

Miscellaneous

* Asterisks denote mandatory information

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Name of Announcer *	SINGAPORE PETROLEUM CO LTD
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Announcement submitted on behalf of	SINGAPORE PETROLEUM CO LTD
Announcement is submitted with respect to *	SINGAPORE PETROLEUM CO LTD
Announcement is submitted by *	Helen Chong (Mrs)
Designation *	Company Secretary
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	Notice of Annual General Meeting/Closure of Books of Singapore Petroleum Company Limited
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Description

Attachments:

 [AppendicestoAGMNotice2008.pdf](#)

 [AGMNotice09042008.pdf](#)

Total size = **567K**

(2048K size limit recommended)

NOTICE OF ANNUAL GENERAL MEETING/CLOSURE OF BOOKS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of the Company will be held in the Olivia Room, Level Four, Raffles City Convention Centre, Singapore 178882 on 23 April 2008 at 3 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 31 December 2007. **Resolution 1**
2. To declare a final tax exempt one-tier dividend of 40 cents per share for the financial year ended 31 December 2007 (2006: 35 cents per share). **Resolution 2**
3. To approve Directors' Fees of \$264,000 for the year ended 31 December 2007 (2006: \$264,000). **Resolution 3**
4. To re-elect the following Directors each of whom will retire pursuant to Article 109 of the Company's Articles of Association and who, being eligible, will offer themselves for re-election:
 - (a) Mr Koh Ban Heng **Resolution 4(a)**
 - (b) Mr Geoffrey John King **Resolution 4(b)**
 - (c) Dr Chin Wei-Li, Audrey Marie **Resolution 4(c)**
5. To re-elect Mr Bertie Cheng Shao Shiong who, having attained the age of 70 years after the date of the last Annual General Meeting will retire pursuant to Section 153(2) of the Companies Act (Cap. 50) (the "**Companies Act**") and who, being eligible, will offer himself for re-election pursuant to Section 153(6), to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **Resolution 5**
6. To re-appoint Auditors and authorise the Directors to fix their remuneration. **Resolution 6**

AS SPECIAL BUSINESS

To consider and, if thought fit, to approve, with or without modification, the following resolutions as Ordinary Resolutions:

7. That:
 - (a) for the purposes of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
 - (i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or
 - (ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise in accordance with all other provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

- (b) unless revoked or varied by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
 - (ii) the date on which the share buybacks are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buyback Mandate is revoked or varied;
- (c) in this Resolution:

“Prescribed Limit” means ten per cent of the total number of issued Shares excluding treasury shares as at the date of the last Annual General Meeting or at the date of the passing of this Ordinary Resolution whichever is higher unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares that may be held by the Company from time to time); and

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105 per cent of the Average Closing Price;
- (ii) in the case of an Off-Market Purchase: 120 per cent of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five market days (a “market day” being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, in the case of Market Purchases, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period, or in the case of Off-Market Purchases, before the Day of the Making of the Offer (as hereinafter defined) pursuant to the Off-Market Purchase;

“Relevant Period” means the period commencing from the date on which the last Annual General Meeting was held and expiring on the date the next Annual General Meeting is held or is required by law to be held, whichever is the earlier, after the date of this Ordinary Resolution; and

“Day of the Making of the Offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

8. That authority be and is hereby given to the Directors of the Company to:

Resolution 8

- (a) issue Shares (as defined in Resolution 7 above) in the capital of the Company whether by way of rights, bonus or otherwise, including any capitalisation pursuant to Article 151 of the Company's Articles of Association of any sum for the time being standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or
- (b) 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 (notwithstanding that the authority so 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 the authority 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 and including Shares which may be issued pursuant to any adjustments effected under any relevant Instrument), does not exceed 50 per cent of the total number of issued Shares excluding treasury 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 existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution and including Shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 20 per cent of the total number of issued Shares excluding treasury shares in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) For the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of total number of issued Shares excluding treasury shares in the capital of the Company shall be calculated based on the total number of issued Shares excluding treasury shares in the capital of the Company as at the date of the passing of this Resolution after adjusting for:
 - (aa) new Shares arising from the conversion or exercise of convertible securities or employee share options on issue as at the date of the passing of this Resolution; and
 - (bb) any subsequent consolidation or sub-division of Shares;
- (iii) in exercising the power to make or grant Instruments (including the making of any adjustments under the relevant Instrument), 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 is required by law to be held whichever is the earlier.

9. (a) That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the SPC Share Option Scheme 2000 and/or to grant awards in accordance with the provisions of the SPC Restricted Share Plan and/or the SPC Performance Share Plan; and
- (b) That approval be and is hereby given to the Directors to exercise full powers of the Company to issue, allot or otherwise dispose of Shares in the capital of the Company as may be required to be issued, allotted or disposed, in connection with or pursuant to the exercise of the options granted under the SPC Share Option Scheme 2000 and/or such number of Shares as may be required to be issued or allotted pursuant to the vesting of awards under the SPC Restricted Share Plan and/or the SPC Performance Share Plan;

Resolution 9

Provided that the aggregate number of Shares to be issued and allotted pursuant to the SPC Share Option Scheme 2000, the SPC Restricted Share Plan and the SPC Performance Share Plan shall not exceed 15 per cent of the total number of issued Shares excluding treasury shares in the capital of the Company from time to time.

10. (a) That approval be and is hereby given, for the purposes of Chapter 9 of the listing manual ("**Chapter 9**") of the SGX-ST, for the Company, its subsidiaries and target associated companies or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions, as set out in the Company's Circular to Shareholders dated 30 May 1997 (the "**Circular**") and as amended by shareholders' resolutions on 21 June 1999 and 14 May 2003 (collectively the "**Updates to the Circular**"), with any party who is of the class of Interested Persons described in the Circular as amended by the Updates to the Circular, provided that such transactions are carried out in the ordinary course of business, on normal commercial terms and in accordance with the guidelines and review procedures for Interested Person Transactions as set out in the Circular and amended by the Updates to the Circular (the "**Shareholders' Mandate**");
- (b) the Shareholders' Mandate shall, unless revoked or varied by the Company in general meeting, 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 is required by law to be held whichever is the earlier; and
- (c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders' Mandate and/or this Resolution.

Resolution 10

11. To transact such other business which can be transacted at an Annual General Meeting.

Resolution 11

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed from 5 p.m., 29 to 30 April 2008, both days inclusive, for the preparation of dividend warrants. Duly completed transfers received by the Company's registrar, Boardroom Corporate & Advisory Services Pte Ltd, 3 Church Street #08-01, Samsung Hub, Singapore 049483, up to the close of business at 5 p.m. on 29 April 2008 will be registered to determine shareholders' entitlement to the proposed dividend. The proposed final tax exempt one-tier dividend if approved at the Annual General Meeting will be paid on 12 May 2008.

BY ORDER OF THE BOARD

Two handwritten signatures in black ink. The first signature is 'Chong' and the second is 'Lee Seok Hian'.

HELEN CHONG/LEE SEOK HIAN
Secretaries
Singapore, 9 April 2008

Note:

A member of the Company is entitled to appoint a proxy to attend the meeting and vote in his stead. 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, 1 Maritime Square #10-10, HarbourFront Centre, Singapore 099253, not less than 48 hours before the time appointed for holding the Annual General Meeting. Members intending to deposit their instrument appointing a proxy on Saturdays, Sundays or after office hours, will have to deposit the same in the Company's mail box located next to Lift Lobby A on the ground floor of HarbourFront Centre.

Explanatory Notes on:**Special Business:**

Ordinary Resolution No. 2, relates to the proposal for the payment of a final total tax exempt one-tier dividend of 40 cents per share (further to the interim tax exempt one-tier dividend of 20 cents per share paid to shareholders on 22 August 2007).

Ordinary Resolution Nos. 4 and 5, relating to the retirement and re-election of Directors, details and information of these Directors may be found in the Board and Directors section in the Company's Annual Report.

Ordinary Resolution No. 7 is to renew the Share Buyback Mandate, which was originally approved by the shareholders on 26 April 2006. Please refer to Appendix 1 to this Notice of Annual General Meeting for details.

