

CIRCULAR DATED 4 APRIL 2006

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

If you have sold all your shares in the capital of Singapore Petroleum Company Limited (the "Company"), you should forward this Circular with the Notice of Extraordinary General Meeting and the accompanying Proxy Form immediately to the purchaser or to the agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.



SINGAPORE PETROLEUM COMPANY LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 196900291N

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED ALTERATIONS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY; AND**
- (2) THE PROPOSED SHARE BUYBACK MANDATE.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	24 April 2006 at 3.30 p.m.
Date and time of Extraordinary General Meeting	:	26 April 2006 at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 3 p.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	Inter-Continental Singapore 80 Middle Road Singapore 188966

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DEFINITIONS

In this Circular, the following words and phrases shall have the meanings set out against them unless the context otherwise requires:

<i>“AGM”</i>	:	The annual general meeting of the Company
<i>“Approval Date”</i>	:	The date of the EGM at which the proposed Share Buyback Mandate is approved
<i>“Articles”</i>	:	The Articles of Association of the Company
<i>“Awards”</i>	:	Awards in respect of Shares granted or to be granted pursuant to the SPC PSP and/or SPC RSP
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Common Directors”</i>	:	Messrs Choo Chiau Beng, Teo Soon Hoe, Cheng Hong Kok, and Dr Chin Wei-Li, Audrey Marie
<i>“Companies Act”</i>	:	The Companies Act, Chapter 50, of Singapore (as amended or modified from time to time)
<i>“Companies Amendment Act”</i>	:	The Companies (Amendment) Act 2005 of Singapore
<i>“Company” or “SPC”</i>	:	Singapore Petroleum Company Limited
<i>“DBS”</i>	:	DBS Group Holdings Limited
<i>“DBSAM”</i>	:	DBS Asset Management Ltd
<i>“DBS Group”</i>	:	Collectively, DBS and its subsidiaries
<i>“Directors”</i>	:	The directors of the Company for the time being
<i>“EGM”</i>	:	The extraordinary general meeting of the Company, the notice of which is set out on pages 44 and 45 of this Circular
<i>“EPS”</i>	:	Earnings per Share
<i>“FY”</i>	:	The financial year ended 31 December or, as the case may be, ending 31 December
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“KCL”</i>	:	Keppel Corporation Limited
<i>“Keppel Group”</i>	:	Collectively, KCL and its subsidiaries
<i>“Keppel Oil and Gas”</i>	:	Keppel Oil and Gas Services Pte Ltd
<i>“Latest Practicable Date”</i>	:	6 March 2006, being the latest practicable date prior to the printing of this Circular
<i>“Listing Manual”</i>	:	The Listing Manual of the SGX-ST

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<i>“Listing Rules”</i>	:	The listing rules of the SGX-ST as set out in the Listing Manual
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“NTA”</i>	:	Net tangible assets
<i>“Options”</i>	:	The right to subscribe for Shares granted or to be granted pursuant to the SPC SOS 2000
<i>“PATMI”</i>	:	Profit after tax and minority interest
<i>“Relevant Period”</i>	:	The period commencing from the date of the EGM and thereafter, expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Buyback Mandate is passed
<i>“SGX-ST”</i>	:	The Singapore Exchange Securities Trading Limited
<i>“Share Buyback Mandate”</i>	:	The proposed share buyback mandate which is set out in the notice of the EGM on pages 44 and 45 of this Circular
<i>“Shareholders”</i>	:	Registered holders of the Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons whose direct securities accounts maintained with CDP are credited with the Shares
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“SIC”</i>	:	Securities Industry Council
<i>“SPC PSP”</i>	:	The Singapore Petroleum Company Performance Share Plan, as modified or altered from time to time
<i>“SPC RSP”</i>	:	The Singapore Petroleum Company Restricted Share Plan, as modified or altered from time to time
<i>“SPC SOS 2000”</i>	:	The Singapore Petroleum Company Share Option Scheme 2000, as modified or altered from time to time
<i>“Subsidiary” or “Subsidiaries”</i>	:	Has the meaning ascribed to it in the Companies Act
<i>“Take-over Code”</i>	:	The Singapore Code on Take-overs and Mergers
<i>“Temasek”</i>	:	Temasek Holdings (Private) Limited
<i>“Temasek Companies”</i>	:	Has the meaning ascribed to it in section 3.10.2 on page 16 of this Circular
<i>“%” or “per cent.”</i>	:	Per centum or percentage
<i>“S\$” or “cents”</i>	:	Singapore dollars and cents, respectively

DEFINITIONS

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular, shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons, where applicable, shall include corporations.

Any reference to a time of day is a reference to Singapore time.

Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act or the Listing Manual or any modification thereof, unless otherwise provided.

LETTER TO SHAREHOLDERS

SINGAPORE PETROLEUM COMPANY LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 196900291N

Directors:

Choo Chiau Beng (Chairman)
Koh Ban Heng (Executive Director and Chief Executive Officer)
Bertie Cheng Shao Shiong (Independent Director)
Geoffrey John King (Independent Director)
Timothy Ong Teck Mong (Independent Director)
Chin Wei-Li, Audrey Marie (Independent Director)
Goon Kok-Loon (Independent Director)
Teo Soon Hoe (Director)
Cheng Hong Kok (Director)

Registered Office:

1 Maritime Square #10-10
HarbourFront Centre
Singapore 099253

4 April 2006

To: **The Shareholders of
Singapore Petroleum Company Limited**

Dear Sir/Madam

1. INTRODUCTION

The Directors propose to convene an EGM to seek Shareholders' approval for the following proposals:

- (a) the proposed alterations to the Articles; and
- (b) the proposed Share Buyback Mandate.

The purpose of this Circular is to explain the reasons for, and to provide Shareholders with information relating to the aforesaid proposals and to seek Shareholders' approval in relation thereto at the EGM of the Company. The notice of the EGM is set out on pages 44 and 45 of this Circular.

The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Circular.

2. THE PROPOSED ALTERATIONS TO THE ARTICLES

2.1 The Companies Amendment Act

The Companies Amendment Act, which came into operation on 30 January 2006, introduced various amendments to the Companies Act. These amendments include the abolition of the concepts of par value and authorised capital, and allowing repurchased shares to be held as treasury shares. As a result of the abolition of the concept of par value, consequential amendments to concepts of share premium and the issue of shares at a discount have also been abolished accordingly.

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New provisions on share buybacks and treasury shares have been introduced pursuant to the Companies Amendment Act whereby a company can now repurchase shares out of capital, as well as from distributable profits. Ordinary shares which are the subject of a share repurchase by a company can be held by that company as treasury shares instead of being cancelled. The right to attend and vote at meetings and the right to dividend or other distributions will be suspended for so long as the repurchased shares are held in treasury.

2.2 Alterations to the Articles

Alterations are proposed to the Articles in order to be in line with the changes brought about by the Companies Amendment Act.

The following is a summary of the main proposed alterations to the Articles:

2.2.1 Article 2

Article 2 is the interpretation section of the Articles, and is proposed to be altered to provide for the following:

- (i) that the expression “treasury shares” is to have the meaning ascribed to it in the Companies Act, namely, shares which were (or are treated as having been) purchased by the Company in circumstances in which Section 76H of the Companies Act applies, and have been held by the Company continuously since the treasury shares were so purchased; and
- (ii) that, except where otherwise expressly provided in the Articles, references in the Articles to “holder(s)” of shares or a class of shares and “Member(s)” shall exclude the Company in relation to shares held by it as treasury shares.

2.2.2 Article 5

Consequential amendments are proposed to Article 5 to remove references to share premium and the issue of Shares at a discount. Article 5(a) provides that no Shares are to be issued at a discount except in accordance with the provisions of the Companies Act, and is proposed to be deleted following the abolition of the concept of the issue of Shares at a discount pursuant to the Companies Amendment Act.

2.2.3 Article 7

It is proposed that Article 7 be amended in line with the abolition of the concept of share premium and nominal value pursuant to the Companies Amendment Act.

