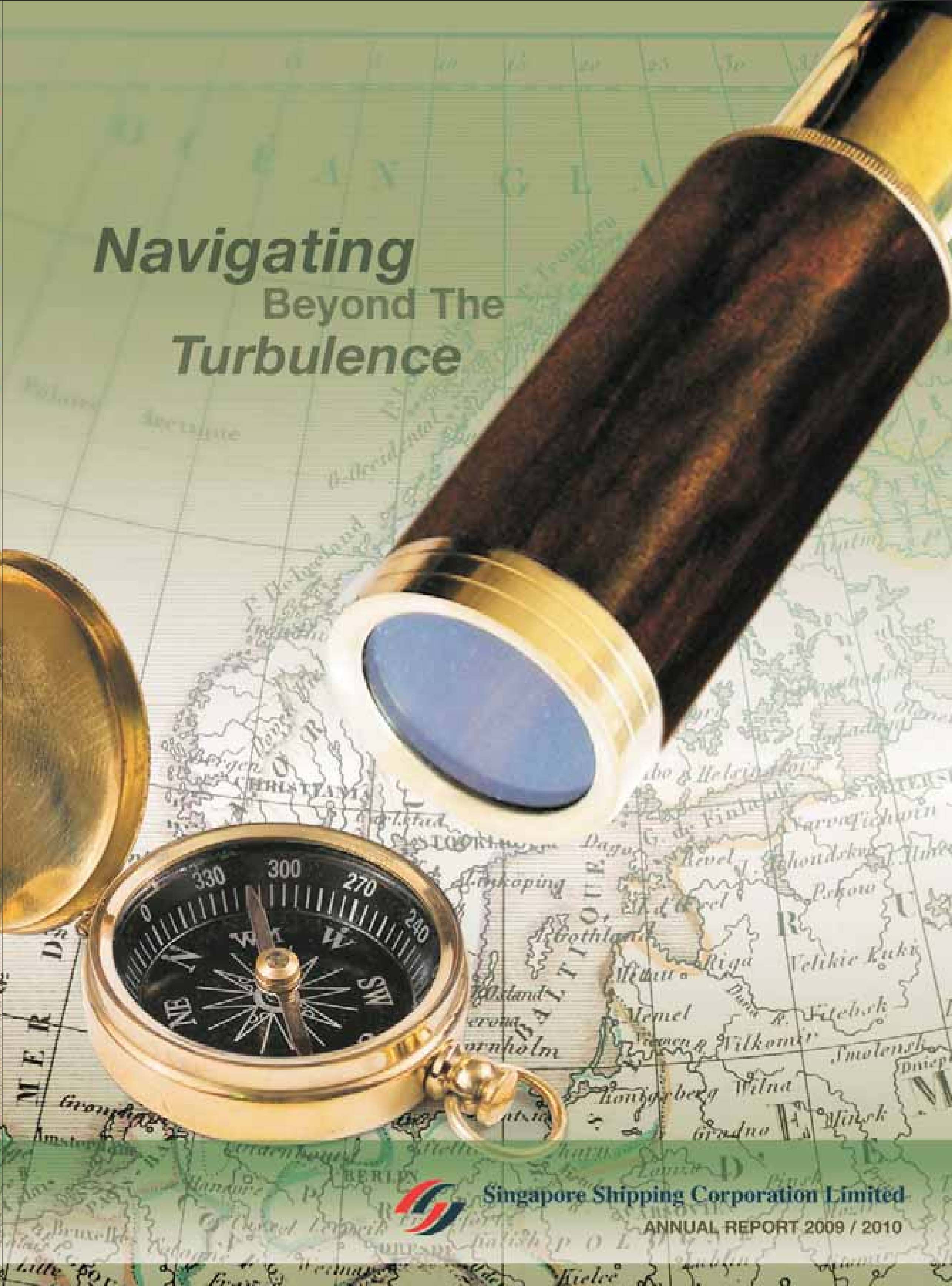


Navigating Beyond The Turbulence

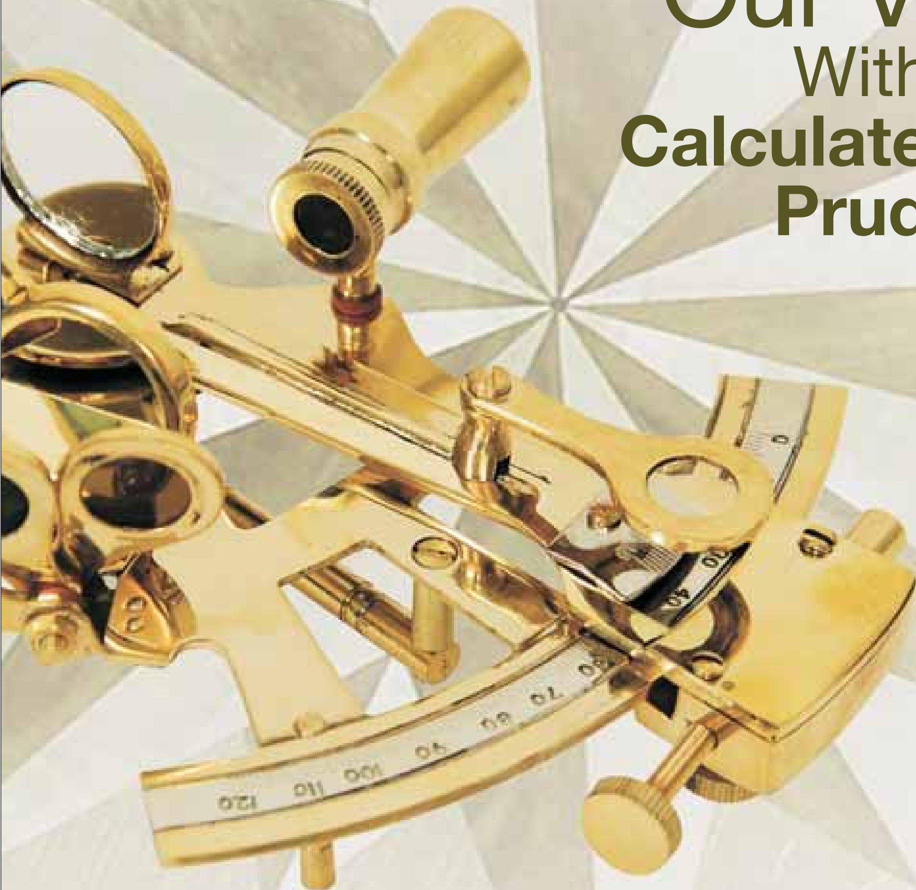
Singapore Shipping Corporation Limited

ANNUAL REPORT 2009 / 2010

Singapore Shipping Corporation Limited

ANNUAL REPORT 2009 / 2010

Setting Our Vision With **Calculated Prudence**



Contents

Singapore Shipping Corporation is focused on long-term business sustainability and stays highly resilient despite the sea of economic uncertainties. The Group is optimistic and will remain on course to enhance shareholder value pragmatically and prudently towards a better tomorrow.

Chairman's Message

Singapore Shipping Corporation Limited ("SSC") recorded a net profit of about $4.1 million, following a net loss of some $3.5 million in the previous financial year. As markets revived, we clawed back around $1.1 million of the impairment loss incurred in the last financial year when our equity-related investments were inevitably hit by the global financial crisis.

The sale of an office property at 15 Enggor Street for $1.2 million, contributed an exceptional gain of about $1.1 million in the year under review.

Group revenue fell by some $0.4 million (3.2%) to $11.4 million due largely to the disposal of the 25-year-old MV Merlion Ace whose carriage capacity of 3,500 cars was generally incompatible with prevailing trade patterns that require greater capacity. It was sold in December 2009.

MV Merlion Ace's sale price of US$4.0 million reflected a 30% premium over its market scrap value. Under the sales terms, the vessel was to be converted from a car carrier into a cattle/livestock carrier.

In line with our fleet renewal strategy focusing on car carriers, the Group purchased a modern pure car truck carrier, MV Boheme, at US$50 million in April 2010. This vessel is under a 15-year time charter to Wallenius Lines AB, generating an annual charter hire of some US$10 million.

Built in 1999, MV Boheme is one of the largest car carriers in the world. It has a cargo carriage capacity of 7,200 cars or a combination of 3,700 cars and 600 trucks – making it an excellent replacement for the older and smaller MV Merlion Ace.

SSC enjoys an enviably healthy financial position. As at 31 March 2010, we have cash and cash equivalents amounting to about $54 million and no bank borrowings.

The Board is proposing a final one-tier tax exempt dividend of 1.0 cent per ordinary share with the total payout of about $4.4 million.

PROSPECTS

Our principal ship-owning business is expected to be profitable, barring unforeseen circumstances. The acquisition of MV Boheme will augment revenue and our other wholly owned vessel, MV Singa Ace, is also on a long-term charter generating steady income flow. In addition, we have a 30% interest in MV Cougar Ace whose charter was extended for five years from January 2009.

SSC, confidently riding the crest and navigating deftly through the vagaries of global shipping, has built up a proven track record dating back to over 30 years. Indeed, we have successfully steered a steady course through all kinds of weather with prudent financial management and astute investment/divestment decisions.

Our timely disposals of 10 ships, mostly at peak prices, before the falling out of global shipping asset prices, comfortably paves the way for fleet renewal and expansion. We are actively looking out for vessels with suitable tonnages at optimal prices that are under long-term charters to reputable companies, thereby yielding attractive returns.

APPRECIATION

I would like to express my appreciation to our Board of Directors for their wise counsel. Prof. Tan Teck Meng, who served on our Board since 1 September 2002, resigned on 25 June 2010 to spend more time with his family. We wish him well in his future endeavours. My gratitude also goes to our management and staff for their unceasing commitment and diligence. Thanks also to our customers for their valuable support. Last but not least, we are deeply grateful to our shareholders and will do our utmost to reward them well for believing in all that we can achieve.

Ow Chio Kiat
Executive Chairman

Board of Directors

Mr Ow Chio Kiat

Mr Ow is the Executive Chairman of Singapore Shipping Corporation Limited ("SSC"). He is also the Executive Chairman of two other Singapore listed companies, Stamford Land Corporation Ltd ("SLC") and Cougar Logistics Corporation Ltd. ("CLC"). Mr Ow, who holds directorships in most of SSC's and SLC's subsidiaries, is also an independent director of k1 Ventures Limited.

The Singapore Business Awards (jointly organised by The Business Times and DHL) named Mr Ow "Businessman of the Year" in 2009. Mr Ow is a Fellow of the Institute of Chartered Shipbrokers and is Singapore's non-resident Ambassador to Argentina.

Mr Ow Cheo Guan

Mr Ow is Executive Deputy Chairman of SSC. He is also the Executive Deputy Chairman of SLC and CLC, and holds directorships in most of SSC's and SLC's subsidiaries.

Mr Ow is a Fellow of the Institute of Chartered Shipbrokers and is the Honorary Consul of the Slovak Republic in Singapore.

Professor Tan Teck Meng

Professor Tan holds a Bachelor of Accountancy from the University of Singapore, a Masters in Commerce (Honours) from the University of New South Wales, and a Honorary PhD from Liaoning University, China. He is a FCPA from the Institute of Certified Public Accountants of Singapore, a FCIS from the Institute of Chartered Secretaries & Administrators in United Kingdom, a FCPA from the Australian Society of CPA, a FCCA from the Association of Chartered Certified Accountants, and a FCMI from the Institute of Management, London.

Professor Tan is currently a director of Hyflux Ltd, k1 Ventures Limited, Kim Eng Holdings Ltd, Raffles Education Corporation Limited and Singapore Reinsurance Corporation Ltd, amongst others.

Note: Professor Tan resigned w.e.f. 25 June 2010. The Company expects to appoint an additional Independent Director, and announce the updated composition of the Board and Board Committees, by end-July 2010.

Mr Bengt Christer Olsson

Mr Olsson holds a Bachelor of Laws from the Stockholm University and has a long career within the international shipping sector.

Mr Olsson held a number of top management positions over the years at the Swedish American Line, BrostrÖms Shipping Co AB, Atlantic Container Lines Services. For almost 15 years, Mr Olsson was President of Wallenius Lines AB and still holds a position as Vice Chairman at the Swedish shipping company. Mr Olsson is also chairman of the Board of the Stolt-Nielsen SA and member of the boards of Swedish Club, Atlantic Container Line, Rederi AB Transatlantic, Wallenius Wilhelmsen Logistics, United Car Carriers (UECC) and Eukor Car Carrier Inc.

Mr Tan Guong Ching

Mr Tan holds a Bachelor and a Master of Engineering (Chemical) from McMaster University, Canada.

