



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD
(Company Registration No. 199303293Z)
Full Year Financial Statement For The Period Ended 31 December 2019

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

These figures have not been audited:

Consolidated Statement of Profit or Loss

	4Q 2019		4Q 2018		Variance		Jan-Dec 2019		Jan-Dec 2018		Variance	
	US\$'000	US\$'000	US\$'000	US\$'000	+ / -	%	US\$'000	US\$'000	US\$'000	US\$'000	+ / -	%
Revenue (Note 1)	5,101,487	4,377,135	4,377,135	5,101,487	16.55%		20,343,491	20,611,954	20,611,954	20,343,491	-1.30%	
Cost of sales	(5,088,023)	(4,367,807)	(4,367,807)	(5,088,023)	16.49%		(20,285,035)	(20,561,960)	(20,561,960)	(20,285,035)	-1.35%	
Gross Profit	13,464	9,328	9,328	13,464	44.34%		58,456	49,994	49,994	58,456	16.93%	
Other operating income (Note 2)	615	1,316	1,316	615	-53.27%		5,815	3,978	3,978	5,815	46.18%	
Administrative expenses	(9,387)	(7,636)	(7,636)	(9,387)	22.93%		(19,397)	(19,076)	(19,076)	(19,397)	1.68%	
Other operating expenses (Note 3)	4,374	3,885	3,885	4,374	12.59%		(1,225)	(1,841)	(1,841)	(1,225)	-33.46%	
Finance costs	(932)	(618)	(618)	(932)	50.81%		(2,749)	(4,625)	(4,625)	(2,749)	-40.56%	
Operating Profit	8,134	6,275	6,275	8,134	29.63%		40,900	28,430	28,430	40,900	43.86%	
Share of results of associates (net of tax) (Note 4)	14,668	15,041	15,041	14,668	-2.48%		65,532	72,109	72,109	65,532	-9.12%	
Profit before tax	22,802	21,316	21,316	22,802	6.97%		106,432	100,539	100,539	106,432	5.86%	
Tax expense (Note 5)	(1,614)	(2,591)	(2,591)	(1,614)	-37.71%		(6,602)	(6,681)	(6,681)	(6,602)	-1.18%	
Profit for the period/year	21,188	18,725	18,725	21,188	13.15%		99,830	93,858	93,858	99,830	6.36%	
Attributable to:												
Equity holders of the Company	21,188	18,725	18,725	21,188	13.15%		99,830	93,858	93,858	99,830	6.36%	

Consolidated statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	4Q 2019	4Q 2018	Variance		Jan-Dec 2019	Jan-Dec 2018	Variance	
	US\$'000	US\$'000	+ / -	%	US\$'000	US\$'000	+ / -	%
PROFIT FOR THE PERIOD/YEAR	21,188	18,725	13.15%		99,830	93,858	6.36%	
Other comprehensive income/(loss):								
Items that are or may be reclassified subsequently to profit or loss:								
Translation differences relating to financial statements of foreign associates (Note (a))	5,776	755	665.03%		(5,565)	(16,293)	-65.84%	
Other comprehensive income/(loss) for the period, net of tax	5,776	755	665.03%		(5,565)	(16,293)	-65.84%	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	26,964	19,480	38.42%		94,265	77,565	21.53%	
Total comprehensive income attributable to:								
Owners of the Company	26,964	19,480	38.42%		94,265	77,565	21.53%	

Note (a): For the twelve months ended 31 December 2019, RMB and Korean Won depreciated by approximately 1.62% and 3.33% respectively against the US Dollar compared to end of December 2018 thereby giving rise to the translation loss on foreign associates. In comparison to FY 2018, RMB and Korean Won both depreciated by 5.39% and 4.26% respectively against the US Dollar in the same period last year.

In the event of the disposal of foreign associates or loss of significant influence over foreign associates, all of the accumulated translation differences in respect of the foreign associates will be reclassified to profit or loss.