2.2.4 Article 10A

In line with the creation of the treasury shares pursuant to the Companies Amendment Act, it is proposed that a new provision on treasury shares be inserted as Article 10A. This provision will state that the Company will not exercise any right in respect of treasury shares other than as provided by the Companies Act but that subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Companies Act.

2.2.5 Article 12

Article 12 provides that the Company may exercise the powers of paying commissions conferred by the Companies Act and may also pay such brokerage as may be lawful. Although Section 69 of the Companies Act relating to the power to

LETTER TO SHAREHOLDERS

pay certain commissions has been repealed pursuant to the Companies Amendment Act, the Company may nevertheless retain a power to pay commissions or brokerage under the Articles. Article 12 is thus proposed to be altered to provide that the Company may pay commissions or brokerage on any issue of Shares at such rate or amount and in such manner as the Directors may deem fit.

2.2.6 Article 16A

Article 16A provides that the Company may, subject to and in accordance with, the Companies Act, purchase or otherwise acquire its issued Shares. Consequential changes are proposed to Article 16A to cater for the holding of any purchased or acquired Shares as treasury shares.

2.2.7 Article 19

It is proposed that Article 19 be amended in line with the abolition of the concept of nominal value pursuant to the Companies Amendment Act and to be in line with the provisions of Section 123 of the Companies Act.

2.2.8 Articles 26 and 29

Articles 26 and 29 deal with calls on members in respect of any money unpaid on their Shares. It is proposed that these provisions be altered to remove all references to nominal value and share premium, in line with the abolition of these concepts pursuant to the Companies Amendment Act.

2.2.9 Articles 54 and 55

It is proposed that Articles 54 and 55, which relate to stock in the capital of the Company, be amended to remove references to “denomination” of shares and “nominal amount” in line with the abolition of the concept of nominal value pursuant to the Companies Amendment Act.

2.2.10 Article 58

Article 58 provides that the Company may by ordinary resolution increase its capital by the creation of new Shares of such amount as may be deemed expedient. It is proposed that Article 58 be amended in conjunction with the abolition of the concepts of par value and authorised capital pursuant to the Companies Amendment Act.

2.2.11 Article 60(2)

Article 60(2) permits the Company to obtain from its Shareholders a mandate to issue Shares, make or grant offers, agreements or options that might or would require Shares to be issued, and issue Shares pursuant to any such instrument made or granted while such mandate is in force provided that (a) if the new Shares are to be issued to members on a *pro rata* basis, the aggregate number of new Shares to be issued shall not be more than 50% of the issued share capital of the Company for the time being, and (b) if the new Shares are to be issued other than on a *pro rata* basis to members, the aggregate number of new Shares to be issued shall not be more than 20% of the issued share capital of the Company for the time being.

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Article 60(2) is proposed to be altered to provide that the aggregate number of Shares which may be issued shall be calculated on the basis of the total number of issued Shares of the Company or such limits and manner of calculation as may be prescribed by the SGX-ST from time to time.

Any ordinary resolution passed pursuant to Article 60(2), as proposed to be altered, will continue to be subject to the specific limits and manner of calculation prescribed by the Listing Manual from time to time.

2.2.12 Article 62

Article 62 provides that the Company may by ordinary resolution, *inter alia*, consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares, and subdivide its Shares into Shares of smaller amount. It is proposed that these provisions be altered to delete the references to the “amount” of Shares in conjunction with the abolition of the concept of par value pursuant to the Companies Amendment Act.

Article 62(1)(b) provides also that the Company may by ordinary resolution cancel any Shares which have not been taken by any person and diminish the amount of capital by the amount of the Shares so cancelled. It is proposed that this provision be deleted altogether in conjunction with the abolition of the concept of authorised capital pursuant to the Companies Amendment Act.

Article 62(2), which provides that the Company may reduce its share capital, capital redemption reserve fund or share premium account as authorised by law, is proposed to be altered to delete the references to the capital redemption reserve fund and the share premium account since, under the Companies Amendment Act, any amounts standing to the credit of the Company’s capital redemption reserve fund and share premium account become part of its share capital. Article 62(2) is proposed to be further altered to provide that the Company may reduce its share capital in accordance with the provisions of the Act and any other applicable law.

2.2.13 Article 66

It is proposed that Article 66 be altered to remove references to issuing Shares “at a discount, premium or otherwise” in line with the abolition of the concept of nominal value pursuant to the Companies Amendment Act.

2.2.14 Article 72

Article 72 is proposed to be amended to remove references to “the issued capital of the Company” in line with the abolition of the concept of par value and the introduction of provisions on treasury shares pursuant to the Companies Amendment Act.

2.2.15 Article 82

Article 82 deals with the exceptions to a resolution being put to the vote of the meeting and decided by a show of hands. Article 82 is proposed to be altered to provide that a poll can be demanded by a member present in person or by proxy and holding not less than 10% of the total number of paid-up Shares of the Company (excluding treasury shares), following the abolition of the concept of par value and the introduction of provisions on treasury shares pursuant to the Companies Amendment Act.

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2.2.16 Article 99

Article 99 is proposed to be deleted in its entirety in line with the abolition of the concept of par value pursuant to the Companies Amendment Act.

2.2.17 Article 137

Article 137 provides for the payment of dividends to be made in proportion to the amount paid in respect of the Shares. Article 137 on the apportionment of dividends is proposed to be altered, following the abolition of the concept of par value pursuant to the Companies Amendment Act, to provide that all dividends are to be paid in proportion to the number of Shares held (as opposed to according to the amounts paid on the Shares). Article 137 (as proposed to be altered) will also provide that where Shares are partly paid, all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid.

2.2.18 Article 149

Article 149 is proposed to be amended to clarify the position in relation to dividends which remain unclaimed after first being payable.

2.2.19 Article 151

Article 151, which deals with the capitalisation of profits and reserves, is proposed to be altered to permit the issue of bonus shares for which no consideration is payable, and to delete the references to the reserve fund and the share premium account from Article 151 since under the Companies Amendment Act, any amounts standing to the credit of the Company's reserve fund and share premium account become part of its share capital. Article 151 is also proposed to be altered to make it clear that such power is without prejudice to the provisions of Article 60(2) (as proposed to be altered).

In addition, it is also proposed that the present heading "CAPITALISATION OF PROFITS AND RESERVES" be amended to "BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES".

2.3 Text of Articles to be altered

The text of the Articles which are proposed to be deleted or altered are set out in the Appendix to this Circular.

2.4 Shareholders' approval

The proposed alterations to the Articles are subject to Shareholders' approval.

3. DETAILS OF THE SHARE BUYBACK MANDATE

3.1 Shareholders' Approval

Approval is being sought from Shareholders at the EGM for the adoption of a 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 EGM and continue in force until the date of the next AGM or such date as the next AGM is required by law to be held, whichever is the earlier, 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 general meeting. The Share Buyback Mandate may be put to Shareholders for renewal at each subsequent AGM.

LETTER TO SHAREHOLDERS

3.2 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 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, after taking into account, the prevailing market conditions and the most cost-effective and efficient approach.

3.3 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 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 10% of the total number of Shares of the Company ascertained as at the date of the last AGM or at the date of the EGM at which the Share Buyback Mandate is approved, whichever is the 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, in which event the total number of Shares of the Company shall be taken to be the total number of the 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 Approval Date 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 varied or revoked.

(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(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Rules ("**Off-Market Purchase**").

LETTER TO SHAREHOLDERS

(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:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed share buyback;
- (d) the consequences, if any, of share buybacks by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share buyback, if made, would have any effect on the listing of the Shares on the SGX-ST; and
- (f) 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% 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% of the Average Closing Price (as defined hereinafter),

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

LETTER TO SHAREHOLDERS

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period; 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.

3.4 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 Amendment Act, 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 employees' share scheme, transferred as consideration for the acquisition of shares in or assets of another company or assets of another person, or cancelled.

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 10% 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).