He was the CEO of the Housing and Development Board, the Principal Private Secretary to the Prime Minister and the Permanent Secretary of the Ministry of Home Affairs, Ministry of the Environment and Ministry of Communications and Information.

Currently, he is Chairman of Singapore Technologies Telemedia Pte Ltd, Singapore Technologies Aerospace Ltd, STT Communications Ltd, Starhub Ltd, Temasek Life Sciences Laboratory Limited, Asia Mobile Holding Company Pte Ltd and IP Academy. He is also Director of Singapore Pools (Private) Limited, Frasers Centrepoint Asset Management (Commercial) Ltd, and Eircom Limited.

Corporate Information

BOARD OF DIRECTORS
Ow Chio Kiat
(Executive Chairman)
Ow Cheo Guan
(Executive Deputy Chairman)
*Tan Teck Meng
Bengt Christer Olsson
Tan Guong Ching

EXECUTIVE COMMITTEE
Ow Chio Kiat (Chairman)
Ow Cheo Guan
Bengt Christer Olsson

AUDIT COMMITTEE
*Tan Teck Meng (Chairman)
Bengt Christer Olsson
Tan Guong Ching

REMUNERATION COMMITTEE
*Tan Teck Meng (Chairman)
Bengt Christer Olsson
Tan Guong Ching

NOMINATING COMMITTEE
*Tan Teck Meng (Chairman)
Ow Chio Kiat
Tan Guong Ching

*resigned w.e.f. 25 June 2010

COMPANY SECRETARIES
Chew Heng Siang Christina
Hon Wei Seng

REGISTERED OFFICE
200 Cantonment Road
#09-01 Southpoint
Singapore 089763

AUDITORS
KPMG LLP
Certified Public Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Partner-in-charge:
Tan Choon Wah Kenny
Date of Appointment:
14 February 2006

SHARE REGISTRAR
M & C Services Private Limited
138 Robinson Road #17-00
The Corporate Office
Singapore 068906

PRINCIPAL BANKERS
Citi Private Bank
23 Church Street
#08-01 Capital Square
Singapore 049481

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513

Standard Chartered Bank
6 Battery Road
Singapore 049909

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1
Singapore 048624

Corporate Calendar 2010 /2011

2010

July

- Annual General Meeting for financial year ended 31 March 2010 (FY 2010)
- Announcement of financial year ending 31 March 2011 (FY 2011) first quarter results

August

- Scheduled payment of final dividend for FY 2010

November

- Announcement of FY 2011 second quarter results

2011

February

- Announcement of FY 2011 third quarter results

May

- Announcement of FY 2011 full year results

Financial Highlights

Results of Operations

For the financial year ended 31 March

	2010 $'000	2009 $'000	2008 $'000	2007 $'000	2006 $'000
Revenue					
Continuing operations	**11,356**	11,735	12,663	22,843	36,855
Discontinued operations *	-	-	-	-	33,259
	11,356	11,735	12,663	22,843	70,114
Profit / (Loss) attributable to owners of the Company					
Continuing operations	**4,081**	(3,499)	3,751	13,107	84,231
Discontinued operations *	-	-	-	-	2,191
	4,081	(3,499)	3,751	13,107	86,422
Earnings / (Loss) per share (cents)					
Continuing operations	**0.9**	(0.8)	0.9	3.0	19.3
Discontinued operations *	-	-	-	-	0.5
	0.9	(0.8)	0.9	3.0	19.8
Dividends per share (cents)					
Interim one-tier tax exempt dividend in specie	-	-	-	-	5.0
Interim special one-tier tax exempt dividend	-	-	12.0	-	-
Proposed special one-tier tax exempt dividend	-	-	-	9.0	9.0
Proposed final one-tier tax exempt dividend	**1.0**	1.0	2.0	3.0	3.0
Total gross dividends	**1.0**	1.0	14.0	12.0	17.0

* *The demerger of the Group's agency, terminal operations, warehousing and logistics businesses was completed in January 2006.*

Financial Position

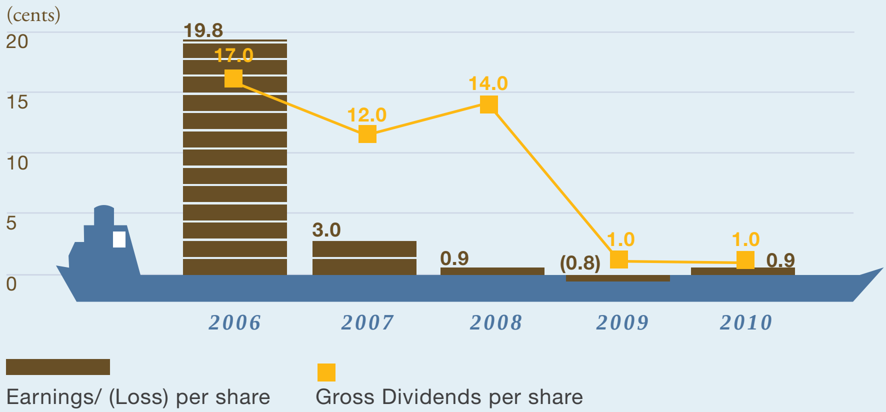
As at 31 March

	2010 $'000	2009 $'000	2008 $'000	2007 $'000	2006 $'000
Current assets	**56,608**	49,997	65,787	169,511	208,172
Financial and other assets	**307**	335	350	327	319
Associated companies	**3,993**	3,446	2,475	1,307	10,868
Investment properties	**159**	295	422	428	434
Property, plant and equipment	**8,706**	18,030	15,263	18,018	19,685
Total assets	**69,773**	72,103	84,297	189,591	239,478
Trade and other liabilities	**1,544**	1,849	2,652	5,547	14,609
Total liabilities	**1,544**	1,849	2,652	5,547	14,609
Net assets	**68,229**	70,254	81,645	184,044	224,869
Equity attributable to owners of the Company	**68,229**	70,254	81,645	184,044	224,869
Net asset value per share ($)	**0.16**	0.16	0.19	0.42	0.52

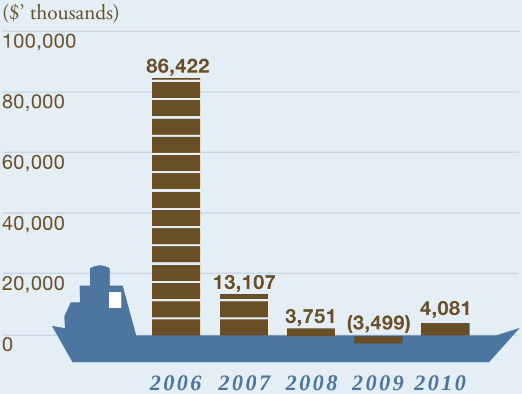
Financial Highlights

Revenue

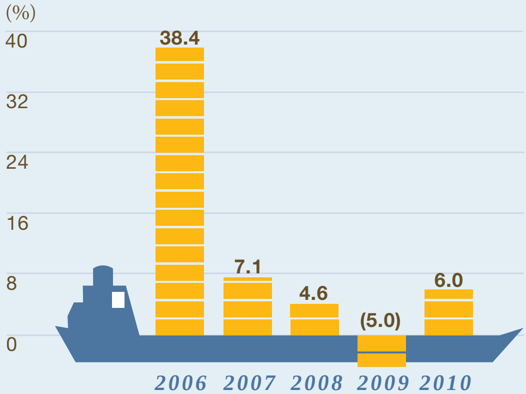
Earnings/ (loss) per share / Gross dividends per share



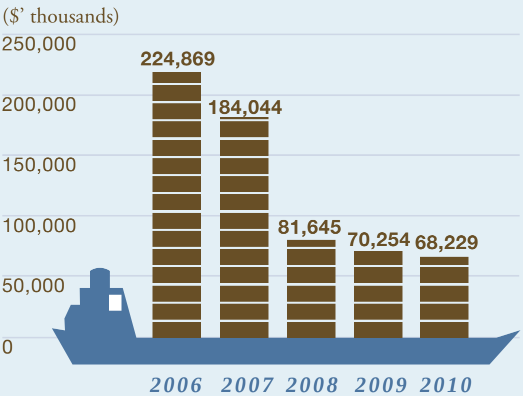
Profit/ (Loss) attributable to owners of the Company



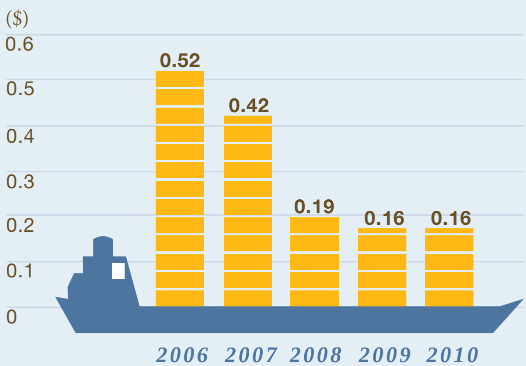
Return on Equity



Shareholders' equity



Net asset value per share



Fleet Composition

Vessel	BOHEME	SINGA ACE	COUGAR ACE
% Owned	100	100	30
Type	Pure car truck carrier	Pure car carrier	Pure car carrier
Year Built	1999	1984	1993
Capacity	7,200 cars	4,889 cars	5,540 cars
Charter Commences	2010	1984	1993
Charter Duration	15 years	Extended to end of 2013	Extended to 2014
Charterer	Wallenius Lines AB	Mitsui O.S.K. Lines, Ltd	Mitsui O.S.K. Lines, Ltd

Singapore Shipping Corporation Limited (the "Company") is committed to complying with the principles and guidelines of the Code of Corporate Governance 2005 (the "Code"), so as to ensure greater transparency and protection of shareholders' interests. This statement outlines the main corporate governance practices that were in place or implemented during the financial year.

1. BOARD MATTERS

a. Board's conduct of its affairs

The Board's principal functions are as follows:

- Formulate corporate strategies, financial objectives and directions for the Group
- Ensure effective management leadership of the highest quality and integrity
- Provide oversight in the proper conduct of the Group's businesses
- Oversee and/or evaluate the adequacy of the internal audit, risk management, financial reporting and compliance processes
- Oversee and ensure high standards of corporate governance for the Group

The Board also deliberates and makes decisions on material acquisitions and disposals of assets, corporate restructuring, dividend payments and other returns to shareholders and on matters that may involve a conflict of interest for any director.

All new directors are given an orientation of the Group's business and governance practices, and all directors have access to information and further training on new developments, including new laws, regulations and changing commercial risks, at the Company's expense.

To efficiently discharge its responsibilities, the Board has established several board committees, namely, the Executive Committee, Audit Committee, Nominating Committee and Remuneration Committee. These committees are given specific responsibilities and they are empowered by the Board to deal with matters within the limits of authority set out in the terms of reference of their appointments. They assist the Board operationally without the Board losing authority over major issues.

The Board currently holds at least four scheduled meetings each year to review and deliberate on the key activities and business strategies of the Group, including significant acquisitions and disposals, annual budget, financial performance and to endorse the release of the quarterly and annual results. Where necessary, additional meetings are held to address significant transactions or issues arising from the business operations of the Group.

1. BOARD MATTERS (continued)

a. Board's conduct of its affairs (continued)

The frequency of Board, Audit Committee, Nominating Committee and Remuneration Committee meetings held during the financial year and the attendance at those meetings are set out below:

	Number of meetings attended during the financial year ended 31 March 2010			
Name of Director	**Board of Directors**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
Mr Ow Chio Kiat *(Executive Chairman)*	4	#4	1	NA
Mr Ow Cheo Guan *(Executive Deputy Chairman)*	4	#4	NA	NA
Professor Tan Teck Meng *(Non-executive and independent)*	4	4	1	1
Mr Bengt Christer Olsson *(Non-executive and independent)*	3	3	NA	1
Mr Tan Guong Ching *(Non-executive and independent)*	4	4	1	1
No. of meetings held	4	4	1	1

\# By Invitation
NA Not applicable

b. Board composition and balance

The Company believes that there should be a strong and independent element on the Board in order for it to exercise sound, objective judgment on corporate and business affairs. Hence, of the five directors appointed, three are non-executive and independent. The Company also believes that the non-executive and independent directors should be selected for their diverse expertise to provide a balance of views.

Our Directors' profiles are set out on pages 4 and 5 of this Annual Report. Our Board members have the appropriate breadth and depth of expertise and experience in the areas of accounting, finance, business, management, industry knowledge and strategic planning.

1. BOARD MATTERS (continued)

c. Role of Executive Chairman ("Chairman") and Chief Executive Officer ("CEO")

Mr Ow Chio Kiat is the Chairman and CEO. The role of the Chairman is not separate from that of the CEO as the Board believes that there is adequate accountability and transparency as reflected in the internal controls established within the Group.