Profit before income tax is derived at after crediting / (charging):

	4Q 2019	4Q 2018	Var	Jan-Dec 2019	Jan-Dec 2018	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Depreciation of property, plant and equipment	(200)	(194)	3.09%	(781)	(696)	12.21%
Depreciation of right-of-use assets	(2,883)	-	NM	(10,839)	-	NM
Amortisation of intangible assets	(66)	(63)	4.76%	(260)	(230)	13.04%
Property, plant and equipment written off	(2)	-	NM	(2)	(4)	-50.00%
Other debtors written off	(1,776)	-	NM	(1,776)	-	NM
Bank interest income	2,325	1,333	74.42%	8,004	4,558	75.60%
Interest expense	(448)	(214)	109.35%	(893)	(3,145)	-71.61%
Interest expense - lease liabilities	(116)	-	NM	(569)	-	NM
Net foreign exchange loss	(181)	(43)	320.93%	(690)	(606)	13.86%
Decrease/(increase) in loss allowance	4,081	4,206	-2.97%	73	(387)	NM

Note 1: Revenue

	4Q 2019	4Q 2018	Var	Jan-Dec 2019	Jan-Dec 2018	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Revenue from middle distillates	3,500,046	2,985,164	17.25%	13,594,049	12,361,929	9.97%
Revenue from other oil products	1,601,441	1,391,971	15.05%	6,749,442	8,250,025	-18.19%
	5,101,487	4,377,135	16.55%	20,343,491	20,611,954	-1.30%

Note 2: Other operating income

	4Q 2019	4Q 2018	Var	Jan-Dec 2019	Jan-Dec 2018	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Bank interest income	796	1,333	-40.29%	6,475	4,558	42.06%
Net foreign exchange loss	(181)	(43)	320.93%	(690)	(606)	13.86%
Other income	-	26	NM	30	26	15.38%
	615	1,316	-53.27%	5,815	3,978	46.18%

Note 3: Other operating expenses

Other operating expenses for 4Q 2019 was in credit of US\$4.37 million compared to credit of US\$3.89 million for 4Q 2018, mainly due to the reversal of expected credit loss provision of US\$4.12 million in 4Q 2019 compared to reversal of US\$4.21 million in 4Q 2018 as a result of lower receivables at end-December of both years.

Note 4: Share of results of associates

	4Q 2019	4Q 2018	Var	Jan-Dec 2019	Jan-Dec 2018	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("Pudong")	13,355	14,155	-5.65%	58,832	65,212	-9.78%
Other associates	1,313	886	48.19%	6,700	6,897	-2.86%
	14,668	15,041	-2.48%	65,532	72,109	-9.12%

Note 5: Tax expense

Tax expense mainly comprised of the recognition of deferred tax liabilities on the Company's share of undistributed retained earnings from associates and provision of taxation for current year's earnings. The undistributed retained earnings from associates incorporated in China is subject to withholding tax.

NM denotes "not meaningful"

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at end of the immediately preceding financial year.

Statement of Financial Position

	Group		Company	
	As at 31 Dec 2019 US\$'000	As at 31 Dec 2018 US\$'000	As at 31 Dec 2019 US\$'000	As at 31 Dec 2018 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	4,905	5,246	4,647	4,964
Intangible assets	1,536	1,662	355	481
Subsidiaries	-	-	28,578	66,411
Associates	362,040	311,449	361,312	304,076
Financial asset at FVTOCI	5,500	-	-	-
Trade and other receivables	-	-	5,035	5,035
Right-of-use Assets*	14,752	-	12,694	-
Deferred tax assets	3,602	4,504	3,598	4,500
	392,335	322,861	416,219	385,467
Current assets				
Inventories	58,676	110,768	32,687	92,536
Trade and other receivables	893,853	862,249	857,232	842,999
Contract assets	144,663	-	133,260	-
Cash and cash equivalents	378,780	357,690	340,618	334,747
	1,475,972	1,330,707	1,363,797	1,270,282
Total assets	1,868,307	1,653,568	1,780,016	1,655,749
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	215,573	215,573	215,573	215,573
Reserves	619,386	553,571	605,759	570,362
Total equity	834,959	769,144	821,332	785,935
Non-current liabilities				
Lease liabilities*	3,916	-	2,894	-
Deferred tax liabilities	11,695	8,051	11,695	8,051
	15,611	8,051	14,589	8,051
Current liabilities				
Trade and other payables	859,825	875,540	800,688	861,554
Contract liabilities	144,874	-	133,397	-
Lease liabilities*	10,973	-	10,010	-
Loans and borrowings	-	-	-	209
Current tax liabilities	2,065	833	-	-
	1,017,737	876,373	944,095	861,763
Total liabilities	1,033,348	884,424	958,684	869,814
Total equity and liabilities	1,868,307	1,653,568	1,780,016	1,655,749