3.5 Purchase or Acquisition out of Capital or Profits

Pursuant to the Companies Amendment Act, any purchase of Shares may be made out of the Company's capital or profits as long as the Company is solvent. Pursuant to Section 76F(4) of the Companies Act, the Company is solvent if (i) it is able to pay its debts in full at the time of payment and will be able to pay its debts as they fall due in the normal course of business in the 12 months following such date of payment; and (ii) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and will not, after any purchase of Shares for purposes of any proposed acquisition or release of the Company's obligations, become less than the value of its liabilities (including contingent liabilities). In determining that the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimates of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

LETTER TO SHAREHOLDERS

The Shares purchased by the Company shall, unless held as treasury shares, be deemed to be cancelled immediately on acquisition by the Company. Where Shares are purchased or acquired, and cancelled:

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares cancelled (the “**Purchase Price**”);
- (b) if the Shares are purchased or acquired entirely out of the profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Purchase Price; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) 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.

3.6 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 3.3(5) of this Circular.

3.7 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.

3.8 Listing Manual

Under the Listing Manual, a listed company may purchase shares by way of Market Purchases at a price per share which is not more than 5% 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.

LETTER TO SHAREHOLDERS

The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in section 5.2 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 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:

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

3.9 Listing Status

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% 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, there are 173,825,060 Shares in the hands of the public (as defined above), representing 33.85% of the issued share capital of the Company. 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.

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3.10 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% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% 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% but not more than 50% 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 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% or more or, if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by 1% 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% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution to authorise the Share Buyback Mandate.

3.10.1 Concert Parties of Keppel Oil and Gas

Keppel Oil and Gas holds 223,343,797 Shares representing 43.50% of the issued share capital of the Company as at the Latest Practicable Date. Keppel Oil and Gas is a wholly-owned subsidiary of 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, Temasek is also presumed to be a concert party of Keppel Group under the Take-over Code.

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Based on the declaration of Temasek, DBS has a deemed interest in 1,273,000 Shares representing 0.25% of the issued share capital of the Company as at the Latest Practicable Date. Out of the 1,273,000 Shares, fund management companies in the DBS Group, namely, DBSAM, Hwang-DBS (Malaysia) Bhd and Singapore Consortium Investment Management Ltd, hold 938,000 Shares on behalf of various discretionary fund accounts managed by these fund management companies. The remaining 335,000 Shares are held by DBS Group in the name of DBS Nominees Ltd. As DBS is an associated company of Temasek, Temasek is presumed to be a concert party of DBS Group, and consequently DBS Group is also presumed a concert party of Keppel Group with respect to the Company under the Take-over Code.

In the event that the Company should, pursuant to the Share Buyback Mandate, purchase or acquire up to 10% of its issued Shares, the holding of Keppel Group in the issued Shares could increase by more than 1% in any period of six months. Under the Take-over Code, 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. None of the other Directors of the Company are nominees of Keppel Group, 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 Code.

3.10.2 SIC Rulings

The Company has obtained the following rulings from the SIC:

(a) Keppel Group and (i) DBS Group and (ii) Temasek Companies

The SIC has ruled that the presumption that Keppel Group on the one hand and (i) DBS Group and (ii) Temasek and its subsidiaries and associated companies (other than Keppel Group, but include DBS Group) (collectively, the “**Temasek 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 Keppel Group in the Company will not be aggregated with those of DBS Group or other Temasek Companies for the purposes of Rule 14 of the Take-over Code; and
- (ii) Keppel Group and its concert parties will not incur a mandatory offer obligation in relation to the Share Buyback Mandate due to any acquisition by DBS Group or other Temasek Companies of any Shares notwithstanding that they may be aware that the announcement of the proposed share purchase by the Company is imminent and that the Share Buyback Mandate is still in force and has not expired.

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(b) Keppel Group and its concert parties

The Company has sought a ruling from the 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.

The 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 1% within any six-month period arising from any share buybacks undertaken by the Company. However, the 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 Circular contains advice to the effect that by voting for 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 authorise the Share Buyback Mandate is approved by a majority of those Shareholders present and voting at the EGM on a poll who could not become obliged to make an offer as a result of the proposed share buyback;
- (iii) the Keppel Group and its concert parties shall abstain from voting for the resolution to authorise 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 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 proposed 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 1% 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% 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 1% within any six-month period.

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(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 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.

3.10.3 *Voting rights of 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 EGM;
- (b) no new Shares are issued to Keppel Oil and Gas by the Company following approval being received from Shareholders at the EGM for the Share Buyback Mandate; and
- (c) Keppel Oil and Gas does not sell or otherwise dispose of its holdings of Shares,

the holdings of Shares of Keppel Oil and Gas as at the date of the EGM and after the purchase by the Company of 10% of the issued Shares pursuant to the Share Buyback Mandate are as follows:

	← Before Share Purchase (as at date of EGM) →		← After Share Purchase →	
	No. of Shares	% of total issued Shares	No. of Shares	% of total issued Shares
Keppel Oil and Gas	223,343,797	43.50	223,343,797	48.33

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.

3.10.4 *Advice to Shareholders*

Shareholders should therefore note that by voting for 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 the 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.

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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 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 proposed 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 proposed 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 4 of this Circular.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

Directors	← Direct ⁽¹⁾ →	No. of Shares	% of total issued Shares
Choo Chiau Beng		179,000	0.035
Koh Ban Heng		315,200	0.061
Bertie Cheng Shao Shiong		116,000	0.023
Geoffrey John King		69,000	0.013
Timothy Ong Teck Mong		10,000	0.002
Chin Wei-Li, Audrey Marie		19,000	0.004
Goon Kok-Loon		16,000	0.003
Teo Soon Hoe		10,000	0.002
Cheng Hong Kok		92,000	0.018

Note:

(1) Details of the Directors' deemed interest in the Shares arising from their outstanding Options and Awards pursuant to SPC SOS 2000, SPC PSP and SPC RSP are disclosed in the table below.

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	420,000	550,000 ⁽¹⁾
Bertie Cheng Shao Shiong	—	—

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Directors	No. of Shares comprised in outstanding Options	No. of Shares comprised in outstanding Awards
Geoffrey John King	34,000	—
Timothy Ong Teck Mong	23,000	—
Chin Wei-Li, Audrey Marie	22,000	—
Goon Kok-Loon	15,000	—
Teo Soon Hoe	—	—
Cheng Hong Kok	29,000	—

Note:

- (1) Contingent interest of up to an aggregate 550,000 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 share capital of the Company as at the Latest Practicable Date are as follows:

Substantial Shareholders	← Direct →		← Deemed →	
	No. of Shares	% of total issued Shares	No. of Shares	% of total issued Shares
Keppel Oil and Gas Services Pte Ltd ⁽¹⁾	223,343,797	43.50	—	—
Keppel Corporation Limited ⁽¹⁾	—	—	223,343,797	43.50
Temasek Holdings (Private) Limited ⁽²⁾	—	—	224,616,797	43.75
Satya Capital Limited ⁽³⁾	—	—	115,000,000	22.40

Notes:

- (1) KCL is deemed interested in the Shares held by Keppel Oil and Gas by virtue of its 100% interest in Keppel Oil and Gas. Temasek is deemed to have an interest in approximately 31.35% 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 223,343,797 Shares owned by Keppel Oil and Gas.
- (2) Temasek is deemed to be interested in the aggregate 224,616,797 Shares held by its associated companies, namely Keppel Group and DBS Group.
- (3) Satya Capital Limited is deemed interested in the 115,000,000 Shares held by ING Nominees (Singapore) Pte Ltd.

5. FINANCIAL EFFECTS OF SHARE BUYBACK MANDATE

5.1 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 FY2005, and are not necessarily representative of future financial performance. Although the proposed Share Buyback Mandate would authorise the Company to buyback up to 10% of the Company's issued Shares, the Company may not necessarily buyback or be able to buyback 10% of the issued Shares in full.

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5.2 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.

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 proposed Share Buyback Mandate will be exercised with a view to enhance Shareholders' value.

The financial effects presented in section 5.2 of this Circular are based on the assumptions set out below.