Executive Committee ("Exco")

Moreover the Board has delegated to the Exco the powers to supervise the management of the Group's business activities. The Exco comprises:

Mr Ow Chio Kiat	Chairman
Mr Ow Cheo Guan	Member
Mr Bengt Christer Olsson	Member

Mr Ow Cheo Guan is the Executive Deputy Chairman of the Company. The Chairman and the Executive Deputy Chairman are brothers.

The Exco's responsibilities include reviewing and approving investments or divestments, other than operational expenditure or disposals that are conducted in the ordinary course of business.

The Chairman is assisted by the management team in the daily operations and administration of the Group's business activities and in the effective implementation of the Group's business strategies. Information on key executives is set out on page 20 of this Annual Report.

The Chairman also oversees the workings of the Board, ensuring that the Board is able to perform its duties and that there is a flow of information between the Board and the management. The Chairman reviews most of the board papers before they are presented to the Board. The management staff who have prepared the papers, or who may provide additional insights, are invited to present the papers or attend the board meetings.

d. Board membership

We believe that board renewal must be an on-going process to ensure good governance and maintain relevance to the changing needs of the Group's businesses.

1. BOARD MATTERS (continued)

d. Board membership (continued)

Nominating Committee ("NC")

To achieve a formal and transparent process for the appointment of directors to the Board, the NC was set up on 1 September 2002. The NC is responsible for identifying and selecting new directors. The Chairman of the NC is an independent director and is not associated with a substantial shareholder, and the majority of the NC members are independent. During the financial year, the NC comprised:

Professor Tan Teck Meng	Chairman
Mr Ow Chio Kiat	Member
Mr Tan Guong Ching	Member

The NC's principal functions are as follows:

- Decide on and propose to the Board, for approval and implementation, the assessment process including determining a set of objective performance criteria for evaluating the Board's performance from year to year

- Evaluate the Board's performance and the contributions of each director to the effectiveness of the Board in accordance with the assessment process and performance criteria mentioned above

- Consider, review and recommend to the Board any new Board appointments or re-appointments of executive or non-executive directors

- Determine annually whether or not a director is independent in accordance with the guidelines on independence as set out in the Code

All the directors are subject to the provisions of the Company's Articles of Association whereby one-third of the directors are required to retire and subject themselves to re-election ("one-third rotation rule") by the shareholders at every annual general meeting ("AGM").

A newly appointed director will have to submit himself for re-election at the AGM immediately following his appointment and, thereafter, he is subjected to the one-third rotation rule.

1. BOARD MATTERS (continued)

e. Board Performance

The fiduciary responsibilities of the Board include the following:

- Conduct itself with proper due diligence and care
- Act in good faith
- Comply with applicable laws
- Act in the best interests of the Company and its shareholders at all times

In addition, the Board is charged with key responsibilities of leading the Group and setting strategic directions.

The Company holds the belief that the Group's performance and that of the Board are directly related. The Company assesses the Board's performance through its ability to steer the Group in the right direction and the support it renders to the management during difficult times. For the purpose of evaluating directors' performance, the NC takes into consideration a number of factors including the directors' attendance, participation and contributions at the main board and board committee meetings and other Company activities.

The NC uses its best efforts to ensure that directors appointed to the Board possess the necessary background, experience, skills and knowledge in management, business and finance, critical to the Group's business; and that each director is able to contribute his perspective, thus allowing effective decisions to be made. The NC conducts reviews of the Board's performance taking into account inputs from the other Board members.

f. Access to Information

The Board is provided with timely and complete information, prior to Board meetings and as and when necessary. New members are briefed on the business activities of the Group.

The Board has separate and independent access to the senior management and the Company Secretary at all times. If necessary, the Board may, in furtherance of their duties, obtain independent professional advice at the Company's expense.

The Company Secretary attends all board meetings, ensures that established procedures and regulatory requirements as well as board policies are complied with and that the directors receive appropriate training as necessary.

2. REMUNERATION MATTERS

We believe in adopting a formal and transparent procedure for fixing the remuneration packages of the directors and key management so as to ensure that the level of remuneration should be appropriate to attract, retain and motivate the directors and key management needed to run the Group's business successfully.

a. Remuneration Committee ("RC")

To achieve this formal and transparent process to evaluate the remuneration packages of the directors and key management, the RC was formed. It comprises three non-executive and independent directors. During the financial year, the RC comprised:

Professor Tan Teck Meng	Chairman
Mr Bengt Christer Olsson	Member
Mr Tan Guong Ching	Member

The RC is responsible for the following:

- Reviewing and determining appropriate adjustments as well as approving the remuneration of the non-executive directors, executive directors and senior executives.

- Administering the Company's Share Option Plan, Performance Share Plan or any other share incentive scheme implemented by the Company, and delegating the day-to-day administration of such plan or scheme to such persons as the RC deems fit. Additional information on the Share Option Plan and Performance Share Plan are set out in the Directors' Report.

- Assuming other duties (if any) that may be required of the RC under the Code, and by the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The RC meets at least once a year. In its deliberations, the RC takes into consideration industry practices and norms for remuneration packages and may also obtain independent professional advice, if necessary.

No director is involved in any discussion relating to his own remuneration, and terms and conditions of service and the review of his own performance.

All directors are paid a fixed board fee and additional fees are payable to a director for appointment as a chairman or member of a particular committee. The recommendations made by the RC in relation to such board fees are subject to approval by the shareholders at the AGM. In addition, all the directors, except Mr Ow Chio Kiat, are eligible to participate in the Share Option Plan.

2. REMUNERATION MATTERS (continued)

b. Disclosure on directors' fees and remuneration

The directors' fees and remuneration paid/payable by the Group are as follows:

	2010 $'000	2009 $'000
Directors' fees		
- Directors of the Company	193	193
- Other directors of subsidiaries	5	6
Directors' remuneration		
- Directors of the Company	1,105	1,127
- Other directors of subsidiaries	549	530
	1,852	1,856

The following table shows the composition (in percentage terms) of the remuneration of the directors for the financial year ended 31 March 2010. They are grouped in bands of $250,000.

Remuneration band	Salary %	Bonuses %	Directors' Fees %	Others %	Total Remuneration %
$750,000 to below $1,000,000					
- Ow Chio Kiat	77.5	-	5.7	16.8	100.0
$250,000 to below $500,000					
- Ow Cheo Guan	70.5	17.6	7.3	4.6	100.0
Below $250,000					
- Tan Teck Meng	-	-	100.0	-	100.0
- Bengt Christer Olsson	-	-	100.0	-	100.0
- Tan Guong Ching	-	-	100.0	-	100.0

c. Key executives and remuneration policy

The Company adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary and allowances. The variable component is in the form of a variable bonus that is linked to the Group and each individual's performance.

In addition, employees of the Group and its associated companies are eligible to participate in the Share Option Plan and Performance Share Plan. Additional information on both plans are set out in the Directors' Report.

2. REMUNERATION MATTERS (continued)

c. Key executives and remuneration policy (continued)

Information on key executives:

Name and Designation	Academic/Professional Qualifications	No. of years with the Group	Prior Working Experience
Mr Tay Lai Wat *Chief Operating Officer*	• BA (Accountancy) (University of Sterling) • Member of Institute of Chartered Accountants of Scotland	15	Group Financial Controller for First Capital Corporation Ltd
Mr Leong Weng Choy *General Manager (Ship Management)*	• Diploma in Marine Engineering (Singapore Polytechnic) • Certificate of Competency as First Class Engineer (Motorship)	26	Chief Engineer for Singa Ship Management
Ms Chew Heng Siang Christina *Group Financial Controller/Company Secretary*	• Fellow Member of The Association of Chartered Certified Accountants • MBA (University of Warwick)	12	Senior Finance Manager for the then Sembawang Group of companies
Mr Peter Pang *Fleet Quality/ Safety Manager*	• Diploma in Marine Engineering (Singapore Polytechnic) • Certificate of Competency as First Class Engineer (Motorship)	18	Superintendent for Thome Ship Management Pte Ltd
Mr Koh Chee Fai *Engineer Superintendent*	• Certificate of Competency as First Class Engine Driver (Motorship)	20	3rd Engineer for Sime Darby Pte Ltd

2. REMUNERATION MATTERS (continued)

c. Key executives and remuneration policy (continued)

Remuneration bands of the top five employees (excluding executive directors of the Company) of the Group are:

Remuneration band	2010	2009
Below $250,000	5	5

During the financial year ended 31 March 2010, no key executive was an immediate family member of any Director of the Company.

Note: Mr Ow Yew Heng (Assistant to Chief Operating Officer) is the son of Mr Ow Chio Kiat, and the nephew of Mr Ow Cheo Guan. Mr Ow Yew Heng's remuneration did not exceed $100,000, for the financial year ended 31 March 2010.

3. ACCOUNTABILITY AND AUDIT

The Audit Committee ("AC") comprises three non-executive and independent directors. Not less than two members have accounting or related financial management expertise or experience. During the financial year, the AC comprised:

Professor Tan Teck Meng	Chairman
Mr Bengt Christer Olsson	Member
Mr Tan Guong Ching	Member

The AC performs the following main functions:

- Nominates the external auditors for appointment or re-appointment and reviews the level of audit fees, cost effectiveness of the audit and the independence and objectivity of the external auditors
- Reviews the audit plans and scope of work of the internal and external auditors
- Reviews the findings of the internal and external auditors and the response from management
- Reviews the internal and external auditors' evaluation of the adequacy of the Group's system of accounting and internal controls
- Reviews any interested person transactions
- Reviews the Group's quarterly and annual results announcements and the financial statements of the Group and of the Company as well as the auditors' report thereon before they are submitted to the Board for approval

3. ACCOUNTABILITY AND AUDIT (continued)

- Reviews legal and regulatory matters that may have a material impact on the financial statements

- Reports actions and minutes of the AC to the Board

The AC is given full access to, and receives full cooperation from the management. The AC has full discretion to invite any director or management staff to attend its meetings. It is empowered to investigate any matters relating to the Group's accounting, auditing, internal controls and/or financial practices that are brought to its attention; and has full access to records, resources and personnel to enable it to discharge its functions properly and effectively.

The Group is supported by a well-established compliance and internal audit department. The Internal Auditor reports to the Chairman of the AC. He plans the internal audit schedules which includes a review of the effectiveness of the Group's material internal controls in consultation with, but independent of the management. The internal audit plans are submitted to the AC for approval at the AC's meetings.

Formal procedures are in place for the internal and external auditors to report their findings and recommendations to the management and AC. The internal and external auditors also have unrestricted access to the AC. In addition, the AC also meets with the internal and external auditors separately, at least once a year, without the presence of the management, in order to have free and unfiltered access to information that it may require.

There were no non-audit services provided by the external auditors during the financial year ended 31 March 2010.

The Group has in place a Whistle-Blower Policy and Procedure which provides guidelines and a procedure for the staff of the Group to report concerns or complaints regarding matters of suspected fraud, corruption, dishonest practices or other similar breaches regarding accounting, financial and audit matters, as well as alleged irregularities and violations of a general, operational and financial nature against the Group or against any applicable law. All employees may address their report to the Head of Internal Audit or the Chairman of the Audit Committee. Direct contact details of both the Head of Internal Audit and the Chairman of the Audit Committee were made available to all staff.

4. INTERNAL CONTROLS

The Board believes that the system of internal controls to safeguard the shareholders' investments and the Group's assets throughout the year is adequate.

a. Risk Management

The Group has identified the following key risk areas:
- Investment risk
- Operational risk
- Compliance and legal risk
- Financial risk

i. Investment risk
Investments and acquisitions are undertaken only after extensive and satisfactory due diligence work have been conducted and must be consistent with the Group's strategies in focusing on the shipping industry. All major investment proposals are carefully evaluated, must meet minimum threshold hurdles and be assessed within tolerable risks parameters and they must be submitted to the Board of Directors for approval.

ii. Operational risk
The Group's operating risk is managed at each operating unit and monitored at the Group level. As operational risk cannot be eliminated completely, the Group has to weigh the cost and benefit in managing these risks. The Group maintains sufficient insurance coverage taking into account the cost of cover and the risk profiles of the business in which it operates. The Internal Audit team complements the management's role by providing an independent perspective on the controls that help to mitigate any operational risks.

iii. Compliance and legal risk
Although the operating business units are responsible to ensure compliance with the relevant laws and regulations, the internal Legal department also assists in identifying, monitoring and providing the necessary support to manage the legal risks across the Group. Advice from external legal advisors are obtained where necessary.

iv. Financial risk
The Group's financial risk management's objectives and policies are set out in note 27 of the Notes to the Financial Statements, found on pages 72 to 77 of the Annual Report.

b. Dealings in Company's Securities

The Group has implemented appropriate guidelines on dealings in the Company's securities in compliance with the best practices as set out in Rule 1207(18) of the SGX-ST Listing Manual. Our directors and staff are expected to observe insider trading laws at all times.