* The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 *Leases* for the financial year beginning on or after 1 January 2019. SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of right-of-use assets and a lease liability at commencement of all leases, except for short-term leases and leases of low value assets.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

As at 31 Dec 2019		As at 31 Dec 2018	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
0	0	0	0

Amount repayable after one year

As at 31 Dec 2019		As at 31 Dec 2018	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
0	0	0	0

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	4Q 2019	4Q 2018	Jan-Dec 2019	Jan-Dec 2018
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit for the period	21,188	18,725	99,830	93,858
Adjustments for:-				
Depreciation of property, plant and equipment	200	194	781	696
Depreciation of right-of-use assets	2,883	-	10,839	-
Amortisation of intangible assets	66	63	260	230
Property, plant and equipment written off	2	-	2	4
Allowance on doubtful debts	(4,081)	(4,206)	(73)	387
Debtors written off	1,776	-	1,776	-
Fair value gain on derivative instruments	(12,255)	(49,516)	(1,744)	(23,351)
Share of results of associates (net of tax)	(14,668)	(15,041)	(65,532)	(72,109)
Interest income	(2,325)	(1,333)	(8,004)	(4,558)
Interest expense	448	214	893	3,145
Lease interest expense	116	-	569	-
Tax expense	1,614	2,591	6,602	6,681
Unrealised exchange differences	(7)	85	(901)	(241)
	(5,043)	(48,224)	45,298	4,742
Change in inventories	28,619	60,071	52,091	105,119
Change in trade and other receivables	654,768	1,088,129	(153,467)	186,259
Change in trade and other payables	(496,177)	(1,045,949)	106,776	(143,789)
Cash from operating activities	182,167	54,027	50,698	152,331
Tax paid	(629)	(1,260)	(812)	(1,490)
Net cash from operating activities	181,538	52,767	49,886	150,841
Cash flows from investing activities				
Interest received	6,113	3,352	7,870	4,579
Purchase of property, plant and equipment	(72)	(265)	(442)	(752)
Purchase of intangible assets	(44)	(236)	(134)	(367)
Acquisition of subsidiaries, net of cash acquired	-	-	-	(11,965)
Dividends received from associates	-	62,593	3,624	67,364
Net cash from investing activities	5,997	65,444	10,918	58,859
Cash flows from financing activities				
Interest paid	(448)	(424)	(893)	(3,145)
Interest paid on lease liabilities	(116)	-	(569)	-
Repayment of lease liabilities	(2,945)	-	(10,703)	-
Proceeds from loans and borrowing	-	-	-	25,000
Repayment of loans and borrowing	-	-	-	(145,000)
Dividend paid	-	-	(28,450)	(29,148)
Net cash used in financing activities	(3,509)	(424)	(40,615)	(152,293)
Net increase in cash and cash equivalents	184,026	117,787	20,189	57,407
Cash and cash equivalents at beginning of the period	194,747	239,988	357,690	300,042
Net effect of exchange rate fluctuations on cash held	7	(85)	901	241
Cash and cash equivalents at end of the period	378,780	357,690	378,780	357,690

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity

THE GROUP	Share capital US\$'000	Retained earnings US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Statutory reserve US\$'000	Total equity US\$'000
As at 1 January 2018	215,573	454,311	(5,482)	20,868	35,457	720,727
Total comprehensive income for the year	-	93,858	-	(16,293)	-	77,565
Share of associates' accumulated profits transferred to statutory reserve	-	(355)	-	-	355	-
Dividend paid in respect of 2017, representing total transactions with shareholders recognised directly in equity	-	(29,148)	-	-	-	(29,148)
As at 31 December 2018	215,573	518,666	(5,482)	4,575	35,812	769,144
As at 1 January 2019	215,573	518,666	(5,482)	4,575	35,812	769,144
Total comprehensive income for the year	-	99,830	-	(5,565)	-	94,265
Share of associates' accumulated profits transferred to statutory reserve	-	(752)	-	-	752	-
Dividend paid in respect of 2018, representing total transactions with shareholders recognised directly in equity	-	(28,450)	-	-	-	(28,450)
As at 31 December 2019	215,573	589,294	(5,482)	(990)	36,564	834,959