Ordinary Resolution No. 8 if passed, will empower the Directors from the date of the Annual General Meeting until the date of the next Annual General Meeting to issue further Shares and Instruments in the Company, including a bonus or rights issue. The maximum number of Shares, which the Directors may issue under this Resolution shall not exceed the quantum set out in the Resolution.

Ordinary Resolution No. 9 if passed, will empower the Directors to take certain actions relating to the SPC Restricted Share Plan, the SPC Performance Share Plan and the SPC Share Option Scheme 2000. Directors may exercise their power to issue and allot Shares in the Company pursuant to the aforesaid grant or release of share awards and/or exercise of options, provided that the aggregate number of Shares to be issued and allotted shall not exceed 15 per cent of the total number of issued Shares excluding treasury shares in the capital of the Company from time to time. This authority is in addition to the general authority to issue Shares sought under Ordinary Resolution No. 8.

Ordinary Resolution No. 10 if passed, will renew the mandate given by shareholders to the Company on 23 June 1997 (last amended on 14 May 2003 and approved on 25 April 2007) to allow the Company and its subsidiaries and target associated companies to enter into transactions with Interested Persons as defined in Chapter 9 of the listing manual of the SGX-ST. Please refer to Appendix 2 to this Notice of Annual General Meeting for details.

The Singapore Exchange Securities Trading Limited (“SGX-ST”) assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in these Appendices.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.



SINGAPORE PETROLEUM COMPANY LIMITED

(Company Registration No: 196900291N)
(Incorporated in the Republic of Singapore)

**APPENDICES TO THE
NOTICE OF ANNUAL GENERAL MEETING
DATED 9 APRIL 2008**

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RENEWAL OF SHARE BUYBACK MANDATE

1. BACKGROUND

- 1.1 At the extraordinary general meeting of Singapore Petroleum Company Limited (the “**Company**” or “**SPC**”) held on 26 April 2006 (the “**2006 EGM**”), Shareholders had approved the grant of a share buyback mandate to enable the Company to purchase or otherwise acquire the Shares (as defined under section 8 below) (the “**Original Share Buyback Mandate**”).

The rationale for the authority and limitations on, and the financial effects of, the Original Share Buyback Mandate was set out in the Company’s Circular to Shareholders dated 4 April 2006.

- 1.2 The Original Share Buyback Mandate was renewed on 25 April 2007 (the “**2007 Mandate**”), and the 2007 Mandate will expire on the date of the forthcoming annual general meeting (“**2008 AGM**”) of the Company, scheduled to be held on 23 April 2008. The directors of the Company (the “**Directors**”) propose that the 2007 Mandate be renewed at the 2008 AGM in terms of Ordinary Resolution No. 7 to be proposed at the 2008 AGM (the “**Share Buyback Mandate**”).
- 1.3 The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Appendix.

2. DETAILS OF THE SHARE BUYBACK MANDATE

2.1 Shareholders’ Approval

Approval is being sought from Shareholders at the 2008 AGM for a renewed general and unconditional Share Buyback Mandate for the purchase by the Company of its issued Shares. If approved, the Share Buyback Mandate will take effect from the date of the 2008 AGM and continue in force until the date of the next annual general meeting (“**AGM**”) or such date as the next AGM is required by law to be held, whichever is the earlier (the “**Relevant Period**”), unless prior thereto, share buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting. The Share Buyback Mandate may be put to Shareholders for renewal at each subsequent AGM.

2.2 Rationale

The Directors constantly seek to increase Shareholders’ value. The Share Buyback Mandate will allow the Directors to optimise the share capital structure of the Company and its subsidiaries (the “**Group**”) as well as provide flexibility to purchase Shares.

If and when circumstances permit, the Directors will decide whether to effect the share purchases *via* Market Purchases or Off-Market Purchases (as respectively defined under sections 2.3(3a) and 2.3(3b) below), after taking into account, the prevailing market conditions and the most cost-effective and efficient approach.

2.3 Authority and Limits on the Share Buyback Mandate

The authority and limitations placed on purchases of Shares by the Company under the Share Buyback Mandate, if renewed at the 2008 AGM, are substantially the same as previously approved by Shareholders and are summarised below:

(1) Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased by the Company. The total number of Shares that may be purchased is limited to that number of Shares representing not more than ten per cent of the total number of Shares of the Company ascertained as at the date of the Last General Meeting or as at the date of the 2008 AGM at which the renewal of the Share Buyback Mandate is approved, whichever is the higher, unless the Company has effected a reduction of the issued share capital of the Company in accordance with the applicable provisions of the Companies Act (as defined under section 8 below), at any time during the Relevant Period, in which event the total number of issued Shares of the Company shall be taken to be the total number of the issued Shares of the Company as altered excluding any treasury shares that may be held by the Company from time to time. For purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares will be disregarded.

(2) Duration of Authority

Purchases of Shares may be made, at any time and from time to time, from the date of the 2008 AGM at which the renewal of the Share Buyback Mandate is approved up to the earlier of:

- (a) the date on which the next AGM is held or required by law to be held, whichever is the earlier;
- (b) the date on which the share buybacks are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buyback Mandate is revoked or varied.

(3) Manner of Purchase of Shares

Purchases of Shares may be made by way of, *inter alia*:

- (a) an on-market share buyback effected on the SGX-ST through the Central Limit Order Book (CLOB) trading system ("**Market Purchase**"); and/or
- (b) an off-market share buyback (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme as may be determined or formulated by the Directors as they may consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act and the listing rules of the SGX-ST (the "**Listing Rules**") set out in the Listing Manual of the SGX-ST ("**Off-Market Purchase**").

(4) Off-Market Purchase

Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (a) offers for the purchase or acquisition of issued Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their issued Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and

- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

Pursuant to the Listing Rules, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptances;
- (cc) the reasons for the proposed share buyback;
- (dd) the consequences, if any, of share buybacks by the Company that will arise under the Take-over Code (as defined under section 8 below) or other applicable take-over rules;
- (ee) whether the share buyback, if made, would have any effect on the listing of the Shares on the SGX-ST; and
- (ff) details of any share buyback made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases.

(5) Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share must not exceed:

- (a) in the case of a Market Purchase, 105 per cent of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120 per cent of the Average Closing Price (as defined hereinafter),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five Market Days (as defined under section 8 below), on which transactions in the Shares were recorded, in the case of Market Purchases, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period, or in the case of Off-Market Purchases, before the Day of the Making of the Offer pursuant to the Off-Market Purchase; and

“**Day of the Making of the Offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares

Cancellation of Shares

Any Share which is purchased by the Company shall, unless held as treasury shares to the extent permitted under the Companies Act (as set out below), be deemed cancelled immediately on purchase, and all rights and privileges attached to that Share expire on cancellation. All Shares purchased by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase.

Treasury Shares

Pursuant to the Companies Act, as amended by the Companies (Amendment) Act 2005 of Singapore, Shares which have been repurchased may be held as treasury shares. Treasury shares may be, *inter alia*, sold for cash, transferred for the purposes of or pursuant to an employee share option scheme, transferred as consideration for the acquisition of shares in or assets of another company or assets of another person, cancelled, or sold, transferred or otherwise used for such other purposes as may be prescribed by the Minister for Finance.

As the Company only has one class of Shares, the aggregate number of Shares that may be held as treasury shares shall not at any time exceed ten per cent of the total number of Shares of the Company at that time.

The treasury shares will not confer upon the Company any right to attend or vote at meetings, nor any right to receive dividends and/or other distributions (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up). The allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed as long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5 Source of Funds

The Company may use internal resources and/or external borrowings to finance purchases of its Shares pursuant to the Share Buyback Mandate. The Directors do not propose to carry out purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company.

The Maximum Price for Market Purchase and Off-Market Purchase is to be determined in accordance with section 2.3(5) above.

2.6 Reporting Requirements under the Companies Act

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Accounting and Corporate Regulatory Authority.

