



**CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD**  
**(Company Registration No. 199303293Z)**  
**Half Year Financial Statement For The Period Ended 30 June 2022**

**A. Condensed consolidated statement of profit or loss and other comprehensive income**

**Consolidated Statement of Profit or Loss**

	Note	1H 2022 US\$'000	1H 2021 US\$'000	Variance + / -
Revenue	4	9,288,309	8,683,255	6.97%
Cost of sales		(9,266,777)	(8,667,553)	6.91%
<b>Gross Profit</b>		21,532	15,702	37.13%
Other operating income		(1,023)	719	NM
Administrative expenses		(5,336)	(3,742)	42.60%
Other operating expenses		(2,347)	(1,423)	64.93%
Finance costs		(696)	(805)	-13.54%
<b>Operating Profit</b>		12,130	10,451	16.07%
Share of results of associates		9,678	16,098	-39.88%
<b>Profit before tax</b>	5	21,808	26,549	-17.86%
Tax expense	6	(2,194)	(2,262)	-3.01%
<b>Profit for the period</b>		19,614	24,287	-19.24%

Consolidated statement of other comprehensive income

**Consolidated Statement of Other Comprehensive Income**

	<b>1H 2022</b>	<b>1H 2021</b>	<b>Variance</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>+ / -</b>
<b>PROFIT FOR THE PERIOD</b>	19,614	24,287	-19.24%
<b>Other comprehensive income/(loss):</b>			
<b>Items that may be reclassified to profit or loss in subsequent periods (net of tax) :</b>			
Currency translation differences on consolidation of foreign entities (net) (note (a))	(14,086)	1,083	NM
<b>Total other comprehensive (loss) income for the period</b>	(14,086)	1,083	NM
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	5,528	25,370	-78.21%
<b>Profit attributable to:</b>			
Owners of the Company	19,660	24,287	-19.05%
Non-controlling interests	(46)	-	NM
	19,614	24,287	-19.24%
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	5,574	25,370	-78.03%
Non-controlling interests	(46)	-	NM
	5,528	25,370	-78.21%
<b>Earnings per share for profit for the period attributable to the owners of the Company during the period:</b>			
Basic (USD in cent)	2.29	2.82	-18.79%
Diluted (USD in cent)	2.29	2.82	-18.79%

Note (a): Compared to the end of December 2021, the RMB and Korean Won depreciated approximately 5% and 8.33% respectively against the US Dollar during the six months ended 30 June 2022 giving rise to the translation loss on foreign associates.

NM denotes “not meaningful”

**B. Condensed statements of financial position**

**Statements of Financial Position**

	Note	Group		Company	
		As at 30 Jun 2022 US\$'000	As at 31 Dec 2021 US\$'000	As at 30 Jun 2022 US\$'000	As at 31 Dec 2021 US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		7,177	3,826	3,293	3,631
Intangible assets	7	9,016	399	90	132
Subsidiaries		-	-	33,626	21,191
Associates	10	269,300	283,681	269,300	283,681
Financial asset at FVTOCI	11	5,500	5,500	-	-
Trade and other receivables	12	-	-	-	5,035
Right-of-use assets		15,890	14,069	11,355	13,161
Deferred tax assets		230	446	230	446
		307,113	307,921	317,894	327,277
<b>Current assets</b>					
Inventories		55,169	42,926	-	14,120
Trade and other receivables	12	1,315,251	783,974	1,276,876	733,255
Cash and cash equivalents		205,247	400,837	187,564	369,394
		1,575,667	1,227,737	1,464,440	1,116,769
<b>Total assets</b>		<b>1,882,780</b>	<b>1,535,658</b>	<b>1,782,334</b>	<b>1,444,046</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital, Reserves and</b>					
<b>Non-controlling interests</b>					
Share capital	13	215,573	215,573	215,573	215,573
Reserves		679,521	685,796	669,161	676,928
<b>Equity attributable to owners</b>		<b>895,094</b>	<b>901,369</b>	<b>884,734</b>	<b>892,501</b>
<b>of the Company</b>					
Non-controlling interests		4,174	-	-	-
<b>Total equity</b>		<b>899,268</b>	<b>901,369</b>	<b>884,734</b>	<b>892,501</b>
<b>Non-current liabilities</b>					
Lease liabilities		8,034	7,661	4,630	7,306
Deferred tax liabilities		7,356	6,732	7,357	6,732
		15,390	14,393	11,987	14,038
<b>Current liabilities</b>					
Trade and other payables	14	953,846	604,797	878,087	531,259
Contract liabilities		4,249	7,626	-	137
Lease liabilities		8,570	6,689	7,015	6,111
Current tax liabilities		1,457	784	511	-
		968,122	619,896	885,613	537,507
<b>Total liabilities</b>		<b>983,512</b>	<b>634,289</b>	<b>897,600</b>	<b>551,545</b>
<b>Total equity and liabilities</b>		<b>1,882,780</b>	<b>1,535,658</b>	<b>1,782,334</b>	<b>1,444,046</b>