Statement of Changes in Equity

THE COMPANY	Share capital US\$'000	Retained earnings US\$'000	Treasury shares US\$'000	Foreign Currency translation reserve US\$'000	Statutory reserve US\$'000	Total equity US\$'000
As at 1 January 2018	215,573	457,330	(5,482)	20,869	35,457	723,747
Total comprehensive income for the year	-	107,561	-	(16,225)	-	91,336
Share of associates' accumulated profits transferred to statutory reserve	-	(355)	-	-	355	-
Dividend paid in respect of 2017, representing total transactions with shareholders recognised directly in equity	-	(29,148)	-	-	-	(29,148)
As at 31 December 2018	215,573	535,388	(5,482)	4,644	35,812	785,935
As at 1 January 2019	215,573	535,388	(5,482)	4,644	35,812	785,935
Total comprehensive income for the year	-	69,466	-	(5,619)	-	63,847
Share of associates' accumulated profits transferred to statutory reserve	-	(752)	-	-	752	-
Dividend paid in respect of 2018, representing total transactions with shareholders recognised directly in equity	-	(28,450)	-	-	-	(28,450)
As at 31 December 2019	215,573	575,652	(5,482)	(975)	36,564	821,332

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital

There was no change in the Company's share capital for the quarter ended 31 December 2019.

Treasury shares

The Company did not make any purchase of its own ordinary shares during the quarter ended 31 December 2019.

As at 31 December 2019, the Company held 6,000,000 ordinary shares (31 December 2018: 6,000,000) which represents 0.69% (31 December 2018: 0.69%) of the total number of issued shares of the Company (excluding treasury shares).

The Company has no subsidiary holdings as at 31 December 2019 and 31 December 2018.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Number of Shares	4Q 2019	4Q 2018
Issued ordinary shares		
Balance at beginning/end of period	866,183,628	866,183,628
Treasury shares		
Balance at beginning	(6,000,000)	(6,000,000)
Additions during the period	-	-
Balance at end of period	(6,000,000)	(6,000,000)
Total	860,183,628	860,183,628

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

These figures have not been audited or reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except for the adoption of new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations to FRS ("INT-FRS") as mentioned in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted for the audited consolidated financial statements for the year ended 31 December 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all new and revised SFRS(I) and INT-FRS that are relevant to its operations and effective for annual periods beginning after 1 January 2019. The adoption of the new and revised SFRS(I) had no significant impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	4Q 2019		4Q 2018		Jan-Dec 2019		Jan-Dec 2018	
Earnings per ordinary share for the period based on net profit attributable to owners of the Company:-								
(a) Based on weighted average number of ordinary share on issue	2.46	US cents	2.18	US cents	11.61	US cents	10.91	US cents
- Weighted average number of shares ('000)	860,184		860,184		860,184		860,184	
(b) On a fully diluted basis	2.46	US cents	2.18	US cents	11.61	US cents	10.91	US cents
- Adjusted weighted average number of shares ('000)	860,184		860,184		860,184		860,184	

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
 (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group		Company	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Net asset value per ordinary share based on issued share capital at the end of the period reported on (US cents)	97.07	89.42	95.48	91.37
Number of ordinary shares issued ('000)	860,184	860,184	860,184	860,184

Net asset value per ordinary share is determined based on net asset value attributable to owners of the Company and the number of shares in issue of the Company as at 31 December 2019 and 31 December 2018 (excluding treasury shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

PERFORMANCE REVIEW

BACKGROUND

The principal activities of the Group are jet fuel supply and trading, trading of other oil products and investments in oil-related assets. Consequently, income is derived from (i) supply and trading of jet fuel (ii) trading in other oil products and (iii) investments in oil related businesses.

CAO is the largest physical jet fuel trader in the Asia Pacific region and the key supplier of imported jet fuel to the civil aviation industry of the People's Republic of China ("PRC"). CAO also engages in the trading of jet fuel and other oil products. The Company has wholly-owned subsidiaries viz. China Aviation Oil (Hong Kong) Company Limited ("CAOHK") located in Hong Kong, North American Fuel Corporation ("NAFCO") located in North America, and China Aviation Fuel (Europe) Limited ("CAFEU") and China Aviation Oil (Europe) Limited ("CAO Europe") located in the United Kingdom. As part of the Group's ongoing efforts to streamline its group structure, CAO Europe was placed under members' voluntarily liquidation ("MVL") in the fourth quarter of 2019. The liquidation of CAO Europe did not have any material impact on the consolidated net tangible assets of the Group for financial year ended 31 December 2019. The MVL is expected to be completed in the second quarter of 2020.