5. COMMUNICATION WITH SHAREHOLDERS

The Company places great emphasis on regular, effective and open communication with our shareholders. The announcements of the Group's results and material developments are released through SGXNET to the SGX's website in a timely manner to ensure fair disclosure of information.

All shareholders receive the annual report and the notices of shareholder meetings. The notices for such meetings are also advertised in a local newspaper and made available on SGXNET. The chairpersons of the various board committees and the external auditors are invited to be present at our general meetings, to address any queries from our shareholders.

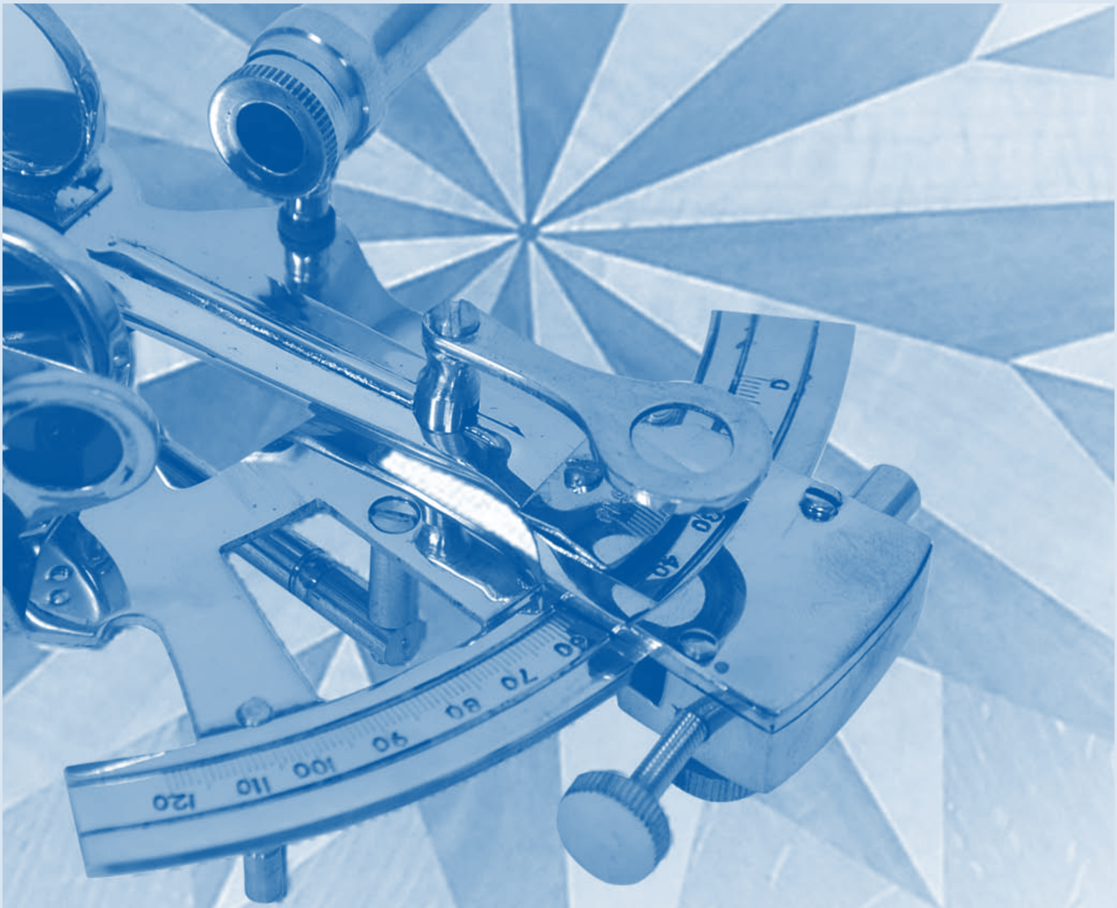
6. INTERESTED PERSON TRANSACTIONS ("IPT")

The Company has established a procedure for recording and reporting interested person transactions. Details of significant interested person transactions for the financial year ended 31 March 2010 are set out below:

Name of interested person	Aggregate value of all IPT during the financial year ended 31 March 2010 (excluding transactions below $100,000)	Aggregate value of all IPT conducted under shareholders mandate pursuant to Rule 920 (excluding transactions below $100,000)
Paid to a subsidiary of Stamford Land Corporation Ltd - Rental expense	$239,000	-

The above IPT was concluded on normal commercial terms.

There were no other material contracts or loan entered into by the Company and its subsidiaries involving the interests of the chief executive officer, directors or controlling shareholder, which are either subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.



FINANCIAL STATEMENTS

The directors present their report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2010.

DIRECTORS

The directors of the Company in office at the date of this report are as follows:

Ow Chio Kiat	(Chairman)
Ow Cheo Guan	(Deputy Chairman)
Tan Teck Meng	
Bengt Christer Olsson	
Tan Guong Ching	

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year in shares, debentures, warrants or share options in the Company, or in related corporations are as follows:

	Holdings at beginning of the year	Holdings at end of the year
Singapore Shipping Corporation Limited		
Ordinary shares		
Ow Chio Kiat		
Interests held	153,532,500	153,532,500
Deemed interests	7,340,000	7,340,000
Ow Cheo Guan		
Deemed interests	13,200,000	13,200,000
Tan Teck Meng		
Interests held	200,000	200,000

By virtue of Section 7 of the Act, Mr Ow Chio Kiat is deemed to have an interest in all the subsidiaries of the Company.

There were no changes in any of the abovementioned interests in the Company between the end of the financial year and 21 April 2010.

DIRECTORS' INTERESTS (continued)

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in note 29 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 Company 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.

SHARE OPTIONS

The Singapore Shipping Corporation Limited Share Option Plan (the Option Plan) was approved at the Company's Extraordinary General Meeting held on 30 August 2002. The Option Plan is administered by the Company's Remuneration Committee, comprising three directors, Messrs. Tan Teck Meng, Bengt Christer Olsson and Tan Guong Ching.

Other information regarding the Option Plan is set out below:

(a) The exercise price of the options may be set at:
- equal to the average of the last dealt prices of the Company's shares on the Singapore Exchange (SGX) for the three consecutive trading days immediately preceding the date of the grant of the option (the Market Price Option); or
- a discount to the market price of the Company's shares on the SGX, provided the maximum discount which may be given does not exceed twenty per cent of the market price in respect of that option (the Discounted Price Option).

(b) The Market Price Option may be exercised one year after the relevant date of grant. The Discounted Price Option may be exercised two years after the relevant date of grant.

(c) Options granted to Group executives will cease to be exercisable after the tenth anniversary of the relevant date of grant unless they have been cancelled or have lapsed prior to that date. Options granted to non-executive directors and associated companies' executives will cease to be exercisable after the fifth anniversary of the relevant date of grant unless they have been cancelled or have lapsed prior to that date.

Since the commencement of the Option Plan, no options have been granted.

There were no unissued shares of the Company or its subsidiaries under options as at the end of the financial year.

SHARE-BASED INCENTIVE

The Singapore Shipping Corporation Limited Performance Share Plan (the Performance Plan) was approved at the Company's Extraordinary General Meeting held on 30 August 2002. The Performance Plan is also administered by the Company's Remuneration Committee.

The Performance Plan is a share-based incentive to reward participants by the award of new shares (the Shares) in the Company, which are given free of charge to the participants according to the extent to which their performance targets are achieved at the end of a specified performance period.

The selection of a participant and the number of Shares granted to a participant shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account the participant's rank, job performance, years of service, potential for future development and contributions to the success and development of the Group.

Since the commencement of the Performance Plan, no Shares have been awarded.

AUDIT COMMITTEE

The members of the Audit Committee during the financial year and at the date of this report are:

Tan Teck Meng	(Chairman)
Bengt Christer Olsson	
Tan Guong Ching	

All members of the Audit Committee are non-executive directors.

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

AUDIT COMMITTEE (continued)

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Ow Chio Kiat	Ow Cheo Guan
Director	Director

Singapore
11 June 2010

Statement by Directors

for the financial year ended 31 March 2010

In our opinion:

(a) the financial statements set out on pages 33 to 83 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010, and the results, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors

Ow Chio Kiat Director	Ow Cheo Guan Director

Singapore

11 June 2010

We have audited the financial statements of Singapore Shipping Corporation Limited (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 March 2010, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 83.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion:

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 and the results, changes in equity and cash flows of the Group for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company 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.

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore

11 June 2010

Consolidated Income Statement

for the financial year ended 31 March 2010

		The Group	
	Note	2010 $'000	2009 $'000
Revenue	4	11,356	11,735
Other operating income		184	231
Depreciation expense on property, plant and equipment	11	(2,140)	(2,520)
Depreciation expense on investment properties	12	(5)	(4)
Vessel operation and crew management costs		(2,181)	(3,163)
Staff costs		(5,198)	(5,687)
Other operating expenses		(954)	(1,212)
Operating profit / (loss) before other gains		1,062	(620)
Other gains	5	739	1,925
Results from operating activities	6	1,801	1,305
Net finance income / (expense)	7	1,722	(6,654)
Exchange differences	8	(329)	943
Share of results of associated company, net of tax		828	870
Profit / (loss) before taxation		4,022	(3,536)
Taxation	9	59	37
Profit / (loss) for the year		4,081	(3,499)
Attributable to:			
Owners of the Company		4,081	(3,499)
Earnings / (loss) per share (cents):	10		
Basic		0.9	(0.8)
Diluted		0.9	(0.8)

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

Consolidated Statement of Comprehensive Income
for the financial year ended 31 March 2010

	The Group	
	2010 $'000	2009 $'000
Profit / (loss) for the year	4,081	(3,499)
Currency translation:		
- Foreign operations	(1,749)	1,451
- Realisation of currency translation reserve upon liquidation of subsidiaries	-	(618)
Net change in currency translation reserve	(1,749)	833
Net change in fair value of available-for-sale financial assets	3	(5)
Tax effect on other comprehensive income	-	-
Other comprehensive (loss) / income for the year, net of tax	(1,746)	828
Total comprehensive income / (loss)	2,335	(2,671)
Attributable to:		
Owners of the Company	2,335	(2,671)

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

Statements of Financial Position

as at 31 March 2010

	Note	The Group 2010 $'000	The Group 2009 $'000	The Company 2010 $'000	The Company 2009 $'000
Non-current assets					
Property, plant and equipment	11	8,706	18,030	-	-
Investment properties	12	159	295	-	-
Subsidiaries	13	-	-	31,796	33,165
Associated company	14	3,993	3,446	-	-
Available-for-sale financial assets	15	9	6	-	-
Other assets	16	298	329	-	-
		13,165	22,106	31,796	33,165
Current assets					
Inventories		55	244	-	-
Trade and other receivables	17	1,153	1,209	36,342	22,237
Financial assets held-for-trading	18	1,361	1,997	-	-
Cash and cash equivalents	19	54,039	46,547	17,700	25,075
		56,608	49,997	54,042	47,312
Less:					
Current liabilities					
Trade and other payables	20	1,524	1,837	28,901	27,712
Current tax payable		19	6	13	2
		1,543	1,843	28,914	27,714
Net current assets		55,065	48,154	25,128	19,598
Non-current liability					
Deferred tax liability	9	1	6	1	6
Net assets		68,229	70,254	56,923	52,757
Equity attributable to owners of the Company					
Share capital	21	44,347	44,347	44,347	44,347
Other reserves	22	(5,072)	(3,326)	-	-
Retained earnings		28,954	29,233	12,576	8,410
Total equity		68,229	70,254	56,923	52,757

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

Consolidated Statement of Changes in Equity

for the financial year ended 31 March 2010

	Note	Share capital $'000	Fair value reserve $'000	Currency tranlation reserve $'000	Retained earnings $'000	Total attributable to owners of the Company $'000
Balance at 1 April 2009		44,347	2	(3,328)	29,233	70,254
Total comprehensive income / (loss)		-	3	(1,749)	4,081	2,335
Distributions to owners						
Dividends	23	-	-	-	(4,360)	(4,360)
Balance at 31 March 2010		44,347	5	(5,077)	28,954	68,229
Balance at 1 April 2008		44,347	7	(4,161)	41,452	81,645
Total comprehensive income / (loss)		-	(5)	833	(3,499)	(2,671)
Distributions to owners						
Dividends	23	-	-	-	(8,720)	(8,720)
Balance at 31 March 2009		44,347	2	(3,328)	29,233	70,254