C. Condensed statements of changes in equity

Consolidated Statement of Changes in Equity

<b>THE GROUP</b>	<b>Share capital US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Treasury shares US\$'000</b>	<b>Foreign currency translation reserve US\$'000</b>	<b>Statutory reserve US\$'000</b>	<b>Total attributable to owners of the Company US\$'000</b>	<b>Non-controlling interests US\$'000</b>	<b>Total equity US\$'000</b>
<b>As at 1 January 2021</b>	215,573	616,139	(5,482)	13,563	37,086	876,879	-	876,879
Total comprehensive income for the period	-	24,287	-	1,083	-	25,370	-	25,370
Share of associates' accumulated profits transferred to statutory reserve	-	(48)	-	-	48	-	-	-
Dividends paid in respect of 2020, representing total transactions with shareholders recognised directly in equity	-	(16,756)	-	-	-	(16,756)	-	(16,756)
<b>As at 30 June 2021</b>	215,573	623,622	(5,482)	14,646	37,134	885,493	-	885,493
<b>As at 1 January 2022</b>	215,573	639,656	(5,482)	14,459	37,163	901,369	-	901,369
Total comprehensive income for the period	-	19,660	-	(14,086)	-	5,574	(46)	5,528
Share of associates' accumulated profits transferred to statutory reserve	-	(41)	-	-	41	-	-	-
Dividends paid in respect of 2021, representing total transactions with shareholders recognised directly in equity	-	(11,849)	-	-	-	(11,849)	-	(11,849)
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	4,220	4,220
<b>As at 30 June 2022</b>	215,573	647,426	(5,482)	373	37,204	895,094	4,174	899,268

**Statement of Changes in Equity**

<b>THE COMPANY</b>	<b>Share capital US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Treasury shares US\$'000</b>	<b>Foreign Currency translation reserve US\$'000</b>	<b>Statutory reserve US\$'000</b>	<b>Total equity US\$'000</b>
<b>As at 1 January 2021</b>	215,573	609,694	(5,482)	13,579	37,086	870,450
Total comprehensive income for the period	-	23,530	-	1,083	-	24,613
Share of associates' accumulated profits transferred to statutory reserve	-	(48)	-	-	48	-
Dividends paid in respect of 2020, representing total transactions with shareholders recognised directly in equity	-	(16,756)	-	-	-	(16,756)
<b>As at 30 June 2021</b>	215,573	616,420	(5,482)	14,662	37,134	878,307
<b>As at 1 January 2022</b>	215,573	630,772	(5,482)	14,475	37,163	892,501
Total comprehensive income for the period	-	18,184	-	(14,102)	-	4,082
Share of associates' accumulated profits transferred to statutory reserve	-	(41)	-	-	41	-
Dividends paid in respect of 2021, representing total transactions with shareholders recognised directly in equity	-	(11,849)	-	-	-	(11,849)
<b>As at 30 June 2022</b>	215,573	637,066	(5,482)	373	37,204	884,734