5.2.1 Information as at 31 December 2005

As at 31 December 2005, the issued share capital of the Company comprised 502,580,236 Shares. In addition, there were unexercised Options for 4,083,000 shares under the SPC SOS 2000.

5.2.2 Illustrative Financial Effects

Purely for illustrative purposes, on the basis of 502,580,236 Shares in issue as on 31 December 2005 and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the EGM, the purchase by the Company of 10% of its issued Shares will result in the purchase of 50,258,023 Shares.

For illustrative purposes only and on the basis of the assumptions set out in paragraph 5.2.1 above, the financial effects of:

- (a) the acquisition of 50,258,023 Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and held as treasury shares;
- (b) the acquisition of 50,258,023 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 50,258,023 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 FY2005, are set out below:

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(a) Purchases made entirely out of capital and held as treasury shares

	← Group →			← Company →		
	Before Share Buyback	After Share Buyback assuming Market Purchase ⁽⁸⁾	After Share Buyback assuming Off-Market Purchase ⁽⁹⁾	Before Share Buyback	After Share Buyback assuming Market Purchase ⁽⁸⁾	After Share Buyback assuming Off-Market Purchase ⁽⁹⁾
(\$S'000)						
Share capital & Share premium	571,216	571,216	571,216	571,216	571,216	571,216
Reserves (non-distributable) ⁽¹⁾	11,158	11,158	11,158	11,316	11,316	11,316
Retained earnings	843,478	843,478	843,478	752,312	752,312	752,312
Treasury shares	0	(251,290)	(286,973)	0	(251,290)	(286,973)
Shareholders' funds	1,425,852	1,174,562	1,138,879	1,334,844	1,083,554	1,047,871
NTA	1,425,852	1,174,562	1,138,879	1,334,844	1,083,554	1,047,871
Total borrowings	426,804	678,094	713,777	397,483	648,773	684,456
PATMI ^{(2), (10)}	403,560	398,032	397,247	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾
Cash and cash equivalents	255,070	255,070	255,070	217,333	217,333	217,333
Number of Shares ('000)	502,580	502,580 ⁽⁷⁾	502,580 ⁽⁷⁾	502,580	502,580 ⁽⁷⁾	502,580 ⁽⁷⁾
Financial Ratios						
NTA per Share (cents) ⁽³⁾	284	260	252	266	240	232
Basic EPS (cents) ^{(4), (10)}	85.19	93.99	93.81	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾
Net gearing (times) ⁽⁵⁾	0.12	0.36	0.40	0.13	0.40	0.45
Return on equity (%) ^{(6), (10)}	35.8	39.7	40.4	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾

Notes:

- (1) Reserves (non-distributable) includes capital reserve, other reserves and foreign currency translation reserve.
- (2) PATMI is profit after tax and minority interest.
- (3) NTA per Share equals NTA divided by number of Shares.
- (4) Basic EPS equals PATMI divided by the weighted average number of Shares.
- (5) Net gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (6) Return on equity equals PATMI divided by average total equity.
- (7) Includes 50,258,023 Shares that are held as treasury shares and is computed based on 502,580,236 Shares in issue as on 31 December 2005.
- (8) Assumes that the Company purchases the 50,258,023 Shares at the Maximum Price of S\$5.00 for one Share, which is 5% 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 50,258,023 Shares is S\$251,290,115.

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- (9) Assumes that the Company purchases the 50,258,023 Shares at the Maximum Price of S\$5.71 for one Share, which is 20% 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 50,258,023 Shares is S\$286,973,312.
- (10) Earnings and EPS after the share purchase has been adjusted by the notional interest expense incurred at the interest rate of 2.75% per annum less taxation.
- (11) 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.

(b) Purchases made entirely out of profits and cancelled

	← Group →			← Company →		
	Before Share Buyback	After Share Buyback assuming Market Purchase ⁽⁸⁾	After Share Buyback assuming Off-Market Purchase ⁽⁹⁾	Before Share Buyback	After Share Buyback assuming Market Purchase ⁽⁸⁾	After Share Buyback assuming Off-Market Purchase ⁽⁹⁾
(\$'000)						
Share capital & Share premium	571,216	571,216	571,216	571,216	571,216	571,216
Reserves (non-distributable) ⁽¹⁾	11,158	11,158	11,158	11,316	11,316	11,316
Retained earnings	843,478	592,188	556,505	752,312	501,022	465,339
Treasury shares	0	0	0	0	0	0
Shareholders' funds	1,425,852	1,174,562	1,138,879	1,334,844	1,083,554	1,047,871
NTA	1,425,852	1,174,562	1,138,879	1,334,844	1,083,554	1,047,871
Total borrowings	426,804	678,094	713,777	397,483	648,773	684,456
PATMI ^{(2), (10)}	403,560	398,032	397,247	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾
Cash and cash equivalents	255,070	255,070	255,070	217,333	217,333	217,333
Number of Shares ('000)	502,580	452,322 ⁽⁷⁾	452,322 ⁽⁷⁾	502,580	452,322 ⁽⁷⁾	452,322 ⁽⁷⁾
Financial Ratios						
NTA per Share (cents) ⁽³⁾	284	260	252	266	240	232
Basic EPS (cents) ^{(4), (10)}	85.19	93.99	93.81	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾
Net gearing (times) ⁽⁵⁾	0.12	0.36	0.40	0.13	0.40	0.45
Return on equity (%) ^{(6), (10)}	35.8	39.7	40.4	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾

Notes:

- (1) Reserves (non-distributable) includes capital reserve, other reserves and foreign currency translation reserve.
- (2) PATMI is profit after tax and minority interest.
- (3) NTA per Share equals NTA divided by number of Shares.
- (4) Basic EPS equals PATMI divided by the weighted average number of Shares.
- (5) Net gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.

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- (6) Return on equity equals PATMI divided by average total equity.
- (7) Excludes 50,258,023 Shares that are held as treasury shares and is computed based on 502,580,236 Shares in issue as on 31 December 2005.
- (8) Assumes that the Company purchases the 50,258,023 Shares at the Maximum Price of S\$5.00 for one Share, which is 5% 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 50,258,023 Shares is S\$251,290,115.
- (9) Assumes that the Company purchases the 50,258,023 Shares at the Maximum Price of S\$5.71 for one Share, which is 20% 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 50,258,023 Shares is S\$286,973,312.
- (10) Earnings and EPS after the Share Purchase has been adjusted by the notional interest expense incurred at the interest rate of 2.75% per annum less taxation.
- (11) 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.

(c) Purchases made entirely out of capital and cancelled

	← Group →			← Company →		
	Before Share Buyback	After Share Buyback assuming Market Purchase ⁽⁸⁾	After Share Buyback assuming Off-Market Purchase ⁽⁹⁾	Before Share Buyback	After Share Buyback assuming Market Purchase ⁽⁸⁾	After Share Buyback assuming Off-Market Purchase ⁽⁹⁾
(S\$'000)						
Share capital & Share premium	571,216	319,926	284,243	571,216	319,926	284,243
Reserves (non-distributable) ⁽¹⁾	11,158	11,158	11,158	11,316	11,316	11,316
Retained earnings	843,478	843,478	843,478	752,312	752,312	752,312
Treasury shares	0	0	0	0	0	0
Shareholders' funds	1,425,852	1,174,562	1,138,879	1,334,844	1,083,554	1,047,871
NTA	1,425,852	1,174,562	1,138,879	1,334,844	1,083,554	1,047,871
Total borrowings	426,804	678,094	713,777	397,483	648,773	684,456
PATMI ^{(2), (10)}	403,560	398,032	397,247	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾
Cash and cash equivalents	255,070	255,070	255,070	217,333	217,333	217,333
Number of Shares ('000)	502,580	452,322 ⁽⁷⁾	452,322 ⁽⁷⁾	502,580	452,322 ⁽⁷⁾	452,322 ⁽⁷⁾
Financial Ratios						
NTA per Share (cents) ⁽³⁾	284	260	252	266	240	232
Basic EPS (cents) ^{(4), (10)}	85.19	93.99	93.81	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾
Net gearing (times) ⁽⁵⁾	0.12	0.36	0.40	0.13	0.40	0.45
Return on equity (%) ⁽⁶⁾	35.8	39.7	40.4	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾

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Notes:

- (1) Reserves (non-distributable) includes capital reserves, other reserve and foreign currency translation reserve.
- (2) PATMI is profit after tax and minority interest.
- (3) NTA per Share equals NTA divided by number of Shares.
- (4) Basic EPS equals PATMI divided by the weighted average number of Shares.
- (5) Net gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (6) Return on equity equals PATMI divided by average total equity.
- (7) Excludes 50,258,023 Shares that are held as treasury shares and is computed based on 502,580,236 Shares in issue as on 31 December 2005.
- (8) Assumes that the Company purchases the 50,258,023 Shares at the Maximum Price of S\$5.00 for one Share, which is 5% 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 50,258,023 Shares is S\$251,290,115.
- (9) Assumes that the Company purchases the 50,258,023 Shares at the Maximum Price of S\$5.71 for one Share, which is 20% 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 50,258,023 Shares is S\$286,973,312.
- (10) Earnings and EPS after the share purchase has been adjusted by the notional interest expense incurred at the interest rate of 2.75% per annum less taxation.
- (11) 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:

- (i) increased net gearing ratios of the Group and Company;
- (ii) decreased NTA per Share of the Group and Company;
- (iii) increased basic EPS of the Group; and
- (iv) 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 10% of the issued Shares, the Company may not necessarily purchase or be able to purchase the entire 10% 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.

6. APPROVAL REQUIRED

The proposed alterations to the Articles and the Share Buyback Mandate are conditional upon the approval of the Shareholders at the EGM.

7. RECOMMENDATION

The Directors are of the opinion that the proposed alterations to the Articles are in the best interests of the Company. Accordingly, the Directors have recommended that Shareholders vote in favour of Special Resolution 1 relating to the proposed alterations to the Articles set out in the Notice of the EGM on pages 44 and 45 of this Circular.

LETTER TO SHAREHOLDERS

The Directors (other than the Common Directors) are of the opinion that the proposed adoption of the Share Buyback Mandate are in the best interests of the Company. Accordingly, they have recommended that Shareholders vote in favour of and Ordinary Resolution 2 relating to the Share Buyback Mandate set out in the Notice of the EGM on pages 44 and 45 of this Circular.

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 Ordinary Resolution 2 relating to the Share Buyback Mandate and will abstain from voting in respect of their holdings of Shares (if any) on Ordinary Resolution 2. The Common Directors will also not accept any appointment as proxies or otherwise for voting on Ordinary Resolution 2 unless specific instructions have been given in the proxy form(s) on how the votes are to be cast.

8. EXTRAORDINARY GENERAL MEETING

An EGM, notice of which is set out on pages 44 and 45 of this Circular, will be held at Inter-Continental Singapore, 80 Middle Road, Singapore 188966 on 26 April 2006 at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 3 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without any amendments, the resolution set out in the Notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote on their behalf should complete, sign and return the attached proxy form (“**Proxy Form**”) in accordance with the instructions printed thereon and as soon as possible and, in any event, so as to arrive at the registered office of the Company at 1 Maritime Square #10-10, HarbourFront Centre, Singapore 099253 not less than 48 hours before the time set for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he wishes to do so, in place of his proxy.

10. 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 the Ordinary Resolution relating to the Share Buyback Mandate at the EGM.

11. DIRECTORS’ RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors, including those who have delegated detailed responsibility for the Circular, and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, having made all reasonable enquiries, to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date of this Circular and that there are no material facts the omission of which would make any statement in this Circular misleading.

LETTER TO SHAREHOLDERS

12. INSPECTION OF DOCUMENTS

Copies of the following documents may be inspected at the registered office of the Company during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the EGM:

- (1) the Articles of Association of the Company;
- (2) the consolidated financial results of the Company for FY2005;
- (3) the annual report of the Company for FY2004; and
- (4) the rules of the SPC SOS 2000, the SPC PSP and the SPC RSP.

Yours faithfully

For and on behalf of the Board of Directors



Koh Ban Heng

Chief Executive Officer and Executive Director

SINGAPORE PETROLEUM COMPANY LIMITED

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THE PROPOSED ALTERATIONS TO THE ARTICLES OF ASSOCIATION

The alterations which are proposed to be made to the Articles are set out below. For ease of reference and where appropriate, the full text of the Articles proposed to be altered has also been reproduced.

Proposed Alterations to Existing Article 2

- (i) By deleting the following existing definition in its entirety:

Member (a) where CDP is named in the Register as the holder of shares, a Depositor in respect of the number of shares which stand in credit against his name in the Depository Register; and

 (b) in any other case, a person whose name appears on the Register as a shareholder.

and substituting it with the following:

Member **A Member of the Company, save that references in these Articles to “Member(s)” shall, where the Act requires, exclude the Company where it is a Member by reason of its holding of its shares as treasury shares.**

- (ii) Insertion of the following definition:

“Treasury Shares Shall have the meaning ascribed to it in the Act.”

- (iii) By replacing the existing paragraph which reads “References to a “holder” or to a “registered holder” or to a “joint holder” or to a “registered joint holder” of shares shall be taken to mean a person named with respect to such shares in the Register and references to a “shareholder” shall be taken to mean a “Member” provided that, except where expressly stipulated, references to a “holder” or to a “registered holder” or to a “joint holder” or to a “registered joint holder” of shares shall exclude CDP and “hold”, “holding” and “held” shall, except where the subject or context forbids, be construed accordingly.”, with the paragraph below:

“References to a “holder” or to a “registered holder” or to a “joint holder” or to a “registered joint holder” of shares shall be taken to mean a person named with respect to such shares in the Register and references to a “shareholder” shall be taken to mean a “Member” provided that, except where expressly stipulated, references to a “holder” or to a “registered holder” or to a “joint holder” or to a “registered joint holder” of shares shall:

- (a) **exclude CDP or its nominees (as the case may be) except where otherwise expressly provided in these Articles or where the term “registered holders” or “registered holder” is used in these Articles;**
- (b) **where the context so requires, be deemed to include references to Depositors whose names are entered in the CDP register in respect of those shares; and**
- (c) **except where otherwise expressly provided in these Articles, exclude the Company in relation to shares held by it as treasury shares,**

and “hold”, “holding” and “held” shall, except where the subject or context forbids, be construed accordingly.”

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Existing Article 5

5. *Subject to the Act and these Articles relating to new shares and to any special rights attached to any share for the time being issued, all shares shall be under the absolute control of the Members in General Meeting but subject thereto, the Directors may allot, grant options over or otherwise dispose of the same to such persons on such terms and conditions, for such consideration, at a premium or otherwise and at such times as the Directors determine Provided that:-*
- (a) no shares may be issued at a discount except in accordance with the Act;*
 - (b) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same; and*
 - (c) no shares may be issued to transfer a controlling interest without prior approval of the Members in General Meeting.*

Proposed Alterations to Existing Article 5

By deleting Article 5 in its entirety and substituting therefor the following:

5. Subject to the Act and these Articles relating to new shares and to any special rights attached to any share for the time being issued, all shares shall be under the absolute control of the Members in General Meeting but subject thereto, the Directors may allot, grant options over or otherwise dispose of the same to such persons on such terms and conditions, for such consideration, ~~at a premium or otherwise~~ and at such times as the Directors determine Provided that:-
- ~~(a) no shares may be issued at a discount except in accordance with the Act;~~
 - (a) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same; and
 - (b) no shares may be issued to transfer a controlling interest without prior approval of the Members in General Meeting.