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

Consolidated Statement of Cash Flows

for the financial year ended 31 March 2010

	Note	2010 $'000	2009 $'000
Operating activities			
Profit / (loss) before taxation		4,022	(3,536)
Adjustments for:			
Depreciation expense on property, plant and equipment	11	2,140	2,520
Depreciation expense on investment properties	12	5	4
Loss on disposal of property, plant and equipment		314	30
Gain on disposal of an investment property	5	(1,053)	(1,307)
Realisation of currency translation reserve upon liquidation of subsidiaries	5	-	(618)
Interest income	7	(499)	(598)
Dividend income	7	(92)	(487)
Net change in fair value of disposed / outstanding financial assets held-for-trading	7	(1,131)	7,739
Net change in fair value of foreign exchange options	8	-	(809)
Share of results of associated company, net of tax		(828)	(870)
		2,878	2,068
Changes in working capital:			
Inventories		170	(87)
Trade and other receivables		(4)	(531)
Trade and other payables		(233)	(404)
Cash generated from operations		2,811	1,046
Income taxes refunded		80	49
Cash flows from operating activities		2,891	1,095

Consolidated Statement of Cash Flows

for the financial year ended 31 March 2010

	Note	2010 $'000	2009 $'000
Investing activities			
Purchase of property, plant and equipment	11	(42)	(810)
Payments for drydocking expenditure	11	-	(3,120)
Purchase of financial assets held-for-trading		(251)	-
Interest received		498	606
Dividends received from quoted equity securities		88	487
Proceeds from maturity of financial assets held-for-trading		250	2,143
Proceeds from sale of financial assets held-for-trading		1,685	12,859
Proceeds from sale of an investment property		1,184	1,430
Proceeds from sale of property, plant and equipment		5,661	-
Cash flows from investing activities		9,073	13,595
Financing activity			
Dividends paid	23	(4,360)	(8,720)
Cash flows from financing activity		(4,360)	(8,720)
Change in cash and cash equivalents		7,604	5,970
Cash and cash equivalents at beginning of the year		46,547	40,547
Effects of exchange rate fluctuations on cash and cash equivalents		(112)	30
Cash and cash equivalents at end of the year	19	54,039	46,547

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 11 June 2010.

1. DOMICILE AND ACTIVITIES

Singapore Shipping Corporation Limited (the Company) is incorporated in the Republic of Singapore and listed on the Singapore Exchange. Its registered office is at 200 Cantonment Road, #09-01 Southpoint, Singapore 089763.

The principal activity of the Company is that of investment holding. The principal activities of the Group are those relating to investment holding, ship owning and ship management.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associated companies.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRSs).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments which are stated at the fair values as disclosed in the accounting policies set out in note 3.

(c) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency). The consolidated financial statements and the statement of financial position of the Company are presented in Singapore dollars, which is the functional currency of the Company.

All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 11 - Impairment assessment, depreciation, useful lives and residual values of vessels
- Note 13 - Impairment assessment on investments in subsidiaries
- Note 17 - Impairment assessment on receivables owing by subsidiaries
- Note 28 - Valuation of financial instruments

(e) Changes in accounting policies

Starting as of 1 April 2009 on adoption of new/revised FRSs, the Group has changed its accounting policies in the following areas:

FRS 1 (revised 2008)	*Presentation of Financial Statements*
FRS 107	*Improving Disclosures about Financial Instruments*
FRS 108	*Operating Segments*

Presentation of financial statements

The Group has applied revised FRS 1 *Presentation of Financial Statements (2008)*, which became effective as of 1 January 2009. As a result, the Group presents on the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it also conforms to the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

2. BASIS OF PREPARATION (continued)

(e) Changes in accounting policies (continued)

Improving disclosures about financial instruments

The Group has adopted FRS 107 *Improving Disclosures about Financial Instruments*, which requires enhanced disclosures about fair value measurements and liquidity risk, in particular, disclosure of fair value measurements by level of a fair value measurement hierarchy.

The adoption of this amendment results in additional disclosures but does not have an impact on the accounting policies and measurement bases adopted by the Group.

Determination of operating segments

The Group has determined and presented operating segments based on the same segment information used by management internally for managing the Group's operations. This change in accounting policy is due to the adoption of FRS 108 *Operating Segments.*

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Unallocated items comprise mainly corporate assets and liabilities, income tax assets and liabilities and their related income and expense.

The Group has determined that the reportable operating segment is the same as the business segment previously identified under FRS 14 *Segment Reporting.*

Since the change in accounting policy only impacts presentation and disclosures aspects, there is no impact on the earnings per share.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2(e), which addresses changes in accounting policies.

(a) Basis of consolidation

Business combinations

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess or deficiency of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed is accounted as goodwill or negative goodwill, respectively.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill arising on the acquisition of associated companies is presented together with investments in associated companies.

Goodwill is measured at cost less impairment losses and tested for impairment as described in note 3(l). Negative goodwill is recognised immediately in the profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in associated companies

Associated companies are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 per cent of the voting power of another entity.

Associated companies are accounted for using the equity method and are recognised initially at cost. The Group's investments include goodwill identified on acquisition, net of any accumulated impairment losses. The financial statements include the Group's share of the income and expenses and equity movements of associated companies, after adjustments to align the accounting policies with those of the Group, where the amounts involved are considered significant to the Group, from the date that significant influence commences until the date that significant influence ceases.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

Investments in associated companies (continued)

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associated companies are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and associated companies by the Company

Investments in subsidiaries and associated companies are stated in the Company's statement of financial position at cost less accumulated impairment losses.

(b) Foreign currencies

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. The functional currencies of the Group entities are the Singapore dollar and United States dollar. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate ruling at that date. Foreign exchange differences arising from retranslation are recognised in the 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 and available-for-sale equity instruments, which are recognised in other comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at cost are translated into the functional currency at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currencies (continued)

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition of foreign operations, are translated to Singapore dollars at the exchange rates prevailing at the reporting date. Income and expenses of foreign operations are translated to Singapore dollars at the exchange rates prevailing at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented as currency translation reserve in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the currency translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented as currency translation reserve in equity.

(c) Revenue recognition

Revenue comprises charter hire, other shipping income and rental income. Provided it is probable that the economic benefits will flow to the Group, and that the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the following manners:

- Charter hire income is recognised on a straight-line basis over the time-duration stated in the charter hire agreement.

- Other shipping income are recognised as and when ship management and other related shipping services are rendered.

- Rental income from investment properties is recognised on a straight-line basis over the term of the leases. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Finance income / (expense)

Finance income / (expense) comprises interest income on funds invested, dividend income, gains or losses on disposal of available-for-sale financial assets and financial assets held-for-trading, and changes in the fair value of financial assets at fair value through profit or loss.

Interest income is recognised as it accrues, using the effective interest method.

Dividend income is recognised when the right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(e) Exchange differences

Exchange differences comprise net foreign currency gains or losses and net change in fair value of foreign exchange options recognised in the income statement.

The foreign currency gains and losses are, however, reported separately if they are material.

(f) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

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 the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. 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 by 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Taxation (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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.

(g) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other gains in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment 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. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment (continued)

Depreciation **(continued)**

Drydocking expenditure is capitalised when incurred and depreciated on a straight-line basis over the period to the next anticipated drydocking date.

The estimated useful lives for the current and comparative periods are as follows:

Vessels	23 and 30 years
Drydocking expenditure	2 to 3 years
Renovations, furniture and fittings	5 years
Equipment	3 to 5 years
Computers	3 years

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

(h) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses. Rental income from investment properties is accounted for in the manner described in note 3(c).

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each part of an item of investment properties. The estimated useful lives are as follows:

Freehold properties	40 years
Leasehold properties	Lease period (66 years)

No depreciation is provided on freehold land.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables, cash and cash equivalents and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Non-derivative financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and are not classified in any of the previous categories. The Group's investments in quoted equity securities, which are not held for trading or entities over which the Group does not have control, joint-control or significant influence are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented as fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in other comprehensive income and included in fair value reserve in equity is transferred to profit or loss.

(j) Derivative financial instruments

Derivative financial instruments are used to manage exposures to foreign exchange and interest rate risks arising from operational, financing and investment activities. These derivative financial instruments do not qualify for hedge accounting and as such, they are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value and the attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are recognised immediately in profit or loss.

(k) Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

All individually significant financial assets are assessed for specific impairment. Financial assets that are not individually significant are collectively assessed for impairment in groups that share similar credit risk characteristics.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of financial assets (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment loss in respect of an available-for-sale equity security is calculated by reference to its current fair value. Impairment losses on available-for-sale equity security are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity to profit or loss. The cumulative loss that is removed from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Any subsequent recovery in the fair value of impaired available-for-sale equity security is recognised in other comprehensive income.

(l) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss 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 loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associated company is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associated company is tested for impairment as a single asset when there is objective evidence that the investment in an associated company may be impaired.

(m) Inventories

Inventories, which comprise consumable stores, are valued at cost of purchase (including cost incurred in bringing the inventories to their present location and condition) on a first-in first-out basis less any applicable allowance for obsolescence. When inventories are consumed, the carrying amount of these consumable stores is recognised as an expense in the period in which the consumption occurs.

(n) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Non-derivative financial liabilities (continued)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group's non-derivative financial liabilities comprise trade and other payables.

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.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(p) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or employees' entitlements to annual leave when they accrue to employees, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Employee benefits (continued)

Share-based payments

(i) Share options

The share option programme allows certain employees of the Group and associated companies to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. At each reporting date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee expense and in a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transactions costs are credited to share capital when the options are exercised.

(ii) Performance share plan

An initial estimate is made for the cost of compensation under the Company's performance share plan based on the number of shares expected to be awarded at the end of the performance period, valued at market price at the date of the grant of the award. The cost is charged to profit or loss on a basis that fairly reflects the manner in which the benefits will accrue to the employee under the plan over the service period to which the performance criteria relate.

At each reporting date, the compensation cost is remeasured based on the latest estimate of the number of shares that will be awarded based on non-market vesting conditions. Any increase or decrease in compensation cost over the previous estimate is recorded in that reporting period.

The final measure of compensation cost is based on the number of shares ultimately awarded at the date the performance criteria are met.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Accounting for leases

Operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

Where the Group has assets subject to operating leases, income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(r) Intra-group financial guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(s) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(t) Key management personnel

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Board of Directors of the Group and the senior management team are considered as key management personnel of the Group.

(u) Government grants – Jobs Credit Scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised upon receipt. Such grants are provided to defray the wage costs incurred by the Group and are offset against staff costs in the financial statements.

4. REVENUE

	The Group	
	2010 $'000	2009 $'000
Charter hire income	11,101	11,565
Ship management related services	211	74
Rental income	44	96
	11,356	11,735

5. OTHER GAINS

	The Group	
	2010 $'000	2009 $'000
Gain on disposal of an investment property	1,053	1,307
Loss on disposal of a vessel	(314)	-
Realisation of currency translation reserve upon liquidation of subsidiaries	-	618
	739	1,925

6. RESULTS FROM OPERATING ACTIVITIES

The following items have been included in arriving at results from operating activities:

	The Group	
	2010 $'000	2009 $'000
Contributions to defined contribution plans, included in staff costs	174	199
Jobs credits offset against staff costs	(77)	(25)
Non-audit fees paid to auditors of the Company	-	5
Operating lease expense	239	245

7. NET FINANCE INCOME / (EXPENSE)

	The Group	
	2010 $'000	2009 $'000
Interest income on deposits with banks	496	504
Interest income on security notes	3	-
Interest income on equity linked notes	-	94
Dividend income from quoted equity securities	92	487
Net change in fair value of disposed / outstanding financial assets held-for-trading	1,131	(7,739)
	1,722	(6,654)

8. EXCHANGE DIFFERENCES

	The Group	
	2010 $'000	2009 $'000
Net change in fair value of foreign exchange options	-	809
Net exchange (loss) / gain	(329)	134
	(329)	943

9. TAXATION

	The Group	
	2010 $'000	2009 $'000
Current tax (credit) / expense		
- Current year	20	6
- Over provision in prior years	(87)	(49)
	(67)	(43)
Deferred tax (credit) / expense		
- Reversal of deferred tax asset	9	-
- Utilisation of deferred tax asset	4	-
- Movements in temporary differences	(5)	6
Income tax credit	(59)	(37)
Reconciliation of tax charge:		
Profit / (loss) before taxation	4,022	(3,536)
Tax calculated using Singapore tax rate of 17% (2009: 17%)	684	(601)
Singapore statutory stepped income exemption	(20)	(8)
Income not subject to tax	(931)	(1,208)
Expenses not deductible for tax purposes	62	51
Over provision in prior years	(87)	(49)
Reversal of deferred tax asset	9	-
Tax benefit on tax losses not recognised	224	1,778
	(59)	(37)

9. TAXATION (continued)

Movements in deferred tax asset and liabilities of the Group (prior to offsetting of balances) during the financial year are as follows:

	At 1 April 2008 $'000	Credited / (charged) to income statement $'000	At 31 March 2009 $'000	Credited / (charged) to income statement $'000	At 31 March 2010 $'000
Deferred tax liabilities					
Property, plant and equipment	(15)	6	(9)	7	(2)
Interest income not remitted	(1,051)	1,038	(13)	3	(10)
	(1,066)	1,044	(22)	10	(12)
Deferred tax asset					
Tax value of losses carry-forwards	1,079	(1,050)	29	(18)	11

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the statements of financial position as follows:

	The Group		The Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Deferred tax asset (note 16)	-	13	-	-
Deferred tax liability	(1)	(6)	(1)	(6)
	(1)	7	(1)	(6)

The tax losses are subject to agreement by the tax authorities. Deferred tax asset is recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. In assessing the probability of future taxable profits available for utilisation of the tax benefits, management has considered profit forecasts based on certain assumptions which may change.