## D. Condensed consolidated statement of cash flows

### Consolidated Statement of Cash Flows

	Note	1H 2022 US\$'000	1H 2021 US\$'000
<b>Cash flows from operating activities</b>			
Profit for the period		19,614	24,287
Adjustments for:-			
Depreciation of property, plant and equipment	5	480	377
Depreciation of right-of-use assets	5	3,915	4,734
Amortisation of intangible assets	5	106	89
Property, plant and equipment written off	5	23	-
Gain on deemed disposal of interest in an associate	5	(143)	-
Allowance for impairment loss on doubtful debts	5	2,200	1,125
Fair value gain on derivative instruments		(19,051)	(18,286)
Share of results of associates		(9,678)	(16,098)
Interest income	5	(572)	(666)
Interest expense	5	4	9
Lease interest expense	5	88	71
Tax expense	6	2,194	2,262
Unrealised exchange differences		1,417	408
		597	(1,688)
Change in inventories		(12,243)	(178,813)
Change in trade and other receivables		(487,440)	(18,111)
Change in trade and other payables		317,411	204,983
Cash (used in)/from operating activities		(181,675)	6,371
Tax paid		(760)	(13)
<b>Net cash (used in)/from operating activities</b>		<b>(182,435)</b>	<b>6,358</b>
<b>Cash flows from investing activities</b>			
Interest received		572	232
Purchase of property, plant and equipment		(44)	(52)
Purchase of intangible assets		-	(5)
Acquisition of subsidiary, net of cash acquired	17	571	-
Dividends received from associates		9,460	31,063
<b>Net cash from investing activities</b>		<b>10,559</b>	<b>31,238</b>
<b>Cash flows from financing activities</b>			
Interest paid		(4)	(11)
Interest paid on lease liabilities		(88)	(71)
Repayment of lease liabilities		(4,156)	(4,701)
Proceeds from loans and borrowings		25,000	566,519
Repayment of loans and borrowings		(31,200)	(566,519)
Dividends paid		(11,849)	(16,756)
<b>Net cash used in financing activities</b>		<b>(22,297)</b>	<b>(21,539)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(194,173)</b>	<b>16,057</b>
Cash and cash equivalents at beginning of the period		400,837	269,107
Net effect of exchange rate fluctuations on cash held		(1,417)	(408)
<b>Cash and cash equivalents at end of the period</b>		<b>205,247</b>	<b>284,756</b>

## **E. Notes to the condensed consolidated financial statements**

### **1. Corporate information**

China Aviation Oil (Singapore) Corporation Ltd (“CAO” or “the Company”) is incorporated and domiciled in Singapore, with its shares being publicly traded on the Mainboard of the Singapore Exchange. These condensed consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, “CAO Group” or “the Group”). 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 three wholly-owned subsidiaries, namely China Aviation Oil (Hong Kong) Company Limited (“CAOHK”), North American Fuel Corporation (“NAFCO”), and China Aviation Fuel (Europe) Limited (“CAFEU”). They are located in Hong Kong, North America and the United Kingdom respectively.

CAO has, on 29 March 2022, subscribed for 97,000,000 new ordinary shares in its wholly owned subsidiary, CAOHK, for an aggregate cash consideration of HK\$97,000,000 (the “CAOHK Subscription”). After the CAOHK Subscription, the total issued shares of CAOHK increased from 120,998,800 to 217,998,800. The CAOHK Subscription was funded by CAO’s internal resources.

On 31 May 2022, CAOHK subscribed for 97,000,000 new ordinary shares in CNAF Hong Kong Refuelling Limited (“CNAF HKR”) for an aggregate cash consideration of HK\$97,000,000 (the “CNAF HKR Subscription”). Following the CNAF HKR Subscription, CAOHK’s shareholding interest in CNAF HKR increased from 39 percent to 68 percent. The CNAF HKR Subscription was funded by CAOHK’s internal resources. CNAF HKR’s principal activity is to provide into-plane fuelling services at Hong Kong International Airport.

In addition, CAO Group owns investments in strategic oil-related businesses, which include Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd (“SPIA”), China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd (“TSN-PEKCL”), Oilhub Korea Yeosu Co., Ltd (“OKYC”), Shenzhen Zhenghe Petrochemicals Co. Ltd (“Zhenghe”, formerly known as China Aviation Oil Xinyuan Petrochemicals Co. Ltd (“Xinyuan”)) and Aviation Fuel Supply B.V. (“AFS”).

### **2. Basis of Preparation**

The condensed financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. This report should be read in conjunction with the Group's annual report for the financial year ended 31 December 2021 and any public announcements made by CAO Group during the reporting period.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in United States (US) dollar which is the Company’s functional currency.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.2 Use of judgements and estimates**

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### **4. Segment and revenue information**

The Group is organised into the following main business segments:

- (a) Middle distillates : Jet fuel and gas oil supply and trading;
- (b) Other oil products: Fuel oil, crude oil and gasoline supply and trading; and
- (c) Investments in oil-related assets: Investments in oil-related assets through the Group's holdings in associates.