The Company shall notify the Accounting and Corporate Regulatory Authority within 30 days of a purchase of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchases, including the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase of Shares, the amount of consideration paid by the Company for the purchases, and whether the Shares are purchased out of the profits or the capital of the Company.

2.7 Listing Manual

Under the Listing Manual of the SGX-ST (the “**Listing Manual**”), a listed company may purchase shares by way of Market Purchases at a price per share which is not more than five per cent above the average closing market price, being the average of the closing market prices of the shares over the last five Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in section 4.2 below, conforms to this restriction.

Additionally, the Listing Manual also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement shall include details of the total number of shares authorised for purchase, the date of purchase, prices paid for the total number of shares purchased, the purchase price per share or (in the case of Market Purchases) the purchase price per share or the highest price and lowest price per share and the number of issued shares after purchase, in the form prescribed under the Listing Manual.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase of Shares pursuant to the Share Buyback Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Directors until such price-sensitive information has been publicly announced.

In particular, in line with the Company’s best practices guide on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period of:

- (aa) one month immediately preceding the announcement of the Company’s annual (full year) results; and
- (bb) two weeks immediately preceding the announcement of the Company’s quarterly and interim (half-year) results.

2.8 Listing Status

The Company is required under Rule 723 of the Listing Manual to ensure that at least ten per cent of its Shares are in the hands of the public. The “public”, as defined under the Listing Manual, are persons other than the directors, chief executive officer and substantial shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Rules) of such persons.

As at the Latest Practicable Date (as defined under section 8 below), there are 278,689,160 Shares in the hands of the public, representing 54.00 per cent of the issued Shares of the Company (based on 516,115,257 issued Shares). In undertaking any purchase of its Shares through Market Purchases, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that the share buyback(s) will not:

- (a) adversely affect the listing status of the Shares on the SGX-ST;
- (b) cause market illiquidity; or
- (c) adversely affect the orderly trading of Shares.

2.9 Implications under the Take-over Code

Pursuant to Appendix 2 of the Take-over Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a share buyback by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**").

Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30 per cent or more or, if they, together holding between 30 per cent and 50 per cent of the Company's voting rights, increase their voting rights in the Company by more than one per cent in any period of six months.

Persons acting in concert comprise individuals or companies, who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert:

- (a) a company with any of its directors; and
- (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of at least 20 per cent but not more than 50 per cent of the equity share capital of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders of the Company (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30 per cent or more or, if the voting rights of such Directors and their concert parties fall between 30 per cent and 50 per cent of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by one per cent in any period of six months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make an offer under Rule 14 if, as a result of the Company buying back its own Shares, the voting rights of such Shareholder would increase to 30 per cent or more, or, if such Shareholder holds between 30 per cent and 50 per cent of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution to approve the renewal of the Share Buyback Mandate.

2.9.1 Concert Parties of Keppel Oil and Gas Services Pte Ltd

Keppel Oil and Gas Services Pte Ltd ("**Keppel Oil and Gas**") holds 234,522,797 Shares representing 45.44 per cent of the issued share capital of the Company as at the Latest Practicable Date (based on 516,115,257 issued Shares excluding 203,100 treasury shares). Keppel Oil and Gas is a wholly-owned subsidiary of Keppel Corporation Limited ("**KCL**"). Keppel Oil and Gas and KCL are therefore presumed to be concert parties under the Take-over Code. As KCL is an associated company of Temasek Holdings (Private) Limited ("**Temasek**"), Temasek is also presumed to be a concert party of KCL and its subsidiaries (the "**Keppel Group**") under the Take-over Code.

Based on the declaration of Temasek, DBS Group Holdings Limited (“**DBS**”) (through its asset management group companies) has a deemed interest in 1,364,000 Shares representing 0.26 per cent of the issued share capital of the Company as at the Latest Practicable Date (DBS and its subsidiaries are collectively referred to as the “**DBS Group**”). As DBS is an associated company of Temasek, Temasek is presumed to be a concert party of the DBS Group, and consequently the DBS Group is also presumed a concert party of the Keppel Group with respect to the Company under the Take-over Code.

In the event that the Company should, pursuant to the renewal of the Share Buyback Mandate, purchase or acquire up to ten per cent of its issued Shares, the holding of the Keppel Group in the issued Shares could increase by more than one per cent in any period of six months. Under the Take-over Code, the Keppel Group and its concert parties would incur a mandatory take-over obligation for the issued Shares not owned by them.

Messrs Choo Chiau Beng and Teo Soon Hoe are senior executive directors of KCL. Mr Cheng Hong Kok is a director of Keppel Oil and Gas. They are all regarded as non-independent Directors on the Board of Directors of the Company. Dr Chin Wei-Li, Audrey Marie is regarded an independent Director of the Company, as well as an independent director of K-Reit Asia Management Ltd. Messrs Choo Chiau Beng, Teo Soon Hoe, Cheng Hong Kok, and Dr Chin Wei-Li, Audrey Marie are collectively known as the “**Common Directors**”. None of the other Directors of the Company are nominees of the Keppel Group, the DBS Group or Temasek. As the Common Directors are also directors of the relevant entity within the Keppel Group, they are also presumed to be acting in concert with the relevant entity of the Keppel Group for the purpose of Appendix 2 of the Take-over Code.

2.9.2 SIC Rulings

The Company has obtained the following rulings from the Security Industry Council (the “**SIC**”):

(a) Keppel Group and Temasek Group of Companies

The SIC has ruled that the presumption that the Keppel Group on the one hand and (i) the DBS Group and (ii) Temasek and its subsidiaries and associated companies (other than the Keppel Group, but include the DBS Group) (collectively, the “**Temasek Group of Companies**”) on the other hand, by virtue of KCL and DBS all being Temasek’s associated companies, are acting in concert with each other with respect to the Company is rebutted.

Accordingly:

- (i) the shareholdings of the Keppel Group in the Company will not be aggregated with the present and future holdings of the Shares of the Temasek Group of Companies for the purposes of Rule 14 of the Take-over Code; and
- (ii) the Keppel Group and its concert parties will be exempted from making a general offer for the Company under Rule 14 and Appendix 2 of the Take-over Code as a result of an increase in the Keppel Group’s interests in the issued Shares of more than one per cent in any six-month period arising from the purchases by the Company of its issued Shares under the Share Buyback Mandate.

(b) Keppel Group and its concert parties

The Company has sought a ruling from SIC in relation to the obligation of the Keppel Group and its concert parties to make a take-over offer under Rule 14 of the Take-over Code in respect of any share buybacks undertaken by the Company.

SIC has ruled that the Keppel Group and its concert parties will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code in the event that their shareholdings should increase by more than one per cent within any six-month period arising from any share buybacks undertaken by the Company. However, SIC has exempted the Keppel Group and its concert parties from having to make such a take-over offer subject to the following conditions being complied:

- (i) this Appendix contains advice to the effect that by voting for the renewal of the Share Buyback Mandate, Shareholders are waiving their rights to a general offer at the required price from the Keppel Group and its concert parties;
- (ii) the resolution to renew the Share Buyback Mandate is approved by a majority of those Shareholders present and voting at the 2008 AGM on a poll who could not become obliged to make an offer as a result of the renewal of the share buyback;
- (iii) the Keppel Group and its concert parties shall abstain from voting for the resolution to renew the Share Buyback Mandate;
- (iv) the Common Directors and/or their concert parties shall abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the renewal of the Share Buyback Mandate; and
- (v) the Keppel Group and its concert parties shall not have acquired and shall not acquire any Shares between the date on which they know that the announcement of the renewal of the share buyback is imminent and the earlier of:
 - (aa) the date on which the Share Buyback Mandate expires; and
 - (bb) the date on which the Company announces it has bought back such number of Shares as authorised by Shareholders at the latest general meeting or when the Company has decided to cease buying back its Shares, as the case may be, if such acquisitions, taken together with the Shares purchased or acquired by the Company pursuant to the Share Buyback Mandate, would cause their aggregate voting rights to increase by more than one per cent in the preceding six months.

