

Half Year Financial Statement

Half-year financial statement on consolidated results for the six months ended 30 June 2000. These figures have not been audited.

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest half year	Previous half year	Change	Latest half year	Previous half year	Change
1a	Turnover	1,337,909	809,119	65.35	1,183,900	723,592	63.61
1b	Investment income	0	0	0.00	0	0	0.00
1c	Other income including interest income	1,779	3,590	(50.45)	1,005	2,949	(65.92)
2a	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	29,372	38,274	(23.26)	27,794	36,511	(23.87)
2b(i)	Interest on borrowings	(8,079)	(8,140)	(0.75)	(6,462)	(7,402)	(12.70)
2b(ii)	Depreciation and amortisation	(25,349)	(29,987)	(15.47)	(25,199)	(29,843)	(15.56)

2b(iii)	Foreign exchange gain/(loss)	399	3,093	(87.10)	813	3,526	(76.94)
2c	Exceptional items	0	0	0.00	0	0	0.00
2d	Operating (loss)/profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	(3,657)	3,240	n.a.	(3,054)	2,792	n.a.

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest half year	Previous half year	Change	Latest half year	Previous half year	Change
2e	Income derived from associated companies	2,245	1,957	14.72	0	0	0.00
2f	Less income tax	(5,524)	534	n.a.	(6,001)	0	n.a.
2g(i)	Operating profit after tax before deducting minority interests	4,112	4,663	(11.82)	2,947	2,792	5.55
2g(ii)	Less minority interests	(50)	(235)	(78.72)	0	0	0.00
2h	Operating profit after tax attributable to members of the company	4,162	4,898	(15.03)	2,947	2,792	5.55
2i(i)	Extraordinary items	0	0	0.00	0	0	0.00

2i(ii)	Less minority interests	0	0	0.00	0	0	0.00
2i(iii)	Extraordinary items attributable to members of the company	0	0	0.00	0	0	0.00
2i(iv)	Transfer to/from Exchange Reserve	0	0	0.00	0	0	0.00
2i(v)	Transfer to Capital Reserve	0	0	0.00	0	0	0.00
2i(vi)	Transfer to Reserve Fund	0	0	0.00	0	0	0.00
2j	Operating profit after tax and extraordinary items attributable to members of the company	4,162	4,898	(15.03)	2,947	2,792	5.55

3a	Earnings per share based on 2(h) above after deducting any provision for preference dividends:-		
	(i) Based on existing issued share capital cts	0.98	1.16
	(ii) On a fully diluted basis cts	0.98	1.16
3b	Earnings per share based on 2(j) above:-		
	(i) Based on existing issued share capital cts	0.98	1.16
	(ii) On a fully diluted basis cts	0.98	1.16
3c	Net tangible asset backing per ordinary share cts	126.46	125.38

4a	Amount of any adjustment for under or overprovision of tax in respect of prior years The Company received a tax refund of \$6.0 million relating to overpayment of taxes for prior years.	
4b	Amount of any pre-acquisition profits There were no pre-acquisition profits.	
4c	Amount of profits on any sale of investments and/or properties	
	Sale of investments/properties	\$Profit/(Loss)
	There were no sale of investment and/or properties.	

4d Any other comments relating to Paragraph 4

Nil

5a Review of the performance of the company and its principal subsidiaries

Turnover for the Group increased by 65.3% to \$1.34 billion due mainly to higher product prices for the first half year. However, refining margins continued to be squeezed.

The rapid rise in crude prices and the lag in market adjustment in product prices to reflect the higher costs adversely affected the Company's marketing and trading activities. As a result, the Company and the Group turned in an operating loss before tax of \$3.0 million and \$3.7 million respectively for the first half.

A tax refund of \$6.0 million relating to the overpayment of tax for prior years resulted in the Company and Group recording a profit after tax of \$2.9 million and \$4.1 million respectively.

5b A statement by the Directors of the Company on whether "any item or event of a material or unusual nature which would have affected materially the results of operations of the Group and Company has occurred between the date to which the report refers and the date on which the report is issued". If none, to include a negative statement.

SPC completed the purchase of a 15% interest in the Kakap Production Sharing Contract (PSC) in West Natuna on 14 July 2000 with the effective date of purchase of 1 January 2000. The Kakap PSC concession is currently producing crude oil at the average rate of 16,000 barrels a day. First gas is expected to be delivered to Singapore in early 2001 under a 22-year supply agreement between Pertamina and SembCorp Gas.

The financial contribution from this acquisition has yet to be finalised and has not been included in the first half results.

6 Commentary on current year's prospects

Crude oil prices are likely to remain high for the rest of the year. Refining margins will continue to be volatile although there is some evidence of improvement in margins because of increased

demand for oil products. This, together with contributions from the Kakap upstream acquisition should result in better performance in the second half.

7 Dividend

(a) Any dividend declared for the present financial period? None

(b) Any dividend declared for the previous corresponding period? None

(c) Date payable

NIL

(d) Books closing date

NIL

(e) Any other comments relating to Paragraph 7

NIL

8. Details of any changes in the company's issued share capital

There were no options granted since 31 December 1999 to the date of this release of results. Since 31 December 1999, 555,000 ordinary shares had been issued under the Executives' Share Option Scheme.

As at 30 June 2000, the Company's issued share capital totalled 423,482,398 shares.

9. Comparative figures of the Group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at 30/06/2000		As at 31/12/1999	
Secured	Unsecured	Secured	Unsecured
0	\$420,800,000	0	\$456,400,000

(b) Amount repayable after one year

As at 30/06/2000		As at 31/12/1999	
Secured	Unsecured	Secured	Unsecured
0	\$0.0	0	\$7,200,000

(c) Any other comments relating to Paragraph 9

amounting to \$45.3 million.

BY ORDER OF THE BOARD

HELEN CHONG / LAM CHEE KIN
SECRETARIES
31/07/2000