In addition, CAO Group owns investments in strategic oil-related businesses, which include Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("Pudong"), China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL"), Oilhub Korea Yeosu Co., Ltd ("OKYC"), China Aviation Oil Xinyuan Petrochemicals Co. Ltd ("Xinyuan"), CNAF Hong Kong Refuelling Limited ("CNAF HKR") and Aviation Fuel Supply B.V. ("AFS").

Consolidated Statement of Comprehensive Income

4th Qtr 2019 v 4th Qtr 2018

Total supply and trading volume increased by 2.33 million tonnes (34.16%) to 9.15 million tonnes for the fourth quarter ended 31 December 2019 ("4Q 2019") compared to 6.82 million tonnes for the fourth quarter ended 31 December 2018 ("4Q 2018"). Volume for middle distillates products increased by 1.50 million tonnes (35.21%) to 5.76 million tonnes from 4.26 million tonnes, of which, the volume of jet fuel supply and trading increased by 0.83 million tonnes (23.51%) to 4.36 million tonnes for 4Q 2019 compared to 3.53 million tonnes for 4Q 2018. The trading volume for gas oil increased by 0.67 million tonnes (91.78%) to 1.40 million tonnes for 4Q 2019 from 0.73 million tonnes for 4Q 2018. Trading volume of other oil products increased by 0.83 million tonnes (32.42%) to 3.39 million tonnes for 4Q 2019 compared to 2.56 million tonnes for 4Q 2018 attributable mainly to higher trading volume for crude oil.

Total revenue increased by US\$724.35 million (16.55%) to US\$5,101.49 million for 4Q 2019 from US\$4,377.14 million for 4Q 2018, primarily due to the increase in volume.

Total gross profit was US\$13.46 million for 4Q 2019, an increase of US\$4.14 million (44.34%) compared to US\$9.33 million for 4Q 2018 mainly due to higher profits from supply of jet fuel to China and higher gains from trading and optimisation activities.

Other operating income decreased by US\$0.70 million (53.27%) to US\$0.62 million for 4Q 2019 compared to US\$1.32 million for 4Q 2018, mainly attributable to lower bank interest income. Bank interest income which was derived from time deposits placed with banks, was US\$0.80 million for 4Q 2019 compared to US\$1.33 million for 4Q 2018, a decrease of 40.29%.

Total expenses increased by US\$1.58 million (36.16%) to US\$5.95 million for 4Q 2019 compared to US\$4.37 million for 4Q 2018 mainly attributable to the provision for staff related costs at end of year and higher interest expenses from short-term bank borrowings drawdown for working capital purposes.

The share of profits from associates was US\$14.67 million for 4Q 2019 compared to US\$15.04 million for 4Q 2018, a decrease of 2.48% mainly due to lower profit contributions from Pudong. The share of profits from Pudong was US\$13.36 million for 4Q 2019 compared to US\$14.16 million for 4Q 2018, decreased by 5.65% mainly attributable to lower revenue and foreign exchange effect. Share of profits from other associates increased by US\$0.42 million (48.19%) to US\$1.31 million for 4Q 2019 compared to US\$0.89 million for 4Q 2018 mainly attributable to higher profits from OKYC's tank storage leasing activities.

Income tax expense was US\$1.61 million for 4Q 2019 compared to US\$2.59 million for 4Q 2018, a decrease of US\$0.98 million (37.71%) mainly attributable to the decline in recognition of deferred tax liabilities on the Company's share of undistributed retained earnings from associates and lower provision of income tax.

The Group's net profit for 4Q 2019 was US\$21.19 million compared to US\$18.73 million for 4Q 2018, an increase of US\$2.46 million (13.15%) derived mainly from the increase in gross profit. Earnings per share was 2.46 US cents for 4Q 2019 compared to 2.18 US cents for 4Q 2018.

4th Qtr 2019 v 3rd Qtr 2019

Total supply and trading volume decreased by 1.22 million tonnes (11.76%) to 9.15 million tonnes for 4Q 2019 compared to 10.37 million tonnes for the third quarter ended 30 September 2019 ("3Q 2019"). Trading volume for other oil products decreased by 0.84 million tonnes (19.86%) to 3.39 million tonnes for 4Q 2019 compared to 4.23 million tonnes for 3Q 2019 attributable mainly to lower trading volume for fuel oil. Volume for middle distillates decreased 0.38 million tonnes (6.19%) to 5.76 million tonnes from 6.14 million tonnes, of which, trading volume for gas oil decreased by 0.42 million tonnes (23.08%) to 1.40 million tonnes for 4Q 2019 from 1.82 million tonnes for 3Q 2019. The supply and trading volume for jet fuel increased by 0.04 million tonnes (0.93%) to 4.36 million tonnes for 4Q 2019 from 4.32 million tonnes for 3Q 2019.