If the Company ceases to buy back its Shares and the aggregate voting rights held by the Keppel Group and its concert parties at the time of cessation is 30 per cent or more, the Keppel Group and its concert parties will incur a general offer obligation for the Company if they acquire additional voting rights (other than as a result of the Company's share buyback) amounting to more than one per cent within any six-month period.

(c) The Common Directors

Under the Take-over Code, the Common Directors would be presumed to be acting in concert with the relevant entity within the Keppel Group. The SIC has ruled that such presumption is rebutted and accordingly the shareholdings (present and future) of the Common Directors, if any, will not be aggregated with the shareholdings of the Keppel Group and its concert parties for the purposes of Rule 14 of the Take-over Code.

(d) The Other Directors

The SIC has also confirmed that the Directors other than the Common Directors are not, and are not deemed to be, acting in concert with the Keppel Group.

2.9.3 Voting rights of the Keppel Group and its concert parties before and after share purchase

Based on the direct holdings of Shares of Keppel Oil and Gas as at the Latest Practicable Date, and assuming that:

- (a) there is no change in its direct holdings of Shares between the Latest Practicable Date and the date of the 2008 AGM;
- (b) no new Shares are issued to Keppel Oil and Gas by the Company following approval being received from Shareholders at the 2008 AGM for the renewal of the Share Buyback Mandate; and
- (c) Keppel Oil and Gas does not sell or otherwise dispose of its holdings of Shares, the holding of Shares of Keppel Oil and Gas as at the date of the 2008 AGM and after the purchase by the Company of an aggregate ten per cent of the issued Shares pursuant to the renewal of the Share Buyback Mandate are as follows:

	← As at Date of 2008 AGM →		← After Maximum Share Buyback →	
	No. of Shares	% of total issued Shares	No. of Shares	% of total issued Shares
Keppel Oil and Gas	234,522,797	45.44 ⁽¹⁾	234,522,797	50.47 ⁽²⁾

Notes:

- (1) Percentage is based on 516,115,257 issued Shares (i.e. 516,318,357 issued Shares less 203,100 treasury shares, which represent 0.04 per cent of the total issued Shares of the Company).
- (2) Percentage is based on 464,686,521 issued Shares (i.e. 516,318,357 issued Shares less 51,631,836 treasury shares, which represent ten per cent of the total issued Shares of the Company).

Shareholders are advised to consult their professional advisers and/or the SIC at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.

2.9.4 Advice to Shareholders

Shareholders should therefore note that by voting for the renewal of the Share Buyback Mandate, they are waiving their rights to a take-over offer by the Keppel Group and its concert parties in the circumstances set out above. Such take-over offer, if required to be made and had not been exempted by SIC, would have to be made in cash or be accompanied by a cash alternative at not less than the highest price (excluding stamp duty and commission) paid by the Keppel Group and its concert parties for any Shares within the preceding six months.

Save as disclosed, the Directors are not aware of any other fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the proposed renewal of the Share Buyback Mandate.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the renewal of the Share Buyback Mandate are advised to consult their professional advisers and/or the SIC before they acquire any Shares in the Company during the period when the Share Buyback Mandate is in force.

Further details of the interests of the Directors and substantial Shareholders of the Company in the Shares of the Company as at the Latest Practicable Date are set out in section 3 below.

2.10 Details of Shares Bought by the Company in the Previous 12 Months

The details of the share buybacks made by the Company in the previous 12 months prior to the Latest Practicable Date are as follows:

- the total number of Shares purchased was 1,598,000 (including 186,000 treasury shares). All such Shares were acquired by way of Market Purchases;
- the highest and lowest price paid for such share purchases were \$5.50 and \$4.90 respectively; and
- the total consideration paid by the Company for such share purchases was \$7,590,226.64.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The Directors who have an interest in the issued Shares of the Company as at the Latest Practicable Date are as follows:

Directors	Direct ⁽¹⁾		Deemed	
	No. of Shares	% of total issued Shares ⁽²⁾	No. of Shares	% of total issued Shares ⁽²⁾
Choo Chiau Beng	58,000	0.0112	250,000	0.0484
Koh Ban Heng	615,300	0.1192	150,000	0.0291
Bertie Cheng Shao Shiong	9,500	0.0018	125,500	0.0243
Geoffrey John King	—	—	89,000	0.0172
Timothy Ong Teck Mong	43,000	0.0083	—	—
Chin Wei-Li, Audrey Marie	—	—	38,000	0.0074
Goon Kok-Loon	47,000	0.0091	—	—
Teo Soon Hoe	20,000	0.0039	—	—
Cheng Hong Kok	94,000	0.0182	—	—

Notes:

- Details of the Directors' deemed interest in the Shares arising from their outstanding Options (as defined under section 8 below) granted pursuant to the Singapore Petroleum Company Share Option Scheme 2000 ("SPC SOS 2000"), and awards ("Awards") granted pursuant to the Singapore Petroleum Company Performance Share Plan ("SPC PSP") and/or Singapore Petroleum Company Restricted Share Plan ("SPC RSP") are disclosed in the table below.
- Percentages are based on 516,115,257 issued Shares as at the Latest Practicable Date which excludes 203,100 treasury shares.

The interests of the Directors in Shares comprised in outstanding Options and Awards as at the Latest Practicable Date are as follows:

Directors	No. of Shares comprised in outstanding Options	No. of Shares comprised in outstanding Awards
Choo Chiau Beng	—	—
Koh Ban Heng	—	525,000 ⁽¹⁾
Bertie Cheng Shao Shiong	—	—
Geoffrey John King	—	—
Timothy Ong Teck Mong	—	—
Chin Wei-Li, Audrey Marie	—	—
Goon Kok-Loon	—	—
Teo Soon Hoe	—	—
Cheng Hong Kok	—	—

Note:

- Contingent interest of up to an aggregate 525,000 Shares granted under the SPC RSP and the SPC PSP, subject to certain pre-determined performance criteria and other terms and conditions being met.

The interests of the Company's substantial Shareholders (other than the Directors) in the issued Shares of the Company as at the Latest Practicable Date are as follows:

Substantial Shareholders	Direct		Deemed	
	No. of Shares	% of total issued Shares ⁽³⁾	No. of Shares	% of total issued Shares ⁽³⁾
Keppel Oil and Gas Services Pte Ltd ⁽¹⁾	234,522,797	45.44	—	—
Keppel Corporation Limited ⁽¹⁾	—	—	234,522,797	45.44
Temasek Holdings (Private) Limited ⁽²⁾	—	—	235,886,797	45.70

Notes:

- (1) KCL is deemed interested in the Shares held by Keppel Oil and Gas by virtue of its 100 per cent interest in Keppel Oil and Gas.
Temasek is deemed to have an interest in approximately 22.04 per cent of the total issued Shares of KCL. Since Keppel Oil and Gas is a wholly-owned subsidiary of KCL, Temasek is deemed to have an interest in the 234,522,797 Shares owned by Keppel Oil and Gas.
- (2) Temasek is deemed to be interested in the aggregate 235,886,797 Shares held by its associated companies, namely the Keppel Group and the DBS Group.
- (3) Percentages are based on 516,115,257 issued Shares excluding 203,100 treasury shares.

4. FINANCIAL EFFECTS OF SHARE BUYBACK MANDATE

4.1 General

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analyses set out below are based on the consolidated financial results of the Company and the Group for the financial year ended 31 December 2007 ("FY2007"), and are not necessarily representative of future financial performance. Although the Share Buyback Mandate would authorise the Company to buyback up to ten per cent of the Company's issued Shares, the Company may not necessarily buyback or be able to buyback ten per cent of the issued Shares in full.

4.2 The Share Buyback Mandate

It is not possible for the Company to realistically calculate or quantify the impact of purchases as the resultant effect would depend on factors such as the aggregate number of Shares purchased, the purchase prices paid at the relevant time, the amount (if any) borrowed by the Company to fund the purchases whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held as treasury shares or cancelled.

Under the Companies Act, as amended by the Companies (Amendment) Act 2005, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The purchase of the Shares will only be made after considering relevant factors such as the availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The Share Buyback Mandate will be exercised with a view to enhance Shareholders' value.