9. TAXATION (continued)

As at 31 March 2010, certain subsidiaries of the Group have unutilised tax losses of approximately $18,675,000 (2009: $17,362,000). The unutilised tax losses are available for carry forward and set off against future taxable profits subject to agreement by the Comptroller of Income Tax and compliance with the relevant provisions of the Income Tax Act. Of these unutilised tax losses, deferred tax asset amounting to $3,175,000 (2009: $2,939,000) have not been recognised in the financial statements because it is not probable that future taxable profits will be available against which the aforementioned subsidiaries can utilise the benefits arising therefrom.

10. EARNINGS / (LOSS) PER SHARE

	The Group	
	2010 $'000	**2009 $'000**
Basic and diluted earnings / (loss) per share is based on:		
Profit / (loss) attributable to owners of the Company	4,081	(3,499)
Weighted average number of ordinary shares in issue for basic and diluted earnings / (loss) per share ('000)	436,017	436,017

Basic and diluted earnings / (loss) per share is calculated by dividing the profit / (loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Vessels $'000	Drydocking expenditure $'000	Renovations, furniture and fittings $'000	Equipment and computers $'000	Total $'000
Cost					
At 1 April 2008	82,006	2,246	227	827	85,306
Currency translation differences	8,263	99	-	48	8,410
Additions	805	3,120	2	3	3,930
Disposals	(515)	(2,345)	-	(15)	(2,875)
At 31 March 2009	90,559	3,120	229	863	94,771
Currency translation differences	(6,636)	(245)	-	(37)	(6,918)
Additions	-	-	-	42	42
Disposals	(23,690)	(6)	-	(230)	(23,926)
At 31 March 2010	60,233	2,869	229	638	63,969
Accumulated depreciation					
At 1 April 2008	67,370	1,815	60	798	70,043
Currency translation differences	6,842	133	-	48	7,023
Depreciation charge	1,035	1,435	32	18	2,520
Disposals	(487)	(2,345)	-	(13)	(2,845)
At 31 March 2009	74,760	1,038	92	851	76,741
Currency translation differences	(5,531)	(99)	-	(37)	(5,667)
Depreciation charge	926	1,171	29	14	2,140
Disposals	(17,715)	(6)	-	(230)	(17,951)
At 31 March 2010	52,440	2,104	121	598	55,263
Carrying amount					
At 1 April 2008	14,636	431	167	29	15,263
At 31 March 2009	15,799	2,082	137	12	18,030
At 31 March 2010	7,793	765	108	40	8,706

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment assessment

Each of the Group's vessels is a separate cash-generating unit. Under the Group's formal impairment assessment of its vessels, the recoverable amount for each vessel is determined based on value-in-use calculation.

The recoverable amounts were derived from value-in-use calculations using discounted cash flow projections which are based on contractual cash flows arising from charter of the vessels over the lease term. These cash flows take into account contractual charter rates, management's assessment of projected off-hire periods; and expectations for market development which are supported by the Group's historical experience and past observable data. The cash flows are then discounted at rates determined using the appropriate cost of capital which approximates the specific risks relating to the vessels.

Based on management's assessment, no impairment loss has been identified.

Depreciation, useful lives and residual values of vessels

The Group reviews the estimated useful lives of the vessels regularly in order to determine the amount of depreciation expense to be recorded for each financial year. Changes in the expected level of use of the vessels could impact the economic useful lives and the residual values of the vessels. Any changes in the economic useful lives and the residual values could impact the depreciation charges and consequently affect the Group's results. The residual values are reviewed at each reporting date, with any changes in estimates accounted for as a change in estimate and therefore prospectively.

The residual values of the vessels for the purpose of calculating the annual depreciation expense for the year is estimated using the long-range average scrap steel price in United States dollars per light displacement ton less estimated costs of disposal of a complete vessel with all normal machinery and equipment on board.

Drydocking costs are amortised on a straight-line basis over the period to the next anticipated drydocking date. The Group reviews the conditions of the vessels operated by them and together with the Group's historical experience with similar vessels and the relevant regulations governing the vessels, the Group determines the next anticipated drydocking date of each individual vessel. Any changes to the next anticipated drydocking date could impact the amortisation and consequently affect the Group's results. The next anticipated drydocking date is reviewed at each reporting date.

12. INVESTMENT PROPERTIES

The Group	Freehold land and properties $'000	Leasehold properties $'000	Total $'000
Cost			
At 1 April 2008	780	310	1,090
Disposal	(375)	-	(375)
At 31 March 2009	405	310	715
Disposal	(405)	-	(405)
At 31 March 2010	-	310	310
Accumulated depreciation			
At 1 April 2008	525	143	668
Depreciation charge	1	3	4
Disposal	(252)	-	(252)
At 31 March 2009	274	146	420
Depreciation charge	-	5	5
Disposal	(274)	-	(274)
At 31 March 2010	-	151	151
Carrying value			
At 1 April 2008	255	167	422
At 31 March 2009	131	164	295
At 31 March 2010	-	159	159

12. INVESTMENT PROPERTIES (continued)

The Group's leasehold properties as at 31 March 2010 comprise:

Location	Description	Title	Floor area
Singapore Shopping Centre	Two shop units	Leasehold	84 sq.m.

As at 31 March 2010, the fair value of the investment properties was approximately $774,000 (2009: $2,015,000). The decrease in fair value was mainly due to the disposal of one property during the year. The valuation was carried out by independent professional valuers. The valuation was derived after taking into consideration factors such as the location, age, floor area, tenure, orientation, standard of finishes and sales of comparable properties in the vicinity and in similar locations.

The rental income earned and direct operating expenses incurred by the Group on its investment properties amount to approximately $44,000 (2009: $96,000) and $15,000 (2009: $31,000) respectively.

13. SUBSIDIARIES

	The Company	
	2010 $'000	**2009 $'000**
Unquoted equity shares, at cost	32,996	34,165
Less: Impairment loss	(1,200)	(1,000)
	31,796	33,165

The investments in subsidiaries are tested for impairment when a subsidiary is in a net liabilities position or has suffered continual operating losses or has any other known impairment indicators. This test requires significant judgment.

Based on this assessment, an impairment loss has been recognised in respect of the investment in one of the subsidiaries.

13. SUBSIDIARIES (continued)

The change in impairment loss in respect of the investment in a subsidiary during the year is as follows:

	The Company	
	2010 $'000	2009 $'000
Balance at beginning of the year	1,000	-
Addition during the year	200	1,000
Balance at end of the year	1,200	1,000

Owing to the loss suffered by the subsidiary, impairment indicators continue to exist. The additional impairment loss is caused by a decrease in the recoverable amount estimated using fair value less costs to sell. The net assets of the subsidiary, which comprise mainly current monetary assets and liabilities approximate the fair value less costs to sell.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective equity held by the Group	
		2010 %	2009 %
Ow Brothers Pte Ltd	Singapore	100	100
Seatrade Ship Management Pte Ltd	Singapore	100	100
Singapore Ship Technologies Ltd [a]	British Virgin Islands	100	-
SSC Carriers Pte Ltd	Singapore	100	100
SSC Investments (Pte) Limited	Singapore	100	100
SSC Pisces Pte. Ltd.	Singapore	100	100
SSC Ship Management Pte Ltd	Singapore	100	100
SSC Shipping (S) Pte Ltd [b]	Singapore	-	100

(a) Not required to be audited by the laws of the country of incorporation
(b) Liquidated during the financial year

All the subsidiaries are audited by KPMG LLP, except for the subsidiaries that are not required to be audited by the laws of the country of incorporation or were liquidated during the financial year.

14. ASSOCIATED COMPANY

	The Group		The Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Unquoted equity shares, at cost*	-	-	-	-
Group's share of post-acquisition profits and reserves, net of dividends received	3,993	3,446	-	-
	3,993	3,446	-	-

* Cost is below $1,000.

Details of the associated company are as follows:

Name of associated company	Country of incorporation	Effective equity held by the Group	
		2010 %	2009 %
MOB Cougar Pte Ltd	Singapore	30	30

The associated company is audited by KPMG LLP.

The summarised financial information relating to the associated company is not adjusted for the percentage of ownership held by the Group. The financial information of the associated company is as follows:

	2010 $'000	2009 $'000
Results		
Revenue	6,683	11,269
Profit after taxation	2,762	2,901
Assets and liabilities		
Total assets	20,831	28,923
Total liabilities	7,519	17,436

The contingent liability of the associated company is set out in note 31(b).

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group	
	2010 $'000	2009 $'000
Quoted equity securities, available-for-sale	9	6

16. OTHER ASSETS

	The Group	
	2010 $'000	2009 $'000
Deferred tax asset (note 9)	-	13
Club memberships	298	316
	298	329

17. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Trade receivables	5	7	-	-
Due from related parties (trade)	4	1	-	-
Due from subsidiaries (non- trade)	-	-	46,623	31,206
Less: Impairment loss	-	-	(10,300)	(9,000)
	-	-	36,323	22,206
Deposits	60	64	-	-
Accrued interest receivable	59	58	8	22
Sundry debtors	847	741	-	-
Loans and receivables	975	871	36,331	22,228
Advances	4	25	3	1
Prepayments	174	313	8	8
	1,153	1,209	36,342	22,237

17. TRADE AND OTHER RECEIVABLES (continued)

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Related parties refer to subsidiaries of the companies with a substantial shareholder in common with the Company.

Impairment loss

The non-trade amounts due from subsidiaries are tested for impairment when a subsidiary records a net liabilities position or has suffered continual operating losses. This test requires significant judgment.

Based on this assessment, an impairment loss has been recognised in respect of a non-trade amount due from a subsidiary.

The change in impairment loss in respect of non-trade receivables during the year is as follows:

	The Company	
	2010 $'000	**2009 $'000**
Balance at beginning of the year	9,000	4,000
Addition during the year	1,300	9,000
Impairment loss utilised	-	(4,000)
Balance at end of the year	10,300	9,000

18. FINANCIAL ASSETS HELD-FOR-TRADING

	The Group	
	2010 $'000	**2009 $'000**
Equity linked notes	-	396
Quoted equity securities	1,361	1,601
	1,361	1,997

Interest income from the Group's investment in equity linked notes in previous financial year was generated only when the market prices of the underlying equity securities are above the agreed strike prices. At 31 March 2009, the market prices of the underlying equity securities associated with the outstanding equity linked notes were below the agreed strike prices.

19. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Cash at bank and in hand	513	1,655	67	1,103
Fixed deposits	53,526	44,892	17,633	23,972
	54,039	46,547	17,700	25,075

As at reporting date, the weighted average effective interest rate per annum is as follows:

	The Group		The Company	
	2010 %	2009 %	2010 %	2009 %
Fixed deposits	0.67	1.50	0.45	1.34

Interest rates are repriced at intervals of one to seven months.

20. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Trade payables	401	135	-	-
Due to related parties (trade)	2	3	-	-
Due to subsidiaries (non-trade)	-	-	28,518	27,332
Sundry creditors	40	39	39	39
Accrued operating expenses	943	1,508	344	341
Financial liabilities at amortised cost	1,386	1,685	28,901	27,712
Advance receipts from customers	138	152	-	-
	1,524	1,837	28,901	27,712

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Related parties refer to subsidiaries of a company with a substantial shareholder in common with the Company.