Total revenue decreased by US\$457.23 million (8.23%) to US\$5,101.49 million for 4Q 2019 from US\$5,558.72 million for 3Q 2019 attributable mainly to the decrease in trading volume of fuel oil.

Total gross profit was US\$13.46 million for 4Q 2019, a decrease of US\$2.84 million (17.37%) compared to US\$16.30 million for 3Q 2018 mainly due to lower trading profits from other oil products.

Other operating income was US\$0.62 million for 4Q 2019 compared to US\$0.98 million for 3Q 2019, a decrease of US\$0.36 million mainly due to lower bank interest income.

Total expenses increased by US\$2.15 million (56.58%) to US\$5.95 million for 4Q 2019 compared to US\$3.80 million for 3Q 2019. The increase in expenses was mainly due to the increase in staff costs partially offset by the decrease in professional fee and the reversal of credit loss provision as a result of lower receivables at end December 2019.

The share of profits from associates was US\$14.67 million for 4Q 2019 compared to US\$12.59 million for 3Q 2019, an increase of US\$2.08 million (16.53%) mainly due to higher profit contribution from Pudong. The share of profits from Pudong was US\$13.35 million for 4Q 2019 compared to US\$11.29 million for 3Q 2019, increased by 18.25% mainly attributable to higher gross profit and lower operating expenses.

Income tax expense was US\$1.61 million for 4Q 2019 compared to US\$2.20 million for 3Q 2019, a decrease of US\$0.59 million (26.82%) mainly attributable to lower income tax provision on current year profits.

The Group's net profit for 4Q 2019 was US\$21.19 million compared to US\$23.86 million for 3Q 2019, a decrease of US\$2.67 million (11.19%). Earnings per share was 2.46 US cents for 4Q 2019 compared to 2.77 US cents for 3Q 2019.

FY 2019 v FY 2018

The total supply and trading volume increased by 2.08 million tonnes (5.97%) to 36.93 million tonnes for the financial year ended 31 December 2019 ("FY 2019") compared to 34.85 million tonnes for the financial year ended 31 December 2018 ("FY 2018"). Volume for middle distillates increased 4.04 million tonnes (22.17%) to 22.26 million tonnes from 18.22 million tonnes, of which jet fuel supply and trading volume increased by 2.01 million tonnes (14.10%) to 16.27 million tonnes for FY 2019 compared to 14.26 million tonnes for FY 2018. Trading volume for gas oil increased by 2.03 million tonnes (51.26%) to 5.99 million tonnes for FY 2019 from 3.96 million tonnes for FY 2018. The trading volume for other oil products decreased by 1.96 million tonnes (11.79%) to 14.67 million tonnes for FY 2019 compared to 16.63 million tonnes for FY 2018 attributable mainly to lower trading volume for fuel oil.

Total revenue decreased by US\$268.46 million (1.30%) to US\$20,343.49 million for FY 2019 from US\$20,611.95 million for FY 2018, mainly attributable to the decrease in oil prices.

Total gross profit was US\$58.46 million for FY 2019, an increase of US\$8.47 million (16.93%) compared to US\$49.99 million for FY 2018, mainly due to higher jet supply volume and higher gains derived from trading and optimisation activities.

Other operating income was US\$5.82 million for FY 2019 compared to US\$3.98 million for FY 2018 an increase of US\$1.84 million (46.18%) mainly due to higher bank interest income. Bank interest income derived from time deposits placed with banks and financial institutions, was US\$6.48 million for FY 2019 compared to US\$4.56 million for FY 2018, an increase of US\$1.92 million (42.06%).

Total expenses decreased by US\$2.17 million (8.50%) to US\$23.37 million for FY 2019 compared to US\$25.54 million for FY 2018, mainly attributable to the decrease in interest expense.

The share of profits from associates was US\$65.53 million for FY 2019 compared to US\$72.11 million for FY 2018, a decrease of US\$6.58 million or 9.12%, mainly attributable to lower share of profits from Pudong. The share of profits from Pudong was US\$58.83 million for FY 2019 compared to US\$65.21 million for FY 2018, a decrease of US\$6.38 million (9.78%) mainly due to lower revenue and foreign exchange effect.