The financial effects presented in this section 4.2 are based on the assumptions set out below.

4.2.1 Information as at 31 December 2007

The total issued Shares of the Company as at 31 December 2007 was 516,306,357 Shares including 1,598,000 treasury shares. In addition, there were unexercised Options for 351,000 Shares under the SPC SOS 2000.

4.2.2 Illustrative Financial Effects

Purely for illustrative purposes, on the basis of 516,306,357 Shares in issue as at 31 December 2007 and assuming no further Shares are issued on or prior to the 2008 AGM, the Company may purchase up to 51,630,636 Shares, being ten per cent of its issued Shares. As the Company has already purchased 1,598,000 Shares, held as treasury shares (which represent 0.31 per cent of the total issued Shares of the Company), the Company may only purchase a further 50,032,636 Shares.

For illustrative purposes only and on the basis of the assumptions set out in this section 4.2.2, the financial effects of:

- (a) the acquisition of 50,032,636 Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and profits and held as treasury shares;
- (b) the acquisition of 50,032,636 Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of profits and cancelled; and
- (c) the acquisition of 50,032,636 Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and cancelled, on the consolidated financial statements of the Company and the Group for FY2007, are set out below:

(i) Purchases made entirely out of capital/profits and held as treasury shares

(\$'000)	← Group →			← Company →		
	Before Further Share Buyback ⁽⁸⁾	After Further Share Buyback assuming Market Purchase ⁽⁹⁾	After Further Share Buyback assuming Off-Market Purchase ⁽¹⁰⁾	Before Further Share Buyback	After Further Share Buyback assuming Market Purchase ⁽⁹⁾	After Further Share Buyback assuming Off-Market Purchase ⁽¹⁰⁾
Share Capital	618,139	618,139	618,139	618,139	618,139	618,139
Reserves (non-distributable) ⁽¹⁾	(7,963)	(7,963)	(7,963)	19,256	19,256	19,256
Retained Earnings	1,188,264	1,188,264	1,188,264	1,048,954	1,048,954	1,048,954
Treasury Shares ⁽²⁾	(8,397)	(405,156)	(461,693)	(8,397)	(405,156)	(461,693)
Minority Interests	450	450	450	—	—	—
Shareholders' Funds	1,790,493	1,393,734	1,337,197	1,677,952	1,281,193	1,224,656
NTA	1,670,965	1,274,206	1,217,669	1,677,952	1,281,193	1,224,656
Total Borrowings	836,760	1,233,519	1,290,056	826,329	1,223,088	1,279,625
PATMI ^{(3), (11)}	508,341	497,767	496,261	468,702	458,128	456,622
Cash and cash equivalents	458,172	458,172	458,172	412,945	412,945	412,945

(\$'000)	← Group →			← Company →		
	Before Further Share Buyback ⁽⁸⁾	After Further Share Buyback assuming Market Purchase ⁽⁹⁾	After Further Share Buyback assuming Off-Market Purchase ⁽¹⁰⁾	Before Further Share Buyback	After Further Share Buyback assuming Market Purchase ⁽⁹⁾	After Further Share Buyback assuming Off-Market Purchase ⁽¹⁰⁾
Financial Ratios						
NTA per Share (cents) ⁽⁴⁾	324	273	261	325	275	263
Basic EPS (cents) ^{(5), (11)}	98.79	107.22	106.89	n.m. ⁽¹²⁾	n.m. ⁽¹²⁾	n.m. ⁽¹²⁾
Net Gearing (times) ⁽⁶⁾	0.21	0.56	0.62	0.25	0.63	0.71
Return on equity (%) ^{(7), (11)}	30.25	33.59	34.14	n.m. ⁽¹²⁾	n.m. ⁽¹²⁾	n.m. ⁽¹²⁾

Notes:

- (1) Reserves (non-distributable) includes capital reserve, other reserves and foreign currency translation reserve.
- (2) Please refer to section 2.10 for details.
- (3) PATMI is profit after tax and minority interests.
- (4) Net Tangible Asset ("**NTA**") per Share equals NTA divided by number of Shares.
- (5) Basic Earnings per Share ("**EPS**") equals PATMI divided by the weighted average number of Shares.
- (6) Net Gearing equals total borrowings less cash and cash equivalents divided by Shareholders' funds.
- (7) Return on equity equals PATMI divided by average total equity.
- (8) Based on 1,598,000 treasury shares held as at 31 December 2007.
- (9) Assumes that the Company purchases a further 50,032,636 Shares at the Maximum Price of \$7.93 for one Share, which is five per cent above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 50,032,636 Shares is \$396,758,801.
- (10) Assumes that the Company purchases a further 50,032,636 Shares at the Maximum Price of \$9.06 for one Share, which is 20 per cent above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 50,032,636 Shares is \$453,295,679.
- (11) Earnings and EPS after the share purchase has been adjusted by the notional interest expense incurred at the interest rate of 3.25 per cent per annum less taxation.
- (12) n.m. means not meaningful. Information on earnings, basic EPS and return on equity of the Company is not disclosed as it is not meaningful.

(ii) Purchases made entirely out of profits and cancelled

(\$'000)	← Group →			← Company →		
	Before Further Share Buyback ⁽⁸⁾	After Further Share Buyback assuming Market Purchase ⁽⁹⁾	After Further Share Buyback assuming Off-Market Purchase ⁽¹⁰⁾	Before Further Share Buyback	After Further Share Buyback assuming Market Purchase ⁽⁹⁾	After Further Share Buyback assuming Off-Market Purchase ⁽¹⁰⁾
Share Capital	618,139	618,139	618,139	618,139	618,139	618,139
Reserves (non-distributable) ⁽¹⁾	(7,963)	(7,963)	(7,963)	19,256	19,256	19,256
Retained Earnings	1,188,264	791,505	734,968	1,048,954	652,195	595,658
Treasury Shares ⁽²⁾	(8,397)	(8,397)	(8,397)	(8,397)	(8,397)	(8,397)
Minority Interests	450	450	450	—	—	—
Shareholders' Funds	1,790,493	1,393,734	1,337,197	1,677,952	1,281,193	1,224,656
NTA	1,670,965	1,274,206	1,217,669	1,677,952	1,281,193	1,224,656
Total Borrowings	836,760	1,233,519	1,290,056	826,329	1,223,088	1,279,625
PATMI ^{(3), (11)}	508,341	497,767	496,261	468,702	458,128	456,622
Cash and cash equivalents	458,172	458,172	458,172	412,945	412,945	412,945
Financial Ratios						
NTA per Share (cents) ⁽⁴⁾	324	273	261	325	275	263
Basic EPS (cents) ^{(5), (11)}	98.79	107.22	106.89	n.m. ⁽¹²⁾	n.m. ⁽¹²⁾	n.m. ⁽¹²⁾
Net Gearing (times) ⁽⁶⁾	0.21	0.56	0.62	0.25	0.63	0.71
Return on equity (%) ^{(7), (11)}	30.25	33.59	34.14	n.m. ⁽¹²⁾	n.m. ⁽¹²⁾	n.m. ⁽¹²⁾

Notes:

- (1) Reserves (non-distributable) includes capital reserve, other reserves and foreign currency translation reserve.
- (2) Please refer to section 2.10 for details.
- (3) PATMI is profit after tax and minority interests.
- (4) NTA per Share equals NTA divided by number of Shares.
- (5) Basic EPS equals PATMI divided by the weighted average number of Shares.
- (6) Net Gearing equals total borrowings less cash and cash equivalents divided by Shareholders' funds.
- (7) Return on equity equals PATMI divided by average total equity.
- (8) Based on 1,598,000 treasury shares held as at 31 December 2007.
- (9) Assumes that the Company purchases a further 50,032,636 Shares at the Maximum Price of \$7.93 for one Share, which is five per cent above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 50,032,636 Shares is \$396,758,801.
- (10) Assumes that the Company purchases a further 50,032,636 Shares at the Maximum Price of \$9.06 for one Share, which is 20 per cent above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 50,032,636 Shares is \$453,295,679.
- (11) Earnings and EPS after the Share Purchase has been adjusted by the notional interest expense incurred at the interest rate of 3.25 per cent per annum less taxation.
- (12) n.m. means not meaningful. Information on earnings, basic EPS and return on equity of the Company is not disclosed as it is not meaningful.