These operating segments are reported in a manner consistent with the internal reporting provided to Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.



#### 4.1 Reporting segments

	<b>Middle distillates</b>	<b>Other oil products</b>	<b>Investment in oil related assets</b>	<b>Total</b>
<b>1 Jan 2022 to 30 Jun 2022</b>	<b>2022 US\$'000</b>	<b>2022 US\$'000</b>	<b>2022 US\$'000</b>	<b>2022 US\$'000</b>
Revenue	4,338,217	4,950,092	-	9,288,309
Gross profit	21,018	514	-	21,532
Other administrative /operating expenses	(6,513)	(159)	-	(6,672)
Depreciation and amortisation	(987)	(24)	-	(1,011)
Foreign exchange loss	(2,064)	(50)	-	(2,114)
Interest income	558	14	-	572
Gain on deemed disposal of an associate	-	-	143	143
Other income	367	9	-	376
Finance costs (net of tax)	(209)	(487)	-	(696)
	-	-	9,678	9,678
Profit before tax	12,170	(183)	9,821	21,808
Income tax expense	(1,649)	-	(545)	(2,194)
Earning for the period	10,521	(183)	9,276	19,614
Segment assets	1,409,014	198,736	274,800	1,882,550
Deferred income tax assets				230
Total assets per statement of financial position				1,882,780
Segment liabilities	850,327	124,372	-	974,699
Current income tax liabilities				1,457
Deferred income tax liabilities				7,356
Total liabilities per statement of financial position				983,512

	<b>Middle distillates</b>	<b>Other oil products</b>	<b>Investment in oil related assets</b>	<b>Total</b>
<b>1 Jan 2021 to 30 Jun 2021</b>	<b>2021 US\$'000</b>	<b>2021 US\$'000</b>	<b>2021 US\$'000</b>	<b>2021 US\$'000</b>
Revenue	3,879,999	4,803,256	-	8,683,255
Gross profit	13,042	2,660	-	15,702
Other administrative /operating expenses	(3,474)	(709)	(2)	(4,185)
Depreciation and amortisation	(814)	(166)	-	(980)
Foreign exchange loss	(125)	(26)	-	(151)
Interest income	553	113	-	666
Other income	169	35	-	204
Finance costs (net of tax)	(256)	(549)	-	(805)
	-	-	16,098	16,098
Profit before tax	9,095	1,358	16,096	26,549
Income tax expense	(680)	(101)	(1,481)	(2,262)
Earning for the period	8,415	1,257	14,615	24,287
Segment assets	1,250,320	562,306	294,049	2,106,675
Deferred income tax assets				848
Total assets per statement of financial position				2,107,523
Segment liabilities	626,550	588,750	-	1,215,300
Current income tax liabilities				594
Deferred income tax liabilities				6,136
Total liabilities per statement of financial position				1,222,030

## 4.2 Disaggregation of Revenue

<b>The Group</b>				
<b>6 months ended 30 June 2022</b>				
	<b>Middle distillates US\$'000</b>	<b>Other oil products US\$'000</b>	<b>Investment in oil related assets US\$'000</b>	<b>Total US\$'000</b>
Sales of goods	4,436,328	4,950,244	-	9,386,572
Trading of oil commodity derivatives	(98,111)	(152)	-	(98,263)
<b>Total revenue</b>	<b>4,338,217</b>	<b>4,950,092</b>	<b>-</b>	<b>9,288,309</b>
Timing of revenue recognition:				
At a point in time	4,436,328	4,950,244	-	9,386,572
Over time	(98,111)	(152)	-	(98,263)
<b>Total revenue</b>	<b>4,338,217</b>	<b>4,950,092</b>	<b>-</b>	<b>9,288,309</b>
Geographical information:				
People's Republic of China	1,981,607	3,552,284	-	5,533,891
Singapore	182,511	657,124	-	839,635
Netherland	701,906	-	-	701,906
USA	495,245	-	-	495,245
Other countries	976,948	740,684	-	1,717,632
<b>Total revenue</b>	<b>4,338,217</b>	<b>4,950,092</b>	<b>-</b>	<b>9,288,309</b>