Existing Article 7

7. *Any share in the Company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, either at a premium or otherwise, as the Company may from time to time by Ordinary Resolution determine, and subject to the provisions of the Act (and these Articles) the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by Ordinary Resolution determine. The total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares for the time being.*

Proposed Alterations to Existing Article 7

By deleting Article 7 in its entirety and substituting therefor the following:

7. Any share in the Company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, ~~either at a premium or otherwise~~, as the Company may from time to time by Ordinary Resolution determine, and subject to the provisions of the Act (and these Articles) the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by Ordinary Resolution

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determine. The total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares for the time being. **Preference shares may be issued subject to such limitation thereof as may be prescribed by the Exchange.**

Proposed New Article 10A

By inserting a new Article 10A as follows:

- 10A. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.**

Existing Article 12

12. *The Company may pay a commission to any person in consideration of his subscribing, or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the capital of the Company but such commission shall not exceed ten per cent. of the price at which the shares are issued or an amount equivalent thereto. Any such commission may be paid in whole or in part in cash or fully or partly paid shares of the Company at par as may be arranged, and the Company may, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, whether absolutely or conditionally, or of his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company, confer on any such person an option call within a specified time for a specified number or amount of shares in the Company at a specified price not being less than the par value or on such other terms and conditions as the Directors may deem fit. The payment or agreement to pay a commission or the conferring of an option shall be in the discretion of the Directors on behalf of the Company. The requirements of the provisions of the Act shall be observed, so far as applicable.*

Proposed Alterations to Existing Article 12

By deleting Article 12 in its entirety and substituting therefor the following:

12. ~~The Company may pay a commission to any person in consideration of his subscribing, or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the capital of the Company but such commission shall not exceed ten per cent. of the price at which the shares are issued or an amount equivalent thereto. Any such commission may be paid in whole or in part in cash or fully or partly paid shares of the Company at par as may be arranged, and the Company may, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, whether absolutely or conditionally, or of his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company, confer on any such person an option call within a specified time for a specified number or amount of shares in the Company at a specified price not being less than the par value or on such other terms and conditions as the Directors may deem fit. The payment or agreement to pay a commission or the conferring of an option shall be in the discretion of the Directors on behalf of the Company. The requirements of the provisions of the Act shall be observed, so far as applicable.~~ **The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be paid in whole or in part in cash or fully or partly paid shares of the Company as may be arranged, and the Company may, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, whether absolutely or conditionally, or of his procuring or agreeing to procure subscriptions, whether**

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absolute or conditional, for any shares in the Company, confer on any such person an option call within a specified time for a specified number of shares in the Company at a specified price or on such other terms and conditions as the Directors may deem fit.

Existing Article 16A

16A. *Subject to and in accordance with the provisions of the Act, the listing rules of the Exchange, and other written law, the Company may purchase or otherwise acquire shares, options, stocks, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms as the Company may think fit and in the manner prescribed by law. If required by law, any share which is so purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may deal with such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the law.*

Proposed Alterations to Existing Article 16A

By deleting Article 16A in its entirety and substituting therefor the following:

16A. Subject to and in accordance with the provisions of the Act, the listing rules of the Exchange, and other written law, the Company may purchase or otherwise acquire shares, options, stocks, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms as the Company may think fit and in the manner prescribed by law. If required by law, any share which is so purchased or acquired by the Company shall, **unless held in treasury in accordance with the Act**, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may **hold or** deal with such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the law **(including without limitation, to hold such share as a treasury share)**.

Existing Article 19

19. *Every certificate of shares shall specify in words and figures the distinctive number of shares in respect of which it is issued, and the amount paid up thereon.*

Proposed Alterations to Existing Article 19

By deleting Article 19 in its entirety and substituting therefor the following:

19. Every certificate of shares shall specify in words and figures the distinctive number **and class** of shares in respect of which it is issued, and the amount paid **and the amount (if any) unpaid** thereon.

Existing Article 26

26. *The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares or on any class of their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, and each Member shall (subject to his having been given at least fourteen days'*

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notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be made payable by instalments. A call may be revoked or postponed as the Directors may determine. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.

Proposed Alterations to Existing Article 26

By deleting Article 26 in its entirety and substituting therefor the following:

26. The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares or any class of their shares (~~whether on account of the nominal value of the shares or by way of premium~~) and not by the conditions of allotment thereof made payable at fixed times, and each Member shall (subject to his having been given at least fourteen (14) days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be made payable by instalments. A call may be revoked or postponed as the Directors may determine. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.

Existing Article 29

29. *Any sum which by the terms of allotment of a share is made payable upon issue or at any fixed date whether on account of the nominal value of the share or by way of premium and any instalment of a call shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interests, costs, charges and expenses, forfeiture and the like, and all the other relevant provisions of the Act or of these Articles shall apply as if such sum were a call duly made and notified as hereby provided.*

Proposed Alterations to Existing Article 29

By deleting Article 29 in its entirety and substituting therefor the following:

29. Any sum which by the terms of allotment of a share is made payable upon issue or at any fixed date ~~whether on account of the nominal value of the share or by way of premium~~ and any instalment of a call shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in the case of non-payment, the provisions of these Articles as to payment of interest, costs, charges and expenses, forfeiture and the like, and all other relevant provisions of the Act or of these Articles shall apply as if such sum were a call duly made and notified as hereby provided.

Existing Article 54

54. *The Company in General Meeting may convert any paid-up shares into stock and may from time to time reconvert such stock into paid-up shares of any denomination.*

Proposed Alterations to Existing Article 54

By deleting Article 54 in its entirety and substituting therefor the following:

54. The Company in General Meeting may convert any paid-up shares into stock and may from time to time reconvert such stock into paid-up shares ~~of any denomination~~.

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Existing Article 55

55. *When any shares have been converted into stock the several holders of and Depositors in respect of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in General Meeting shall direct, but in default of any direction then in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances will admit. The Directors may if they think fit from time to time fix the minimum amount of stock transferable Provided That such minimum shall not exceed the nominal amount of the shares from which the stock arose.*

Proposed Alterations to Existing Article 55

By deleting Article 55 in its entirety and substituting therefor the following:

55. When any shares have been converted into stock the several holders of and Depositors in respect of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in General Meeting shall direct, but in default of any direction then in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances will admit. The Directors may if they think fit from time to time fix the minimum amount of stock transferable ~~Provided That such minimum shall not exceed the nominal amount of the shares from which the stock arose.~~

Existing Article 58

58. *The Company in General Meeting may from time to time by Ordinary Resolution, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued have been fully paid-up or not, increase its capital by the creation and issue of new shares, such aggregate increase to be of such amount and to be divided into shares of such respective amounts as the Company by the resolution authorising such increase shall direct.*

Proposed Alterations to Existing Article 58

By deleting Article 58 in its entirety and substituting therefor the following:

58. The Company may from time to time by Ordinary Resolution in General Meeting ~~whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued have been fully paid-up or not, increase its capital by the creation and issue of new shares, such aggregate increase to be of such amount and to be divided into shares of such respective amounts as the Company by the resolution authorising such increase shall direct.~~

Proposed Alterations to Existing Article 59(1)

To renumber the existing Article 59(1) as Article 59.