(iii) Purchases made entirely out of capital and cancelled

(\$'000)	Group			Company		
	Before Further Share Buyback ⁽⁸⁾	After Further Share Buyback assuming Market Purchase ⁽⁹⁾	After Further Share Buyback assuming Off-Market Purchase ⁽¹⁰⁾	Before Further Share Buyback	After Further Share Buyback assuming Market Purchase ⁽⁹⁾	After Further Share Buyback assuming Off-Market Purchase ⁽¹⁰⁾
Share Capital	618,139	221,380	164,843	618,139	221,380	164,843
Reserves (non-distributable) ⁽¹⁾	(7,963)	(7,963)	(7,963)	19,256	19,256	19,256
Retained Earnings	1,188,264	1,188,264	1,188,264	1,048,954	1,048,954	1,048,954
Treasury Shares ⁽²⁾	(8,397)	(8,397)	(8,397)	(8,397)	(8,397)	(8,397)
Minority Interests	450	450	450	—	—	—
Shareholders' Funds	1,790,493	1,393,734	1,337,197	1,677,952	1,281,193	1,224,656
NTA	1,670,965	1,274,206	1,217,669	1,677,952	1,281,193	1,224,656
Total Borrowings	836,760	1,233,519	1,290,056	826,329	1,223,088	1,279,625
PATMI ^{(3), (11)}	508,341	497,767	496,261	468,702	458,128	456,622
Cash and cash equivalents	458,172	458,172	458,172	412,945	412,945	412,945
Financial Ratios						
NTA per Share (cents) ⁽⁴⁾	324	273	261	325	275	263
Basic EPS (cents) ^{(5), (11)}	98.79	107.22	106.89	n.m. ⁽¹²⁾	n.m. ⁽¹²⁾	n.m. ⁽¹²⁾
Net Gearing (times) ⁽⁶⁾	0.21	0.56	0.62	0.25	0.63	0.71
Return on equity (%) ^{(7), (11)}	30.25	33.58	34.13	n.m. ⁽¹²⁾	n.m. ⁽¹²⁾	n.m. ⁽¹²⁾

Notes:

- (1) Reserves (non-distributable) includes capital reserves, other reserve and foreign currency translation reserve.
- (2) Please refer to section 2.10 for details.
- (3) PATMI is profit after tax and minority interests.
- (4) NTA per Share equals NTA divided by number of Shares.
- (5) Basic EPS equals PATMI divided by the weighted average number of Shares.
- (6) Net Gearing equals total borrowings less cash and cash equivalents divided by Shareholders' funds.
- (7) Return on equity equals PATMI divided by average total equity.
- (8) Based on 1,598,000 treasury shares held as at 31 December 2007.
- (9) Assumes that the Company purchases a further 50,032,636 Shares at the Maximum Price of \$7.93 for one Share, which is five per cent above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 50,032,636 Shares is \$396,758,801.
- (10) Assumes that the Company purchases a further 50,032,636 Shares at the Maximum Price of \$9.06 for one Share, which is 20 per cent above the Average Closing Prices of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 50,032,636 Shares is \$453,295,679.
- (11) Earnings and EPS after the share purchase has been adjusted by the notional interest expense incurred at the interest rate of 3.25 per cent per annum less taxation.
- (12) n.m. means not meaningful. Information on earnings, basic EPS and return on equity of the Company is not disclosed as it is not meaningful.

As illustrated above, a summary of the financial effects as a result of share buybacks are:

- (a) increased net gearing ratios of the Group and Company;
- (b) decreased NTA per Share of the Group and Company;
- (c) increased basic EPS of the Group; and
- (d) increased return on equity of the Group

The financial effects set out above are for illustrative purposes only. Although the Share Buyback Mandate would authorise the Company to purchase up to ten per cent of the issued Shares, the Company may not necessarily purchase or be able to purchase the entire ten per cent of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

5. APPROVAL REQUIRED

The renewal of the Share Buyback Mandate is conditional upon the approval of the Shareholders at the 2008 AGM.

6. RECOMMENDATION

The Directors (other than the Common Directors) are of the opinion that the renewal of the Share Buyback Mandate is in the best interest of the Company. Accordingly, they have recommended that Shareholders vote in favour of Ordinary Resolution No. 7 relating to the renewal of the Share Buyback Mandate at the forthcoming 2008 AGM.

The Common Directors, namely Messrs Choo Chiau Beng, Teo Soon Hoe, Cheng Hong Kok and Dr Chin Wei-Li, Audrey Marie, have abstained from making any recommendation for Shareholders to vote in favour of the Ordinary Resolution No. 7 relating to the renewal of the Share Buyback Mandate and will abstain from voting in respect of their holdings of Shares (if any) on Ordinary Resolution No. 7. The Common Directors will also not accept any appointment as proxies or otherwise for voting on Ordinary Resolution No. 7 unless specific instructions have been given in the proxy form(s) on how the votes are to be cast.

7. ABSTENTION FROM VOTING

In light of the exemption granted to the Keppel Group by the SIC and in accordance with Appendix 2 of the Take-over Code, Keppel Oil and Gas and its concert parties, and the Common Directors will abstain from voting in respect of their holdings of Shares (if any) on Ordinary Resolution No. 7 relating to the renewal of the Share Buyback Mandate at the 2008 AGM.

8. DEFINITIONS

The following definitions, or such other definitions as the SGX-ST may from time to time determine, shall apply throughout this Appendix, unless the context otherwise requires:

- (a) **“AGM”** means annual general meeting;
- (b) **“Companies Act”** means the Companies Act, Chapter 50, of Singapore (as amended or modified from time to time);
- (c) **“Market Days”** means days on which the SGX-ST is open for trading in securities;
- (d) **“Latest Practicable Date”** means 29 February 2008;
- (e) **“Options”** means the right to subscribe for Shares granted or to be granted pursuant to the SPC SOS 2000;

- (f) **“Shareholder”** means registered holders of the Shares except that where the registered holder is The Central Depository (Pte) Limited, the term **“Shareholders”** shall, in relation to such Shares, mean the persons whose direct securities accounts maintained with CDP are credited with the Shares;
- (g) **“Shares”** means ordinary shares in the capital of the Company;
- (h) **“Subsidiary”** or **“Subsidiaries”** has the meaning ascribed to in the Companies Act;
- (i) **“Take-over Code”** means The Singapore Code on Take-overs and Mergers;
- (j) **“%”** or **“per cent”** means per centum or percentage; and
- (k) **“\$”** or **“cents”** means Singapore dollars and cents, respectively.

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. BACKGROUND

- 1.1 On 23 June 1997, Shareholders had granted a mandate (the "**Shareholders' Mandate 1997**") to enable the Company, its subsidiaries and target associated companies (the "**SPC Group**"), or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions, with any person who falls within the classes of Interested Persons, details of which were set out in the Company's Circular to Shareholders dated 30 May 1997 (the "**Circular**") (as amended by Shareholders' resolutions on 21 June 1999 and 14 May 2003 (collectively, the "**Updates to the Circular**")), provided that such transactions are made on normal commercial terms and in accordance with the guidelines and review procedures for Interested Person Transactions as set out in the Circular (as updated and set out in Appendix 2 to the Notice of Annual General Meeting ("**AGM**") dated 22 April 2003 and adopted by Shareholders on 14 May 2003). The Shareholders' Mandate 1997, as amended by Shareholders' resolutions on 21 June 1999 and 14 May 2003 shall accordingly and hereinafter be referred to respectively as the "**Shareholders' Mandate 1999**" and the "**Shareholders' Mandate**".
- 1.2 The Shareholders' Mandate was renewed on 25 April 2007 and will (unless revoked or varied by the Company at General Meeting) continue in force until the AGM of the Company to be held for the financial year ended 31 December 2007.
- 1.3 The rationale of the Shareholders' Mandate, the scope of the Shareholders' Mandate, the benefit to Shareholders, the classes of Interested Persons, the particulars of the Interested Person Transactions and the review procedures for Interested Person Transactions in respect of which the Shareholders' Mandate is sought to be renewed remain unchanged and are set out in Annexure A to this Appendix.
- 1.4 The Directors propose that the Shareholders' Mandate be renewed at the forthcoming AGM in the terms of the Ordinary Resolution No. 10 to be proposed at the forthcoming AGM and (unless revoked or varied by the Company at General Meeting) to take effect until the next AGM of the Company for the financial year ending 31 December 2008, subject to satisfactory review by the Audit Committee of its continued application to transactions with Interested Persons (as defined in the Circular and as amended by the Updates to the Circular). Approval from Shareholders will be sought for the renewal of the Shareholders' Mandate at the next AGM in 2009 and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to transactions with Interested Persons.