Income tax expense was US\$6.60 million for FY 2019 compared to US\$6.68 million for FY 2018, a decrease of 1.18% due mainly to lower income tax provision on current year profits.

The Group's net profit for FY 2019 was US\$99.83 million compared to US\$93.86 million for FY 2018, an increase of US\$5.97 million (6.36%), mainly attributable to the increase in gross profit. Earnings per share was 11.61 US cents for FY 2019 compared to 10.91 US cents for FY 2018.

Statement of Financial Position

The Group's current assets stood at US\$1,475.97 million as at 31 December 2019 compared to US\$1,330.71 million as at 31 December 2018. The increase of US\$145.26 million in current assets resulted mainly from the increase of US\$176.26 million in trade and other receivables and contract assets, the increase of US\$21.09 million in cash and cash equivalents partially offset by the decrease of US\$52.09 million in inventories.

Non-current assets stood at US\$392.34 million as at 31 December 2019, compared to US\$322.86 million as at 31 December 2018. The increase of US\$69.48 million was mainly attributable to the share of profits in associates of US\$65.53 million and the increase in right-of-use assets of US\$14.75 million following the adoption of SFRS(I) 16 – *Leases*, partially offset by the reduction of US\$5.57 million in foreign exchange translation reserve and US\$3.62 million dividend received from associates.

Current liabilities which comprised trade and other payables, contract liabilities, short term leased liabilities and tax payables, increased by US\$141.36 million to US\$1,017.73 million as at 31 December 2019 compared to US\$876.37 million as at 31 December 2018, attributable mainly to the increase of US\$129.15 million in trade and other payables and contract liabilities as a result of higher monthly trading volume in December 2019 compared to in December 2018. Short term leased liabilities as a result of adopting SFRS(I) 16, was US\$10.97 million as at 31 December 2019.

Non-current liabilities which comprised of leased liabilities and deferred tax liabilities increased by US\$7.56 million to US\$15.61 million as at 31 December 2019 compared to US\$8.05 million as at 31 December 2018. The increase was mainly due to the recognition of leased liabilities of US\$3.92 million as at 31 December 2019. Deferred tax liabilities were from the recognition of the Company's share of undistributed retained earnings of associates which is subject to withholding tax.

The Group's net assets stood at US\$834.96 million as at 31 December 2019, or 97.07 US cents per share, compared to US\$769.14 million as at 31 December 2018 or 89.42 US cents per share.

Consolidated Statement of Cash Flows

4Q 2019 v 4Q 2018

The net cash generated from operating activities was US\$181.54 million in 4Q 2019 compared to US\$52.77 million in 4Q 2018, attributable mainly to higher operating profits and lower working capital requirements.

Cash flows generated from investing activities amounted to US\$6.00 million in 4Q 2019 compared to US\$65.44 million in 4Q 2018, a decrease of US\$59.44 million due mainly to lower receipt of dividends from associates.

Cash flows used in financing activities in 4Q 2019 was US\$3.51 million compared to US\$0.42 million in 4Q 2018 attributable mainly to the repayment of lease liabilities in 4Q 2019.

FY 2019 v FY 2018

The net cash generated from operating activities was US\$49.89 million in FY 2019 compared to US\$150.84 million in FY 2018, attributable mainly to relatively lower working capital requirements in FY 2018.

Cash flows generated from investing activities amounted to US\$10.92 million in FY 2019 compared to US\$58.86 million in FY 2018, a decrease of US\$47.94 million mainly attributable to lower receipt of dividends from associates.

Cash flows used in financing activities in FY 2019 was US\$40.62 million compared to US\$152.29 million in FY 2018, a decrease of US\$111.67 million attributable mainly to the repayment of bank borrowings in FY 2018.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Brent crude prices recovered moderately in the fourth quarter of 2019 after the decline in the third quarter of 2019 but prices remained subdued. Concerns over global economic growth and geopolitical tensions continued to further exacerbate the volatility in oil prices.

Notwithstanding the challenging global market conditions, we remain focused on improving operational efficiencies to deliver sustainable and profitable growth. In light of the recent COVID-19 outbreak, we expect the global economy and energy markets to be impacted and the Group's jet fuel supply and trading business is expected to be correspondingly affected. We will closely monitor and assess its impact on the Group's businesses. Nonetheless, CAO will stay the course to build on its jet fuel supply and trading network and strategic advantages in the trading of other oil products. The Group will also continue to focus on long-term profitability by seeking opportunities for expansion through investments in synergetic and strategic oil related assets and businesses.

