

# SPC has the depth and breadth to grow beyond.

The SPC Group continues to sharpen its focus on core strategic business that will create long-term shareholder value, keeping in sight its vision: to be a strong, integrated oil and gas company with a premium brand in the Asia-Pacific region.

Leveraging the Group's strength in exploration and production, refining and petroleum trading, distribution and marketing, as well as its human capital, SPC will continue to set the pace of progress and growth.

**SPC has the depth and breadth...**



**in performance  
to grow beyond  
financial benchmarks**



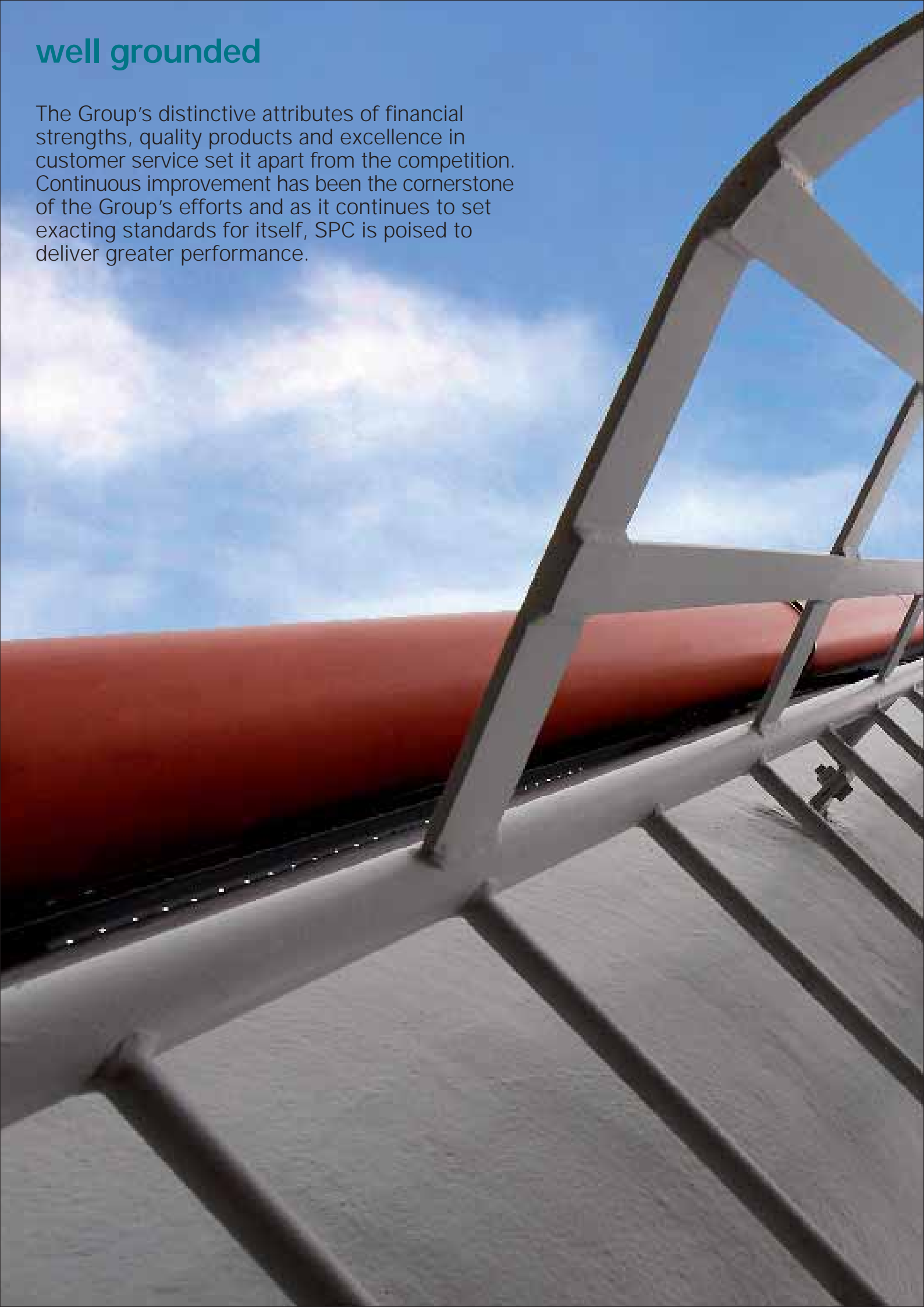
**in reputation to forge  
win-win alliances with  
strategic partners**



**in execution to expand  
its markets and  
customer base**

## well grounded

The Group's distinctive attributes of financial strengths, quality products and excellence in customer service set it apart from the competition. Continuous improvement has been the cornerstone of the Group's efforts and as it continues to set exacting standards for itself, SPC is poised to deliver greater performance.





**well grounded**

**Capturing performance beyond numbers,  
SPC continues to deliver exceptional  
results across its businesses.**



SPC identifies and taps growth opportunities to achieve accretive earnings. The Group's acquisition of additional refining capacity in 2004 enabled it to capitalise on the growth in demand for petroleum products.

### Positioned for growth

In 2000, SPC undertook a corporate re-positioning to focus on two core business strategies, namely E&P and Downstream, to create long-term sustainable growth and value. Since then, SPC has made incremental investments in E&P assets focusing on strategic asset acquisition with a balanced portfolio of low to moderate risk exploration and production assets to provide SPC with a more stable source of long-term revenue. In 2004, the timely acquisition of additional refining capacity in Singapore enabled SPC to strengthen its earning capability.