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Existing Article 60(2)

60. (2) *Notwithstanding Article 60(1) above, the Company may by ordinary resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution, to:*

- (a) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); 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 warrants, debentures or other instruments convertible into shares; and*

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

provided that:

- (i) the aggregate number of shares to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution and including shares which may be issued pursuant to any adjustment effected under any relevant Instruments), does not exceed 50 per cent. (50%) (or such other limit as may be prescribed by the Exchange) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (ii) below) of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution and including shares which may be issued pursuant to any adjustment effected under any relevant Instrument) does not exceed twenty per cent. (20%) (or such other limit as may be prescribed by the Exchange) of the issued share 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 issued share capital shall be calculated based on the issued share capital of the Company as at the date of the passing of the ordinary 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 the ordinary resolution; and*
 - (bb) any subsequent consolidation or subdivision of shares;*
- (iii) in exercising the power to make or grant Instruments (including the making of any adjustment under any relevant Instrument), the Company shall comply with the listing rules and regulations of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and these Articles; and*
- (iv) (unless revoked or varied by the Company in General Meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the ordinary resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).*

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Proposed Alterations to Existing Article 60(2)

By deleting Article 60(2) in its entirety and substituting therefor the following:

60. (2) Notwithstanding Article 60(1) above, the Company may by ordinary resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution, to:

- (a) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); 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 warrants, debentures or other instruments convertible into shares; and

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

provided that

- (i) the aggregate number of shares to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution and including shares which may be issued pursuant to any adjustment effected under any relevant Instruments) **shall be subject to**, ~~does not exceed 50 per cent (50%) (or such other limit~~ **such limits and manner of calculation as** may be prescribed by the Exchange; ~~) of the total issued shares of the Company (as calculated in accordance with sub-paragraph (ii) below) of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution and including shares which may be issued pursuant to any adjustment effected under any relevant Instrument) does not exceed twenty per cent (20%) (or such other limit as may be prescribed by the Exchange) of the total issued shares 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 issued shares shall be calculated based on the total issued shares of the Company as at the date of the passing of the ordinary 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 the ordinary resolution; and~~
 - ~~(bb) any subsequent consolidation or subdivision of shares;~~
- (iii) in exercising the power to make or grant Instruments (including the making of any adjustment under any relevant Instrument), the Company shall comply with the listing rules and regulations of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and these Articles; and
- (iiiv) (unless revoked or varied by the Company in General Meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the ordinary resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).

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Existing Article 62

62. The Company may:–

(1) by Ordinary Resolution:–

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the shares of Members to be consolidated determine which particular shares are to be consolidated into each consolidated share and in the case of any shares of Members being consolidated with shares of another Member may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for such purpose may appoint some person to transfer the consolidated share to the purchaser and arrange either for the distribution among the persons entitled thereto of the net proceeds of such sale after deduction of the expenses of sale or for the payment of such net proceeds to the Company Provided that when the necessary unissued shares are available the Directors may in each case where the number of shares in respect of which any holder or Depositor is a Member is not an exact multiple of the number of shares to be consolidated into a single share issue to each such holder or Depositor credited as fully paid up by way of capitalisation the minimum number of shares required to round up his shareholding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation) and the amount required to pay up such shares shall be appropriated at the Directors' discretion from any of the sums standing to the credit of any of the Company's Reserve Accounts (including Share Premium Account and Capital Redemption Reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares;
- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; or
- (c) by subdivision of its existing shares or any of them divide its capital or any part thereof into shares of smaller amount than is fixed by its Memorandum of Association and so that as between the holders or Depositors of the resulting shares one or more of such shares may by the resolution by which the subdivision is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares;

(2) by Special Resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with and subject to any matter or consent required by law.

Proposed Alterations to Existing Article 62

By deleting Article 62 in its entirety and substituting therefor the following:

62. The Company may:

(1) by Ordinary Resolution:–

- (a) ~~consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares into shares of larger~~

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amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the shares of Members to be consolidated determine which particular shares are to be consolidated into each consolidated share or any fractions thereof and in the case of any shares of Members being consolidated with shares of another Member may make such arrangements as may be thought fit for the sale of the consolidated share and for such purpose may appoint some person to transfer the consolidated share to the purchaser and arrange either for the distribution among the persons entitled thereto of the net proceeds of such sale after deduction of the expenses of sale or for the payment of such net proceeds to the Company Provided that when the necessary unissued shares are available the Directors may in each case where the number of shares in respect of which any holder or Depositor is a Member is not an exact multiple of the number of shares to be consolidated into a single share issue to each such holder or Depositor credited as fully paid up by way of capitalisation the minimum number of shares required to round up his shareholding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation) and the amount required to pay up such shares shall be appropriated at the Directors' discretion from any of the sums standing to the credit of any of the Company's Reserve Accounts (including Share Premium Account and Capital Redemption Reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares; **or**

~~(b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; or~~

~~(be) by subdivision of **subdivide its existing shares or any of them divide its capital or any part thereof into shares of smaller amount than is fixed by its Memorandum of Association and so that as between the holders or Depositors of the resulting shares one or more of such shares may by the resolution by which the subdivision is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares (subject nevertheless to the provisions of the Act) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived; and**~~

(2) by Special Resolution reduces its share capital **and any other undistributable reserve,** any capital redemption reserve fund or any share premium account in any manner and with and subject to any matter or consent required by law **as may be authorised by the Act and any other applicable law.**

Existing Article 66

66. *Every debenture or other instrument for securing the payment of money may be made assignable free from any equities between the Company and the person to whom the same may be issued. Any debentures or debenture stocks, bonds or other instruments may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotments of shares, attending and voting at General Meetings of the Company, appointment of Directors and otherwise.*

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THE PROPOSED ALTERATIONS TO THE ARTICLES OF ASSOCIATION

Proposed Alterations to Existing Article 66

By deleting Article 66 in its entirety and substituting therefor the following:

66. Every debenture or other instrument for securing the payment of money may be made assignable free from any equities between the Company and the person to whom the same may be issued. Any debentures of debenture stocks, bonds or other instruments may be issued ~~at a discount, premium or otherwise and~~ with any special privileges as to redemption, surrender, drawing, allotments of shares, attending and voting at General Meetings of the Company, appointment of Directors and otherwise.

Existing Article 72

72. *The Directors shall, on the requisition of the Members in respect of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting of the Company, and in the case of such requisition the following provisions shall have effect:–*
- (1) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office, and may consist of several documents in like form each signed by one or more requisitionists.*
 - (2) If the Directors of the Company do not proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists or any of them representing more than one-half of the voting rights of all of them may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit.*
 - (3) In the case of a meeting at which a resolution is to be proposed as a Special Resolution the meeting shall be deemed not to be duly convened by the Directors if they do not give such notice as is required by the provisions of the Act.*
 - (4) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors.*

Proposed Alterations to Existing Article 72

By deleting Article 72 in its entirety and substituting therefor the following:

72. The Directors shall, on the requisition of the Members **holding** in respect of not less than one-tenth of the **total number of** issued **capital shares** of the Company (**excluding treasury shares**) upon which all calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting of the Company, and in the case of such requisition the following provisions shall have effect:–
- (1) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office, and may consist of several documents in like form each signed by one or more requisitionists.
 - (2) If the Directors of the Company do not proceed to cause a meeting to be held within twenty-one (21) days from the date of the requisition being so deposited, the requisitionists or any of them representing more than one-half of the voting rights of all of them may themselves convene the meeting, but any meeting so convened shall not be held after three (3) months from the date of the deposit.

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- (3) In the case of a meeting at which a resolution is to be proposed as a Special Resolution the meeting shall be deemed not to be duly convened by the Directors if they do not give such notice as is required by the provisions of the Act.
- (4) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors.

Existing Article 82

82. *At every General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person or by proxy and entitled to vote, unless before or upon the declaration of the result of the show of hands a poll be demanded by the Chairman of the meeting or by any two Members present in person or by proxy, and entitled to vote at the meeting or by a Member present in person or by proxy, representing not less than one-tenth of the total voting rights of all Members entitled to vote at the meeting or by a Member in respect of shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right. Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.*

Proposed Alterations to Existing Article 82

By deleting Article 82 in its entirety and substituting therefor the following:

82. At every General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person or by proxy and entitled to vote, unless before or upon the declaration of the result of the show of hands a poll be demanded by the Chairman of the meeting or by any two Members present in person or by proxy, and entitled to vote at the meeting or by a Member present in person or by proxy, representing not less than one-tenth of the total voting rights of all Members entitled to vote at the meeting or by a Member ~~in respect of shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right~~ **holding not less than one-tenth of the total number of paid-up shares of the Company (excluding treasury shares)**. Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the book of proceeds of the Company shall be conclusive evidence thereof, without proof.

Existing Article 99

99. *Where the capital of the Company consists of shares of different monetary denominations, voting rights may, at the discretion of the Board, be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.*

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Proposed Alterations to Existing Article 99

By deleting Article 99 in its entirety.