11 If a decision regarding dividend has been made:—

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Yes

(b) (i) Amount per share cents

Name of dividend	Proposed Final One-tier Tax Exempt Ordinary
Dividend Type	Cash
Net Dividend Amount (Singapore cents per share)	4.70

(ii) Previous corresponding period cents

Name of dividend	Final One-tier Tax Exempt Ordinary
Dividend Type	Cash
Net Dividend Amount (Singapore cents per share)	4.50

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

The Directors have proposed a first and final dividend of S\$0.047 per ordinary share, tax exempt (one-tier) for approval by shareholders at the forthcoming annual general meeting to be convened. Details on payment of the dividend will be announced in due course.

(d) The date the dividend is payable

To be announced in due course.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Details on the record date will be announced in due course.

12 If no dividend has been declared/recommended, a statement to that effect.

Not Applicable.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segment revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.

	Middle distillates		Other oil products		Investment in oil related assets		Total	
	2019 US\$'000	2018 US\$'000	2019 \$'000	2018 \$'000	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Revenue	13,415,367	12,354,638	6,928,124	8,257,316	-	-	20,343,491	20,611,954
Gross profit	53,429	45,278	5,027	4,716	-	-	58,456	49,994
Other administrative/operating expenses	(15,357)	(18,988)	(2,451)	(83)	(993)	(920)	(18,801)	(19,991)
Depreciation and amortisation	(1,821)	(926)	-	-	-	-	(1,821)	(926)
Foreign exchange loss	(688)	34	-	(12)	(2)	(632)	(690)	(610)
Interest income	6,475	4,562	-	-	-	-	6,475	4,562
Other income	30	26	-	-	-	-	30	26
Finance costs	(249)	(559)	(2,500)	(4,064)	-	(2)	(2,749)	(4,625)
Share of results of associates (net of tax)	-	-	-	-	65,532	72,109	65,532	72,109
Profit before taxation	41,819	29,427	76	557	64,537	70,555	106,432	100,539
Income tax expense	(2,767)	(2,902)	-	-	(3,835)	(3,779)	(6,602)	(6,681)
Profit after taxation	39,052	26,525	76	557	60,702	66,776	99,830	93,858

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not Applicable.

15. A breakdown of sales as follows:

Group	2019	2018	%
	US\$'000	US\$'000	Increase/ (Decrease)
Sales reported for first half year	9,683,287	9,902,387	-2.21%
Operating profit/loss after tax before deducting non-controlling interests reported for first half year	54,784	56,205	-2.53%
Sales reported for second half year	10,660,204	10,709,567	-0.46%
Operating profit/loss after tax before deducting non-controlling interests reported for second half year	45,046	37,653	19.63%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's most latest full year and its previous full year as follows: (a) ordinary, (b) preference and (c) total.

Total Annual Dividend:

	Latest Full Year US\$'000	Previous Full Year US\$'000
Ordinary - interim dividend	-	-
Ordinary - final dividend	30,038*	28,450
Total:	30,038	28,450

* Estimated based on a total number of issued ordinary shares of 860,183,628 at the end of the financial year at the current SGD:USD exchange rate.

17. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Pursuant to Rule 920(1)(a)(ii) of the Listing Manual

Aggregate value of interested person transactions entered from 1 January 2019 to 31 December 2019.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	4Q 2019 US\$'000	4Q 2019 US\$'000	YTD 4Q 2019 US\$'000	YTD 4Q 2019 US\$'000
Sales revenue from related corporations	-	925,911	-	3,806,275
Sales revenue from related corporation of a corporate shareholder	-	88,479	-	527,843
Purchases from related corporation	-	133,738	-	2,345,411
Purchases from related corporation of a corporate shareholder	-	128,598	-	727,496
Services rendered from related corporation	226	-	226	-
Services rendered from related corporation of a corporate shareholder	-	-	-	241
Supply chain services rendered from related corporation	-	4,267	-	12,194
Supply chain services rendered from related corporation of a corporate shareholder	-	-	-	730
Transportation revenue earned by associate from related corporations	-	2,154	-	9,152
Principal deposited with related corporations	-	334,208	-	364,286
Interest earned on principal deposited with related corporations	-	3,496	-	4,199

18. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Doreen Nah
Company Secretary
26 February 2020