2. EXTRACTS FROM THE CIRCULAR

The following matters relating to the Shareholders' Mandate were set out in the Circular and as amended by the Updates to the Circular, are reproduced in Annexure A to this Appendix:

- (a) Background;
- (b) Classes of Interested Persons;
- (c) Interested Person Transactions;
- (d) Proposed Procedures for Interested Person Transactions; and
- (e) Benefit.

3. AUDIT COMMITTEE'S STATEMENTS

3.1 Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit Committee (comprising Dr Chin Wei-Li, Audrey Marie, Messrs Bertie Cheng Shao Shiong, Geoffrey John King and Goon Kok-Loon) confirms:

- (a) that the review procedures for Interested Person Transactions as set out in Annexure A to this Appendix ("**Review Procedures**") have not changed since Shareholders approved the Shareholders' Mandate at the AGM held on 25 April 2007; and
- (b) that the review procedures are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3.2 Further,

- (a) if during the periodic reviews, the Audit Committee is of the view that the established review procedures are inadequate or inappropriate to ensure that (i) the Interested Person Transactions will be on normal commercial terms, and (ii) will not be prejudicial to the interests of the Company and its minority Shareholders, or
- (b) in the event of any amendment to Chapter 9 of the Listing Manual, the Audit Committee will direct the Company to revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with Interested Persons.

4. DIRECTORS' RECOMMENDATION

4.1 The Directors (except for Messrs Choo Chiau Beng and Teo Soon Hoe who are senior executive directors of Keppel Corporation Limited ("**KCL**"), and Mr Cheng Hong Kok, who is a director of Keppel Oil and Gas Services Pte Ltd ("**Keppel Oil and Gas**"), a wholly-owned subsidiary of KCL, and who have abstained from making any recommendation in respect of the Shareholders' Mandate) are of the view that the renewal of the Shareholders' Mandate is in the best interest of the Company and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution No. 10 relating to the renewal of the Shareholders' Mandate to be proposed at the forthcoming AGM.

4.2 In accordance with the requirements of Chapter 9 of the Listing Manual, each of KCL, Keppel Oil and Gas and Temasek Holdings (Private) Limited, being controlling Shareholders of the Company, and the Directors will abstain from voting, and have undertaken to ensure that their respective associates will abstain from voting, on the Ordinary Resolution relating to the Shareholders' Mandate to be proposed at the forthcoming AGM in respect of the shares held by them respectively.

5. INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND DIRECTORS

As at 29 February 2008, the interests of Directors and substantial Shareholders in ordinary shares in the issued capital of the Company are as follows:

Directors	Number of Shares	
	Direct Interest	Deemed Interest
Choo Chiau Beng	58,000	250,000
Koh Ban Heng	615,300	675,000 ⁽¹⁾
Bertie Cheng Shao Shiong	9,500	125,500
Geoffrey John King	—	89,000
Timothy Ong Teck Mong	43,000	—

Directors	Number of Shares	
	Direct Interest	Deemed Interest
Chin Wei-Li, Audrey Marie	—	38,000
Goon Kok-Loon	47,000	—
Teo Soon Hoe	20,000	—
Cheng Hong Kok	94,000	—

Note:

- (1) Includes deemed interest in shares comprised in outstanding awards granted under the RSP, shares comprised in contingent awards granted under the PSP and shares held by spouse.

Substantial Shareholders	Number of Shares	
	Direct Interest	Deemed Interest
Temasek Holdings (Private) Limited	—	235,886,797
Keppel Corporation Limited	—	234,522,797
Keppel Oil and Gas Services Pte Ltd	234,522,797	—

Notes:

- (1) By operation of Section 7 of the Companies Act, Temasek Holdings (Private) Limited is deemed to be interested in the 235,886,797 shares held by the DBS group of companies and the Keppel group of companies.
- (2) By operation of Section 7 of the Companies Act, Keppel Corporation Limited is deemed to be interested in the 234,522,797 shares held by Keppel Oil and Gas.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Circular and Shareholders' resolutions dated 21 June 1999 and 14 May 2003 are available for inspection at the registered office of the Company at 1 Maritime Square #10-10, HarbourFront Centre, Singapore 099253, during normal business hours from 9 April 2008 up to the date of the forthcoming AGM.

7. DEFINITIONS

The following definitions, or such other definition as the SGX-ST may from time to time determine, shall apply throughout this Appendix (including Annexure A attached hereto), unless the context otherwise requires:

- (a) an **"approved exchange"** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;
- (b) an **"associate"** means:
- (i) in relation to any director, chief executive officer or controlling shareholder (being an individual):
 - (1) his immediate family member (that is, the person's spouse, child, adopted child, step-child, sibling and parent);
 - (2) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (3) any company in which he and his immediate family together (directly or indirectly) have an interest of 30 per cent or more; and

- (ii) in relation to a controlling shareholder (being a company), any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30 per cent or more;
- (c) “**associated company**” means a company in which at least 20 per cent but not more than 50 per cent of its shares are held by the listed company or group;
- (d) “**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
- (e) “**controlling shareholder**” means a person who:
 - (i) holds directly or indirectly 15 per cent or more of the nominal amount of all voting shares in the company (the SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder); or
 - (ii) in fact exercises control over a company;
- (f) “**Listing Manual**” means the listing manual of the SGX-ST; and
- (g) “**target associated company**” means an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.

“3. SHAREHOLDERS’ MANDATE

3.1 Background

3.1.1 The SPC Group engages in a wide range of activities which include crude oil refining, marketing, distribution, trading of crude oil and petroleum products and provision of petroleum product storage facilities.

3.1.2 Due to the nature and diversity of the SPC Group’s businesses, it is envisaged that in their normal course of business, it is likely that transactions involving purchases of crude oil, oil refining, marketing, distribution, trading of crude oil and petroleum products and storage of petroleum products by any member of the SPC Group to or from Interested Persons (as defined in paragraph 3.2 below), will occur with some degree of frequency and could arise from time to time. Such transactions include, but are not limited to, transactions relating to third party crude oil refining, trading of crude oil and petroleum products, marketing of petroleum products, storage of petroleum products, shipment and transportation of crude oil and petroleum products, and activities and services ancillary to SPC Group’s businesses.

In view of the time-sensitive nature of commercial transactions, the Directors are seeking approval from the Shareholders for the proposed Shareholders’ Mandate for the SPC Group, in their normal course of business, to enter into the following categories of transactions with certain classes of Interested Persons, provided that such transactions are made on normal commercial terms and are not prejudicial to the minority Shareholders:

(a) *Third party crude oil refining*

Within this category are transactions between the SPC Group and Interested Persons for the provision of services to refine third party crude oil for an agreed processing fee. The processing fee for each transaction is dependent on the prevailing market conditions determined by global refining capacity and the demand for petroleum products.

(b) *Trading of crude oil and petroleum products*

This category covers transactions between SPC Group and Interested Persons in the trading, that is, sales and purchases, of crude oil and petroleum products. The sale and purchase prices for these transactions are based on pricing mechanisms which refer to the prevailing market prices as reflected in the industry’s oil market reports, for example, Platt’s Asia Pacific/Arab Gulf Marketscan daily reports.