21. SHARE CAPITAL

Ordinary shares

	The Company '000
Number of shares at 1 April 2008 and 31 March 2009	436,017
Number of shares at 1 April 2009 and 31 March 2010	436,017

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

The Board's policy is to have a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group defines capital to include funds raised through the issuance of ordinary share capital and all components of equity. The Group manages its capital to ensure entities in the Group will be able to continue as a going concern while maximising the return to shareholders through optimisation of the debt and equity balance. The Group actively reviews its capital structure and considers the cost of capital and the risks associated with each class of capital. As at 31 March 2010, the Group had no outstanding debt exposure. The Group balances its overall capital structure through the payment of dividends, return of capital to shareholders, new share issues as well as the issue of new debt or the redemption of existing debt.

There were no changes in the Group's approach to capital management during the year.

The Group's ship-owning subsidiaries are subject to externally imposed capital requirements as required under Regulation 7 of the Merchant Shipping Act (Chapter 179). These companies have complied with the requirements during the financial year.

22. OTHER RESERVES

	Note	The Group 2010 $'000	The Group 2009 $'000
Fair value reserve	(a)	5	2
Currency translation reserve	(b)	(5,077)	(3,328)
		(5,072)	(3,326)

(a) Fair value reserve
The fair value reserve comprises the cumulative net changes in the fair value of available-for-sale financial assets.

(b) Currency translation reserve
The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

23. DIVIDENDS

	The Company 2010 $'000	The Company 2009 $'000
Dividends paid		
In respect of financial year ended 31 March 2008		
- Final one-tier tax exempt dividend of 2 cents per share	-	8,720
In respect of financial year ended 31 March 2009		
- Final one-tier tax exempt dividend of 1 cent per share	4,360	-
	4,360	8,720

For the financial year ended 31 March 2010, the directors have proposed a final one-tier tax exempt dividend of 1 cent per share amounting to approximately $4,360,000. The financial statements do not reflect this dividend payable, which will be accounted for in the shareholders' equity as an appropriation of the retained earnings in the financial year ending 31 March 2011.

24. SHARE OPTIONS

The Singapore Shipping Corporation Limited Share Option Plan (the Option Plan) was approved at the Company's Extraordinary General Meeting held on 30 August 2002. The Company's Remuneration Committee, comprising Messrs. Tan Teck Meng, Bengt Christer Olsson and Tan Guong Ching, administers the Option Plan.

Other information regarding the Option Plan is set out below:

(a) The exercise price of the options may be set at :
- equal to the average of the last dealt prices of the Company's shares on the Singapore Exchange (SGX) for the three consecutive trading days immediately preceding the date of the grant of the option (the Market Price Option); or
- a discount to the market price of the Company's shares on the SGX, provided the maximum discount which may be given does not exceed twenty per cent of the market price in respect of that option (the Discounted Price Option).

(b) The Market Price Option may be exercised one year after the relevant date of grant. The Discounted Price Option may be exercised two years after the relevant date of grant.

(c) Options granted to Group executives will cease to be exercisable after the tenth anniversary of the relevant date of grant unless they have been cancelled or have lapsed prior to that date. Options granted to non-executive directors and associated companies' executives will cease to be exercisable after the fifth anniversary of the relevant date of grant unless they have been cancelled or have lapsed prior to that date.

Since the commencement of the Option Plan, no options have been granted.

25. SHARE-BASED INCENTIVE

The Singapore Shipping Corporation Limited Performance Share Plan (the Performance Plan) was approved at the Company's Extraordinary General Meeting held on 30 August 2002. The Performance Plan is also administered by the Company's Remuneration Committee.

The Performance Plan is a share-based incentive to reward participants by the award of new shares (the Shares) in the Company, which are given free of charge to the participants according to the extent to which their performance targets are achieved at the end of a specified performance period.

The selection of a participant and the number of Shares granted to a participant shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account the participant's rank, job performance, years of service, potential for future development and contributions to the success and development of the Group.

Since the commencement of the Performance Plan, no Shares have been awarded.

26. SEGMENT INFORMATION

(a) Operating segments

The Group is principally engaged in ship owning and ship management. The assets, liabilities and capital expenditure of the Group are employed in this sole operating segment.

(b) Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the country of domicile of the customers.

As the Group's vessels are deployed by the customers to various parts of the world, the Directors do not consider it meaningful to allocate the assets and capital expenditure to specific geographical segments.

	The Group	
	2010 $'000	2009 $'000
Revenue by geographical segment		
Singapore	255	170
Japan	11,101	11,565
	11,356	11,735

(c) Information about major customers

Revenue from one major customer amounted to $11,101,000 (2009: $11,565,000) arising from chartering of vessels.

27. FINANCIAL RISK MANAGEMENT

(a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing these risks. The Group's management of capital is set out in note 21. Further quantitative disclosures are included throughout these consolidated financial statements.

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Overview (continued)

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and cash equivalents and financial assets held-for-trading.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the statement of financial position.

Trade and other receivables

The Group has in place policies to ensure that services are rendered to customers with an appropriate credit history and rating. At the reporting date, the Group's charter income is derived and concentrated in one customer but there was no outstanding receivable from this customer.

Cash and cash equivalents

The Group places its cash and fixed deposits with banks and financial institutions which are regulated, to limit its credit exposure.

Financial assets held-for-trading and derivative instruments

The Group limits its credit risk by investing in liquid securities of well established companies; purchases equity linked notes, structured deposits from and deals in foreign exchange options with banks and financial institutions which are regulated and have sound credit rating.

27. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. This is achieved through monitoring the cash flow requirements closely and optimising its cash return on investments.

The following are the contractual maturities of financial liabilities:

	Carrying amount $'000	Contractual cash flows $'000	12 months or less $'000
The Group			
2010			
Trade payables	403	(403)	(403)
Other payables	40	(40)	(40)
Accrued operating expenses	943	(943)	(943)
	1,386	(1,386)	(1,386)
2009			
Trade payables	138	(138)	(138)
Other payables	39	(39)	(39)
Accrued operating expenses	1,508	(1,508)	(1,508)
	1,685	(1,685)	(1,685)
The Company			
2010			
Other payables	28,557	(28,557)	(28,557)
Accrued operating expenses	344	(344)	(344)
	28,901	(28,901)	(28,901)
2009			
Other payables	27,371	(27,371)	(27,371)
Accrued operating expenses	341	(341)	(341)
	27,712	(27,712)	(27,712)

27. FINANCIAL RISK MANAGEMENT (continued)

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices 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, while optimising the return on risk.

The Group is exposed to market risk and the risk of changes in the fair value of the investments held. The Group manages the risk by evaluating the investment opportunities, continuously monitoring the performance of the investments held and assessing the market risk relevant to which the investment operates.

Foreign currency risk

The Group is exposed to foreign currency risk on transactions denominated in foreign currencies arising from normal trading and investment activities. The currencies giving rise to this risk are primarily the United States dollar and Japanese Yen.

The Group maintains a natural hedge whenever possible, by borrowing in currencies that match the future revenue stream to be generated from its assets. The Group also regularly reviews its exposure to foreign currency risk and manages it by entering into foreign exchange options and/or forward exchange contracts where applicable.

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

	2010		2009	
	US dollar $'000	Japanese Yen $'000	US dollar $'000	Japanese Yen $'000
The Group				
Trade and other receivables	761	-	734	-
Financial assets held-for-trading	552	-	346	-
Cash and cash equivalents	15,707	-	1,522	195
Trade and other payables	(262)	(116)	(347)	(260)
Net exposure	16,758	(116)	2,255	(65)
The Company				
Trade and other receivables	350	-	772	-
Cash and cash equivalents	15,584	-	1,284	195
Trade and other payables	(1,187)	-	-	-
Net exposure	14,747	-	2,056	195

27. FINANCIAL RISK MANAGEMENT (continued)

(d) Market risk (continued)

Foreign currency risk (continued)

The significant exchange rates applied during the year are as follows:

	Average rate		Reporting date mid-spot rate	
Singapore dollar	2010 $	2009 $	2010 $	2009 $
1 US dollar	1.4219	1.4416	1.4005	1.5203
1 Japanese Yen	0.01538	0.01445	0.01501	0.01546

- **Sensitivity analysis**

  Financial instruments

  A 5% strengthening of Singapore dollar against the following currencies as at the reporting date would increase / (decrease) currency translation reserve and earnings by the amounts shown below.

	The Group		The Company
	Currency translation reserve $'000	Earnings $'000	Earnings $'000
2010			
US dollar	(25)	(813)	(737)
Japanese Yen	-	6	-
	(25)	(807)	(737)
2009			
US dollar	(25)	(88)	(103)
Japanese Yen	-	3	(10)
	(25)	(85)	(113)

A 5% weakening of Singapore dollar against the above currencies as at the reporting date would have had the equal but opposite effect on the above currencies to the amounts shown above.

The above analyses assume all other variables, in particular interest rates, remain constant.

27. FINANCIAL RISK MANAGEMENT (continued)

(d) Market risk (continued)

Foreign currency risk (continued)

Management is of the view that the above sensitivity analysis may not be representative of the inherent foreign currency risk as year end exposure may not reflect the actual exposure and circumstances during the year.

Interest rate risk

The Group's investments in interest-earning financial assets are exposed to a risk of change in cash flows due to changes in interest rates. The Group does not hedge against its interest rate risk.

- ***Sensitivity analysis***

  If interest rates on fixed deposits had been 50 basis points higher, against the rates at the reporting date, with all other variables held constant, it would increase the Group's earnings by approximately $44,000 (2009: $19,000).

  A drop by 50 basis points against the fixed deposits' interest rates at the reporting date would decrease the Group's earnings by approximately $41,000 (2009: $19,000), on the basis that all other variables remain constant.

  Management is of the view that the above sensitivity analysis may not be representative of the inherent interest rate risk as year end exposure may not reflect the actual exposure and circumstances during the year.

Equity security price risk

Equity security price risk is the risk of changes in cash flows and fair value of the Group's investments due to changes in the underlying equity security prices. The risk is concentrated in the Group's investments in equity securities.

- ***Sensitivity analysis***

  A 10% (2009: 10%) increase in the price of equity securities at the reporting date would increase the Group's earnings by approximately $136,000 (2009: $160,000) and increase the Group's fair value reserve by approximately $1,000 (2009: $1,000). A 10% (2009: 10%) decrease in the price of equity securities would have an equal but opposite effect.

  The above analyses assume all other variables remain constant.

  Management is of the view that the above sensitivity analyses may not be representative of the inherent equity security price risk as year end exposure may not reflect the actual exposure and circumstances during the year.

28. ESTIMATION OF FAIR VALUES

(a) Fair value hierarchy

The Group determines the fair value of its financial assets and liabilities using various measurements. The different levels of fair value measurements are as follows:

Level 1 Quoted prices (unadjusted) for identical assets and liabilities

Level 2 Inputs other than quoted prices within Level 1 that are observable market data either directly (i.e. as prices), or indirectly (i.e. derived from observable market data); and

Level 3 Inputs for the valuation that are not based on observable market data.

(b) Investments in quoted equity securities

The fair value of quoted equity securities is determined by reference to their quoted bid prices at the reporting date without any deduction for transaction costs.

The fair value of the Group's quoted equity securities falls under Level 1.

(c) Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

Key management personnel compensation

Compensation paid and payable to the key management personnel are as follows:

	The Group	
	2010	**2009**
	$'000	**$'000**
Directors of the Company		
Directors fees	193	193
Short-term employee benefits	1,099	1,119
Post-employment benefits – contributions to defined contribution plans	6	8
	1,298	1,320
Senior management team		
Fees paid to other directors of subsidiaries	5	6
Short-term employee benefits	841	861
Post-employment benefits – contributions to defined contribution plans	31	38
	877	905
Total	2,175	2,225

Other related party transactions

Other than disclosed elsewhere in the financial statements, transactions which took place between the Group and related parties during the financial year on terms agreed by the parties concerned are as follows:

	Management and <-----service fees----->		Rental
	Received and receivable	**Paid and payable**	**Paid and payable**
	$'000	**$'000**	**$'000**
2010			
Associated company	3	-	-
Related parties	113	(110)	(239)
2009			
Associated company	3	-	-
Related parties	113	(116)	(245)

Related parties refer to companies and their subsidiaries with a substantial shareholder in common with the Company.

30. COMMITMENTS

(a) Operating leases

As lessor

The future minimum lease payments to be received under non-cancellable lease agreements for vessels and investment properties are as follows:

	The Group	
	2010 $'000	**2009 $'000**
Within 1 year	6,210	13,029
After 1 year but within 5 years	2,394	7,504
	8,604	20,533

The Group leases out its vessels and investment properties under operating leases. The leases typically run for initial periods of one to five years, with options to renew the leases after that date.