### Strong financial management and discipline

SPC creates value for its shareholders through prudent and efficient capital management for sustained growth. The Group delivered consecutive record earnings in recent years with healthy cash flow leading to consistently high level of dividend payouts. In 2006, SPC registered a strong PATMI of \$284.6 million with a ROE (Return on Equity) of 19% and a proposed dividend of 35 cents, approximately 63% of PATMI.

### Niche market

SPC capitalises on niche products and markets and continues to grow its presence in these markets underpinned by the Group's collective strength in its business brand name and reputation.

SPC manoeuvres with skill and an intimate understanding of its operating environment, managing its businesses for operational excellence and maximum results.



In 2004, SPC strengthened its retail network fourfold and established an island-wide footprint in the local petrol retail scene. With an enlarged customer base and geographic coverage, SPC realised economies of scale resulting in improved cost efficiencies and enhanced competitiveness.

## strong foundations

Founded in 1969, SPC has grown in tandem with Singapore's development as an oil and gas hub. With progressive investments and expansion, SPC has grown in stature and size and is today a reputable oil and gas company in the region.





**strong foundations**  
Strength, Reliability, Integrity,  
Progressiveness, Dynamism,  
Responsiveness are defining qualities  
of the SPC brand and will continue to  
be the driving force to advance the  
Group's businesses even further.



Since its establishment, SPC has created choice products and services for many enterprises in Singapore, the region and the world.

SPC places equal emphasis on product quality and quick turnaround. With a fleet of trucks and ocean-going tankers and an established network and distribution infrastructure, SPC assures reliable and on-time delivery.



### **Sterling track record**

For over three decades, SPC has been synonymous with energy, vitality and enterprise – consistently delivering quality products and services to power the wheels of industry, transport and the economy. SPC has a strong presence in the industrial, commercial, marine reclamation, transportation and power utilities market segments in Singapore and is regarded as a reliable supplier of aviation and bunker fuels in the region.

### **Best practices**

SPC firmly subscribes to corporate responsibilities that go beyond merely providing the best quality products and the most reliable services at a fair price. As the premier home-grown oil company, SPC strives to be a responsible corporate citizen. The Group has received accreditation and accolades for its achievements in refining operations, support of the arts and good corporate governance.

### **Human capital initiatives**

The Group has consistently maintained a multi-faceted human capital strategy to create business excellence and competitive advantage through its people as SPC regards the continued strengthening of the core qualities of its human assets to be of paramount importance for the Group's success.

### **Proactive corporate citizenry**

SPC embraces good corporate citizenship by contributing to the community, demonstrating responsible environmental stewardship and advocating corporate transparency and accountability. The Group renders support not only in the form of sponsorships and donations, it inspires and encourages active employees' participation and volunteerism in the wider community.

The SPC brand of energy products is well recognised by consumers at home and abroad.



SPC's operations are manned by a highly trained, disciplined and committed labour force that has extensive experience in the industry.

## core strengths

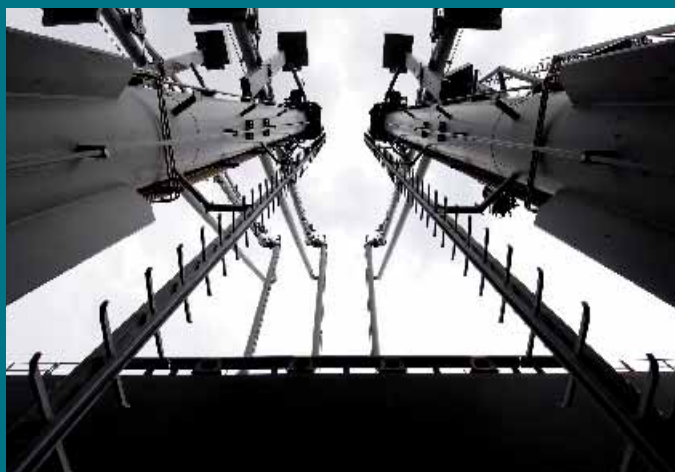
The Group continues to evolve, keeping pace with dynamic market shifts and exceeding customers' requirements across markets, geographies and enterprises. As SPC pursues new growth opportunities, it remains focused on creating value for its customers, associates and shareholders.





## core strengths

Helmed by a disciplined, committed and experienced team, SPC continues to sharpen and widen its business initiatives to achieve its vision.



Clarity and alignment in vision, objectives and targets continue to drive SPC's corporate performance.

Sophisticated equipment and facilities ensure on-spec and environmentally friendly products.



### Excellence in project execution

Excellence in project execution is a key pillar in corporate success. In SPC, well documented operational processes, sound corporate policies, delineated delegation of authority, an effective control framework and good corporate values and standards are in place to ensure proper and effective project implementation.

### Competencies & know-how

A corporate culture supporting sharing of know-how, ideas and opinions to achieve cross fertilisation among a competent and high performing workforce continuously ensures SPC delivers better solutions and operational efficacy.

### Successful partnerships

Through strategic alliances and collaboration, SPC adds a distinctive value and attribute to the partnership, thereby creating synergies to achieve business success and growth objectives.

In the bunker trade, SPC works closely with the authorities, shipping associations and training institutions to raise the industry standards and sophistication through its proactive approach to the business.



Precision in execution and exacting standards remain key performance indicators across SPC business.