(c) *Marketing of petroleum products*

Transactions in this category are the marketing by SPC Group of petroleum products such as liquefied petroleum gas, jet fuel, diesel oil, gas oil, fuel oil, asphalt and lubricants. The products’ sale prices are determined by the sales channel in which the products are sold. Sales are secured based on bids submitted to conclude the transaction. The pricing may be based on either a fixed price formula or a variable pricing formula. In the latter situation, the prevailing market price indicators such as the Company’s and/or the industry’s posted prices or those prices as reflected in the industry’s market reports such as Platt’s Asia Pacific/Arab Gulf Marketscan daily reports and Far East Oil Pricing Index are referred to in the determination of the sales prices. The sale price will change in accordance with variations in the referenced market price indicators.

(d) *Storage of petroleum products*

Transactions falling within this category are the provision by the SPC Group of petroleum product storage services to Interested Persons at an agreed terminalling fee. The fee is based on a negotiated rate for the contractual period and is influenced by the prevailing market conditions and the demand for petroleum products.

(e) *Shipping and transportation of crude oil and petroleum products*

The transactions falling within this category are the provision of services to the SPC Group for the shipment and transportation of crude oil and petroleum products at an agreed charter fee. The fee is negotiated on either spot or term basis and is influenced by the prevailing market conditions.

(f) *Activities and services ancillary to SPC Group's businesses*

This category covers transactions between SPC Group and Interested Persons relating to activities and services ancillary to the SPC Group's businesses. Examples of these transactions are the transportation of and deposit payments on LPG cylinders, seminar fees and computer processing charges on share ownership scheme.

3.1.3 The Shareholders' Mandate will take effect from the date of the passing of the Ordinary Resolution to be proposed at the EGM until the next Annual General Meeting of the Company and shall apply in respect of the Interested Person Transactions (as described in paragraph 3.3 below) entered or to be entered into from and including 23 June 1997 to the next Annual General Meeting of the Company. Thereafter, approval from Shareholders for a renewal of the Shareholders' Mandate will be sought at each subsequent Annual General Meeting of the Company.

3.2 **Classes of Interested Persons**

3.2.1 The proposed Shareholders' Mandate will apply to the Interested Person Transactions which are carried out with the following classes of interested persons ("**Interested Persons**") only:

- (a) Keppel Corporation Limited and its associates (as defined in the Listing Manual);
- (b) Temasek Holdings (Private) Limited and its associates (as defined in the Listing Manual); and
- (c) Directors, the Chief Executive(s) and controlling shareholders (as defined in the Listing Manual) of the Company (other than controlling shareholders described in subparagraphs (a) and (b) above) and their respective associates.

3.2.2 Transactions with Interested Persons which do not fall within the ambit of the proposed Shareholders' Mandate shall be subject to the relevant provisions of Chapter 9A of the Listing Manual.

3.3 **INTERESTED PERSON TRANSACTIONS**

The following transactions by the SPC Group relate to the provision to, or the supply from, Interested Persons of crude oil, petroleum products and services in the normal course of business of the SPC Group comprising:

- (i) refining and processing of crude oil;
- (ii) trading of crude oil and petroleum products;
- (iii) marketing of petroleum products;
- (iv) provision of petroleum products storage;

- (v) shipment and transportation of crude oil and petroleum products; and
- (vi) activities and services ancillary to the SPC Group's businesses.

4. PROPOSED PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

4.1 To ensure that the Interested Person Transactions arising from the normal course of business are undertaken on normal commercial terms and will not be prejudicial to the minority Shareholders, the following review and approval procedures will be implemented:

- (a) Transactions at or less than US\$5,000,000 each in value or in aggregate will be reviewed and approved by the Senior Vice-President responsible for the area of business activity on the following basis:
 - (i) the provision by the SPC Group of services to refine third party crude oil for an agreed processing fee shall not be approved unless the agreed processing fee is no more favourable to the Interested Person than those extended to unrelated third parties;
 - (ii) the trading including hedging of crude oil and petroleum products by the SPC Group will not be approved unless the terms with the Interested Person, after taking into account factors such as pricing, quality and delivery schedules, are fair and reasonable and in the SPC Group's commercial interests;
 - (iii) the sales by the SPC Group of petroleum products such as liquefied petroleum gas, jet fuel, diesel oil, gas oil, fuel oil, asphalt and lubricants shall not be approved unless the SPC Group's pricing and terms are no more favourable to the Interested Persons than those extended to unrelated third parties;
 - (iv) the provision of petroleum product storage services by the Company will not be approved unless the terms with the Interested Person are fair and reasonable and in the SPC Group's commercial interests; and
 - (v) the provision of services to the SPC Group for the shipment and transportation of crude oil and petroleum products will not be approved unless the terms with the Interested Person are fair and reasonable and in the SPC Group's commercial interests.
- (b) Transactions exceeding US\$5,000,000 each in value or in aggregate will be reviewed and approved by the President/Chief Executive Officer.
- (c) Transactions exceeding US\$5,000,000 each in value or in aggregate in which the President/Chief Executive Officer has an interest in the transaction to be reviewed, will be reviewed and approved by the Executive Committee.
- (d) Transactions exceeding US\$100 million¹ each in value will be reviewed and approved by the Executive Committee.
- (e) Transactions less than S\$100,000 each in value or in aggregate, between SPC Group and Interested Persons relating to activities and services ancillary to the SPC Group's businesses, will be reviewed and approved by the designated management levels in accordance with the SPC Group's Internal Delegation of Authority.

All Interested Party Transactions shall be reviewed on a half-yearly basis or more frequently as appropriate by the Audit Committee.

Note:

¹ In the trading of crude oil and petroleum products, high-value transactions under US\$100 million are common and are usually secured by bids or tenders. Subject to the President/Chief Executive Officer having no interest in the transaction, the approval limit of US\$100 million for each transaction with Interested Persons by the President/Chief Executive Officer of the Company is consistent with SPC's existing guidelines on internal Delegation of Authority which was last revised by the Board in 2002.

4.2 In addition to the above guidelines, the following will also be undertaken:

- (a) The Company's Internal Audit Department, which reports to the Audit Committee, will periodically review the established guidelines and procedures for Interested Person Transactions to ensure compliance. The results of these reviews will be reported to the Audit Committee.
- (b) On the basis of these periodic reviews by the Internal Audit Department and in the event the Committee is of the view that the guidelines and procedures as stated above are not sufficient to ensure that the Interested Person Transactions will be on the SPC Group's normal commercial terms and will not be prejudicial to the minority Shareholders, the Company will revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with Interested Persons.
- (c) Interested Person Transactions, each in value or in aggregate, equal to and exceeding S\$100,000 will be reviewed by the Internal Audit Department to ensure that such transactions are made on SPC Group's normal commercial terms for the applicable transactions and will not be prejudicial to the minority Shareholders. The results of the review will be reported to the Audit Committee.

4.3 **Benefit**

The obtaining of the proposed Shareholders' Mandate and the renewal of the proposed Shareholders' Mandate on an annual basis would eliminate the need for the Company to make an immediate announcement and/or convene separate general meetings to seek Shareholders' approval as and when potential transactions with such Interested Persons arise, thereby reducing substantially the administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company owing to the time-sensitive nature of commercial transactions.

The proposed Shareholders' Mandate is intended to facilitate transactions in the normal course of business of the SPC Group that are transacted from time to time with the specified class of Interested Persons, provided that they are carried out on the Company's normal commercial terms and are not prejudicial to the minority Shareholders.

The proposed Shareholders' Mandate, if approved at the EGM, will continue in force until the next Annual General Meeting of the Company. Approval from Shareholders will thereafter be sought for the renewal of the proposed Shareholders' Mandate at each Annual General Meeting or EGM subject to satisfactory review by the Audit Committee of its continued application to the Interested Person Transactions.

Disclosure will also be made in the Company's Annual Report of the aggregate value of the Interested Person Transactions conducted pursuant to the proposed Shareholders' Mandate during the financial year and in the Annual Reports for the subsequent financial years that the Shareholders' Mandate is renewed and continues in force."