(b) Capital commitment

On 10 March 2010, a wholly-owned subsidiary of the Group entered into a Memorandum of Agreement to purchase a vessel for US$50,000,000 (2009: Nil).

On 31 March 2010, the aforementioned subsidiary accepted bank facilities comprising bank loan facilities (bearing floating interest rates) of up to US$35,000,000 to finance the purchase of the vessel, interest rate swap facility of up to US$35,000,000 and foreign exchange facility of up to US$10,000,000.

The subsidiary took delivery of the vessel on 23 April 2010.

31. CONTINGENT LIABILITIES

(a) The Company has given counter indemnities amounting to approximately $2,217,000 (2009: $5,719,000) to a shareholder of an associated company who had given undertakings to issue letters of guarantees. The letters of undertaking were given in respect of a long-term loan and an uncommitted short-term loan facilities granted to an associated company. At 31 March 2010, the Company's share of facilities utilised was approximately $1,158,000 (2009: $3,931,000).

(b) On 24 July 2006, an associated company's vessel encountered a ship distress. As a consequence, a claim was filed on 5 February 2007, against the associated company (in which the Group has 30% interest) and the charterer of the vessel.

The charterer and their insurers are handling and co-ordinating the defence on behalf of all parties. To the Group's knowledge, in the event the claim against the charterer's protection and indemnity insurance fails, the associated company may have to claim against its protection and indemnity insurance, which carries a deductible of US$250,000.

The ultimate outcome of the matter cannot be reasonably determined presently and no provision for any liability that may result has been made in the associated company's or the Group's financial statements.

32. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group has not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

FRS 24 (revised 2010)	*Related Party Disclosures*
Amendments to FRS 32	*Financial Instruments: Presentation – Classification of Rights Issues*
Amendments to FRS 39	*Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
Revised FRS 101	*First-time adoption of FRS (improved structure)*
Amendments to FRS 101	*Amendments relating to additional exemptions for First-time Adopters*
Amendments to FRS 102	*Share-based Payment – Group Cash-settled Share-based Payment transactions*
FRS 103 (revised)	*Business Combinations and FRS 27 (revised) Separate and Consolidated Financial Statements*
Improvements to FRSs 2009	
Amendments to INT FRS 114	*Amendments relating to the Prepayment of a Minimum Funding Requirement*
INT FRS 117	*Distributions of Non-cash Assets to Owners*
INT FRS 119	*Extinguishing Financial Liabilities with Equity Instruments*

The amendments to FRS 102 on group cash-settled share-based payment transactions will become effective for the Company's financial statements for the year ending 31 March 2012. The amendments require an entity receiving goods or services in either an equity-settled or a cash-settled share-based payment transaction to account for the transaction in its separate or individual financial statements. The application of these amendments is not expected to have any significant impact on the Company's financial statements.

FRS 103 (revised 2009) and FRS 27 (amended) will become effective for the Group's financial statements for the year ending 31 March 2011. FRS 103 (revised 2009) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. The amendments will mainly impact the accounting for transaction costs, step acquisitions, goodwill and non-controlling interests (NCI) (previously minority interests). The revised FRS 103 will be applied prospectively and therefore there will be no impact on prior periods in the Group's financial statements for the year ending 31 March 2011.

32. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (continued)

The amended FRS 27 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in the profit or loss. The amendments will be applied prospectively to transactions with NCI and therefore there will be no impact on prior periods in the Group's financial statements for the year ending 31 March 2011.

Improvements to FRSs 2009 will become effective for the Group's financial statements for the year ending 31 March 2011 and 31 March 2012. Improvements to FRS 2009 contain amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement and disclosure purposes. The Group is in the process of assessing the impact of these amendments.

Other than the changes arising from FRS 103, FRS 27 and Improvements to FRS 2009, the initial application of the above standards (including their consequential amendments) and interpretations are not expected to have any material impact on the Group's financial statements.

The Group has not considered the impact of accounting standards issued after the balance sheet date.

Shareholding Statistics
as at 16 June 2010

Number of Shares in Issue	:	436,016,591
Number of Shareholders	:	9,912
Class of Shares	:	Ordinary Shares
Treasury Shares	:	NIL
Voting rights	:	One vote per share

BREAKDOWN OF SHAREHOLDINGS BY RANGE

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1 - 999	147	1.48	56,877	0.01
1,000 - 10,000	6,161	62.16	33,369,594	7.66
10,001 - 1,000,000	3,582	36.14	155,099,446	35.57
1,000,001 and above	22	0.22	247,490,674	56.76
TOTAL	**9,912**	**100.00**	**436,016,591**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital
1	OW CHIO KIAT	153,532,500	35.21
2	UNITED OVERSEAS BANK NOMINEES PTE LTD	14,210,000	3.26
3	TAN GIM TEE HOLDINGS PTE LTD	13,200,000	3.03
4	DBS NOMINEES PTE LTD	13,049,250	2.99
5	CHU SIEW HOONG CHRISTOPHER	11,170,000	2.56
6	HT OFFSHORE PTE. LTD.	8,000,000	1.84
7	HAI SUN HUP GROUP PTE LTD	6,200,000	1.42
8	OCBC NOMINEES SINGAPORE PTE LTD	5,838,000	1.34
9	CITIBANK NOMINEES SINGAPORE PTE LTD	4,647,250	1.07
10	DAIICHI CHUO KISEN KAISHA	2,500,000	0.57
11	KIM ENG SECURITIES PTE. LTD.	1,986,000	0.46
12	PHILLIP SECURITIES PTE LTD	1,626,500	0.37
13	OW WEIQUAN	1,365,000	0.31
14	KHONG LAI CHEONG	1,286,000	0.30
15	HONG LEONG FINANCE NOMINEES PTE LTD	1,194,000	0.27
16	RAFFLES NOMINEES (PTE) LTD	1,183,000	0.27
17	TAN YONG CHIANG OR TAN HUI LIANG	1,119,000	0.26
18	YAP HOCK BENG	1,105,000	0.25
19	ANG JWEE HERNG	1,102,000	0.25
20	WONG KIM SOON	1,100,000	0.25
TOTAL		**245,413,500**	**56.28**

Shareholding Statistics
as at 16 June 2010

SUBSTANTIAL SHAREHOLDER

	Direct Interest		Deemed Interest		Total	
	No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital
Ow Chio Kiat	153,532,500	35.21	7,340,000*	1.68	160,872,500	36.89

*Mr Ow Chio Kiat is deemed to have an interest in the shares owned by (a) his spouse, Madam Lim Siew Feng (1,015,000 shares); (b) Hai Sun Hup Group Pte Ltd (6,200,000 shares); and (c) Maritime Properties Pte Ltd (125,000 shares).

PUBLIC FLOAT

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited requires that at least 10% of the total number of issued shares (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. Based on information available to the Company as at 16 June 2010, approximately 59.59 % of the issued ordinary shares of the Company was held by the public and therefore, Rule 723 of the Listing Manual has been complied with.

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of Singapore Shipping Corporation Limited (the "Company") will be held at 10 Hoe Chiang Road #21-01 Keppel Towers Singapore 089315 on Thursday, 29 July 2010 at 10:30 a.m. to transact the following business:

ORDINARY BUSINESS

Resolution 1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2010 and the Directors' Report and Auditors' Report thereon.

Resolution 2. To declare a final dividend (one-tier tax exempt) of 1.0 cent per ordinary share for the financial year ended 31 March 2010.

Resolution 3. To approve the payment of Directors' Fees of $190,000 for the financial year ended 31 March 2010.

Resolution 4. To re-elect Mr Ow Chio Kiat, who is retiring in accordance with Article 91 of the Articles of Association of the Company, as a Director.

Resolution 5. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as ordinary resolutions:

Resolution 6. That authority be and is hereby given to the Directors to:

(a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares 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 shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution), does not exceed 50% of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Ltd ("SGX-ST") for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the number of issued shares in the capital of the Company at the time this Resolution is passed, and adjusting for: (1) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and (2) any subsequent bonus issue, consolidation or subdivision of shares;

(iii) in exercising the authority conferred by this Resolution, the Company 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) and the Articles of Association for the time being of the Company; and

(iv) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Note: This Resolution, if passed, authorises the Directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued shares in the capital of the Company, with a sub-limit of 20% for issues other than on a pro rata basis to shareholders.

Resolution 7. That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the "Singapore Shipping Corporation Limited Share Option Plan" (the "Share Option Plan") and to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of the options under the Share Option Plan, provided that the aggregate number of shares to be issued pursuant to the Share Option Plan and the Performance Share Plan (as defined below) shall not exceed 15% of the total issued share capital of the Company from time to time.

Resolution 8. That the Directors of the Company be and are hereby authorised to grant awards ("Awards") of fully paid-up shares in accordance with the provisions of the "Singapore Shipping Corporation Limited Performance Share Plan" (the "Performance Share Plan") and to allot and issue from time to time such number of fully paid-up shares as may be required to be issued pursuant to the vesting of Awards under the Performance Share Plan, provided that the aggregate number of shares to be issued pursuant to the Share Option Plan and the Performance Share Plan shall not exceed 15% of the total issued share capital of the Company from time to time.

OTHER BUSINESS

To transact any other business that may be transacted at an Annual General Meeting of the Company.

NOTICE IS ALSO HEREBY GIVEN that the Share Transfer Books, Register of Members of the Company will be closed on 6 August 2010 for the preparation of dividend warrants. Duly completed registrable transfers received by the Company's Registrar, M & C Services Private Limited of 138 Robinson Road, #17-00, The Corporate Office, Singapore 068906, up to the close of business at 5:00 p.m. on 5 August 2010 will be registered to determine the shareholders' entitlement to the proposed dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to such holders of shares in accordance with its practice.

If approved, the proposed dividend will be paid on 25 August 2010.

BY ORDER OF THE BOARD

CHEW HENG SIANG CHRISTINA
COMPANY SECRETARY

Singapore
14 July 2010

Notes:

A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.

The instrument appointing a proxy must be deposited at the registered office of the Company at 200 Cantonment Road, #09-01, Southpoint, Singapore 089763 not less than 48 hours before the time appointed for holding the Meeting.

Proxy Form

SINGAPORE SHIPPING CORPORATION LIMITED
Company Registration No: 198801332G
(Incorporated in the Republic of Singapore)

IMPORTANT: FOR CPF INVESTORS ONLY

1. This Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the meeting as Observers have to submit their requests through their respective Agent Banks so that their Agent Banks may register with the Company's Registrar (please see Note No. 7 on the reverse).

I/We ______________________________

of ______________________________

being a member/members of the abovementioned Company, hereby appoint

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (please delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

as my/our proxy/proxies, to vote for me/us and on my/our behalf and, if necessary to demand a poll, at the 22nd Annual General Meeting of the Company to be held at 10 Hoe Chiang Road #21-01 Keppel Towers Singapore 089315 on Thursday, 29 July 2010 at 10:30 a.m and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated below. In the absence of specific directions, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Annual General Meeting. The authority includes the right to demand or to join in demanding a poll and to vote on a poll.

Ordinary Resolutions	For*	Against*
1. Adoption of Directors' Report and Audited Financial Statements		
2. Declaration of Dividend		
3. Approval of Directors' Fees of $190,000		
4. Re-election of Mr Ow Chio Kiat as Director		
5. Re-appointment of KPMG LLP as Auditors		
6. Authority to issue shares		
7. Authority to grant options and issue shares arising from the exercise of such options under the Share Option Plan		
8. Authority to grant Awards and issue fully paid-up shares upon the vesting of such Awards under the Performance Share Plan		

* Please indicate your vote "For" or "Against" with a tick "✓" in the box provided.

Dated this ___________ day of ___________________ 2010

Total Number of Shares held	

____
Signature(s) or Common Seal of Member(s)

Important: Please read the notes on the overleaf.

2nd fold here

Affix
Postage Stamp

The Company Secretary
Singapore Shipping Corporation Limited
200 Cantonment Road
#09-01Southpoint
Singapore 089763

1st fold here

NOTES

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. To be effective, the instrument appointing a proxy or proxies must be completed and deposited at the registered office of the Company at 200 Cantonment Road, #09-01, Southpoint, Singapore 089763 not less than 48 hours before the time appointed for the meeting.

5. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

7. Agent Banks acting on the request of the CPF Investors who wish to attend the meeting as Observers are requested to submit in writing, a list with details of the investors' names, NRIC/passport numbers, addresses and number of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company's Registrar at least 48 hours before the time fixed for holding the meeting.

GENERAL

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged, if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Singapore Shipping Corporation Limited

200 Cantonment Road, #09-01 Southpoint, Singapore 089763
Tel 65 6220 4906 Fax 65 6236 6252
www.singaporeshipping.com.sg
Company Registration No. 198801332G