Existing Article 137

137. *The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles as to the reserve fund shall be divisible among the Members in proportion to the amount of capital paid up on their shares respectively.*

Proposed Alterations to Existing Article 137

By deleting Article 137 in its entirety and substituting therefor the following:

137. ~~*The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles as to the reserve fund shall be divisible among the Members in proportion to the amount of capital paid up on their shares respectively.*~~ **Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:**

- (a) **all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and**
- (b) **all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.**

For the purpose of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

Existing Article 149

149. *All dividends (other than dividends paid to CDP for distribution to Depositors) unclaimed for one year after having been declared, may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.*

Proposed Alterations to Existing Article 149

By deleting Article 149 in its entirety and substituting therefor the following:

149. **The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.** All dividends (other than dividends paid to CDP for distribution to Depositors) unclaimed for one (1) year after having been declared, may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed **and any dividend or any such moneys unclaimed after a period of six (6) years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six (6) years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable.**

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Existing Article 151

151. (1) The Company in General Meeting may by ordinary resolution (including any ordinary resolution passed pursuant to Article 60(2)), upon the recommendation of the Directors, resolve that it is desirable to capitalise any undivided profits or other monies of the Company not required for the payment or provision of the fixed dividend on any shares entitled to fixed cumulative or non-cumulative preferential dividends (including profits or monies carried and standing to any reserve or reserves or to share premium or other special account) and accordingly that the Board be authorised and directed to appropriate the profits or other monies resolved to be capitalised to the persons registered as holders of shares in the Register or in the Depository Register at the close of business on the date of the Resolution (or such other date as may be specified therein or determined as therein provided) or (in the case of an ordinary resolution passed pursuant Article 60(2)) such other date as may be determined by the Board holding fully paid ordinary shares and in paying up in full unissued shares, such shares to be allotted and distributed credited as fully paid up, to and amongst such persons. When required a proper contract shall be filed in accordance with Section 63 of the Act and the Board may appoint any person to sign such contract on behalf of the holders of the shares of the Company which shall have been issued prior to such capitalisation, and such appointment shall be effective. This Article is subject to any special conditions which may be attended to any shares hereafter issued.
- (2) Whenever such resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the amounts resolved to be capitalised thereby and all allotments and issues of fully or partly paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision for the satisfaction of the right of any Member under such resolution to a fractional part of a share by the issue of fractional certificates or by payment in cash or otherwise as they think fit and also to authorise any person to enter on behalf of the Members entitled thereto or their nominees into an agreement with the Company providing for the allotment to them respectively credited as fully or partly paid-up of any further shares to which they may be entitled upon such capitalisation or, as the case may be, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the amounts to be capitalised, of the amounts of any part of the amounts remaining unpaid on these existing shares or debentures. Any agreement made under such authority shall be effective and binding on all such Members and their nominees.
- (3) In addition and without prejudice to the power to capitalise profits and other monies provided for by Article 151(1), the Directors shall have the power to capitalise any undivided profits or other monies of the Company not required for the payment or provision of the fixed dividend on any shares entitled to fixed cumulative or non-cumulative preferential dividends (including profits or other monies carried and standing to any reserve or reserves or to share premium or other special account) and to apply such profits or other monies to be capitalised in paying up in full at par unissued shares on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

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Proposed Alterations to Existing Article 151

By deleting Article 151 in its entirety and substituting therefor the following:

151. (1) **The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 60(2)):**
- (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the CDP register at the close of business on:**
 - (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or**
 - (ii) (in the case of an Ordinary Resolution passed pursuant to Article 60(2)) such other date as may be determined by the Directors, in proportion to their then holdings of shares; and**
 - (b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the CDP register at the close of business on:**
 - (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or**
 - (ii) (in the case of an Ordinary Resolution passed pursuant to Article 60 (2)) such other date as may be determined by the Directors, in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.**
- (2) When required a proper contract shall be filed in accordance with Section 63 of the Act and the Board may appoint any person to sign such contract on behalf of the holders of the shares of the Company which shall have been issued prior to such capitalisation, and such appointment shall be effective. This Article is subject to any special conditions which may be attached to any shares hereafter issued.**
- (3) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under Article 151(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.**

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- (4) In addition and without prejudice to the powers provided for by Article 151(1) and 151(3), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or any other share plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit.

NOTICE OF EXTRAORDINARY GENERAL MEETING

SINGAPORE PETROLEUM COMPANY LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 196900291N

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Singapore Petroleum Company Limited (the “**Company**”) will be held at Inter-Continental Singapore, 80 Middle Road, Singapore 188966 on 26 April 2006 at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 3 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without any amendment the following resolutions:

SPECIAL RESOLUTION 1: THE PROPOSED ALTERATIONS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

That:

- (a) Articles 2, 5, 7, 12, 16A, 19, 26, 29, 54, 55, 58, 60(2), 62, 66, 72, 82, 99, 137, 149 and 151 of the Articles of Association of the Company (the “**Articles**”) and the heading “CAPITALISATION OF PROFITS AND RESERVES” appearing immediately before Article 151 be and are hereby altered;
- (b) new Article 10A be inserted into the Articles; and
- (c) that Article 59(1) be renumbered as Article 59,

in the manner and to the extent as set out in the Appendix to the circular to shareholders of the Company dated 4 April 2006 (the “**Circular**”).

ORDINARY RESOLUTION 2: THE SHARE BUYBACK MANDATE

That:

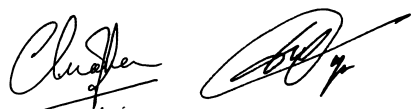
- (a) for the purposes of the Companies Act (Cap. 50), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter 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 schemes as may be determined or formulated by the Directors of the Company as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act (Cap. 50),

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**”);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) unless varied or revoked 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 varied or revoked;
- (c) in this Resolution:
- “Prescribed Limit”** means 10% of the issued ordinary share capital of the Company as at the date of passing of this Resolution; 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% of the Average Closing Price;
 - (ii) in the case of an Off-Market Purchase : 120% 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, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period; 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.

By Order of the Board



HELEN CHONG/LAM CHEE KIN
SECRETARIES

Singapore, 4 April 2006

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PROXY



SINGAPORE PETROLEUM COMPANY LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 196900291N

IMPORTANT

- 1.. For investors who have used their CPF moneys to buy shares in the capital of Singapore Petroleum Company Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We _____ (name)

of _____ (address)

being a member/members of SINGAPORE PETROLEUM COMPANY LIMITED (the "Company") hereby appoint

Name	Address	NRIC/ Passport Number	Proportion of Shareholding (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholding (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held on 26 April 2006 at 3.30 p.m. at Inter-Continental Singapore, 80 Middle Road, Singapore 188966 (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 3 p.m. on the same day and at the same place) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion. Only one joint proxy may vote on a resolution put to the vote and decided by a show of hands.

Resolutions	To be used on a show of hands		To be used in the event of a poll	
	For	Against	Number of Votes for**	Number of Votes Against**
Special Resolution 1 To approve the proposed alterations to the Articles of Association of the Company				
Ordinary Resolution 2 To approve the Share Buyback Mandate				

* Please indicate your vote "For" or "Against" with an "X" within the box provided.

** If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2006

Total number of shares held	
--	--

Signature(s) of Shareholder(s) or Common Seal

IMPORTANT: Please read the notes on the reverse.



Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act of Singapore, Chapter 50), you should insert that number of Shares. If you only have Shares registered in your name in the Register of Members, you should insert that number of Shares. However, if you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members.
2. A Member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. Where a shareholder appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as percentage of the whole) to be represented by each proxy. A proxy need not be a Member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Maritime Square #10-10, HarbourFront Centre, Singapore 099253 not less than 48 hours before the time appointed for the Extraordinary 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.

fold along this line (1)

Affix
Postage
Stamp

The Company Secretary
Singapore Petroleum Company Limited

1 Maritime Square #10-10
HarbourFront Centre
Singapore 099253

fold along this line (2)

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
5. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act of Singapore (Chapter 50).
6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such Members are not shown to have Shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Extraordinary General Meeting as certified by the Central Depository (Pte) Limited to the Company.