<b>The Group</b>				
<b>6 months ended 30 June 2021</b>				
	<b>Middle distillates US\$'000</b>	<b>Other oil products US\$'000</b>	<b>Investment in oil related assets US\$'000</b>	<b>Total US\$'000</b>
Sales of goods	3,905,040	4,803,823	-	8,708,863
Trading of oil commodity derivatives	(25,041)	(567)	-	(25,608)
<b>Total revenue</b>	<b>3,879,999</b>	<b>4,803,256</b>	<b>-</b>	<b>8,683,255</b>
Timing of revenue recognition:				
At a point in time	3,905,040	4,803,823	-	8,708,863
Over time	(25,041)	(567)	-	(25,608)
<b>Total revenue</b>	<b>3,879,999</b>	<b>4,803,256</b>	<b>-</b>	<b>8,683,255</b>
Geographical information:				
People's Republic of China	1,350,484	3,249,457	-	4,599,941
Singapore	179,106	712,842	-	891,948
Hong Kong	259,571	250,277	-	509,848
Other countries	2,090,838	590,680	-	2,681,518
<b>Total revenue</b>	<b>3,879,999</b>	<b>4,803,256</b>	<b>-</b>	<b>8,683,255</b>

Revenue contribution from a single region is disclosed separately when it exceeds 5% of the Group's revenue respectively.

## 5. Profit before taxation

### 5.1 Significant items

<b>The Group</b>		
	<b>1H 2022</b>	<b>1H 2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Income</b>		
Bank interest income	572	666
Gain on deemed disposal of an associate	143	-
Net foreign exchange loss	(2,114)	(151)
<b>Expenses</b>		
Depreciation of property, plant and equipment	480	377
Depreciation of right-of-use assets	3,915	4,734
Amortisation of intangible assets	106	89
Property, plant and equipment written off	23	-
Interest expense	4	9
Interest expense - lease liabilities	88	71
Allowance for impairment loss on doubtful debts	2,200	1,125

### 5.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

## 6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	<b>1H 2022</b>	<b>1H2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Current income tax expense	1,433	378
Utilisation of previously unused tax losses	216	400
Withholding tax expense	545	1,484
Total tax expense	2,194	2,262

## 7. Intangible assets

<b>Group</b>	<b>Goodwill on consolidation US\$'000</b>	<b>Customer contracts US\$'000</b>	<b>Concession operating rights US\$'000</b>	<b>Software US\$'000</b>	<b>Total US\$'000</b>
<b>Cost</b>					
At 1 January 2021	1,181	634	–	3,976	3,976
Additions	–	–	–	72	72
Written off	–	–	–	(2)	(2)
At 31 December 2021	1,181	634	–	4,046	5,861
Acquired on acquisition of a subsidiary (note 17)	3,611	–	5,112	–	8,723
Written off	–	–	–	(105)	(105)
At 30 June 2022	4,792	634	5,112	3,941	14,479
<b>Accumulated amortisation</b>					
At 1 January 2021	–	–	–	3,762	3,762
Amortisation for the year	–	–	–	154	154
Written off	–	–	–	(2)	(2)
At 31 December 2021	–	–	–	3,914	3,914
Amortisation for the period	–	–	64	42	106
Written off	–	–	–	(105)	(105)
At 30 June 2022	–	–	64	3,851	3,915
<b>Impairment</b>					
At 1 January 2021, 31 December 2021 and 30 June 2022	914	634	–	–	1,548
<b>Carrying amounts</b>					
At 31 December 2021	267	–	–	132	399
At 30 June 2022	3,878	–	5,048	90	9,016

<u>Company</u>	<b>Software US\$'000</b>
<b>Cost</b>	
At 1 January 2021	3,976
Additions	72
Written off	(2)
At 31 December 2021	4,046
Written off	(105)
At 30 June 2022	3,941
<b>Accumulated amortisation</b>	
At 1 January 2021	3,762
Amortisation for the year	154
Written off	(2)
At 31 December 2021	3,914
Amortisation for the period	42
Written off	(105)
At 30 June 2022	3,851
<b>Carrying amounts</b>	
At 31 December 2021	132
At 30 June 2022	90

## 8. Dividends

There is no interim dividend declared or paid for the financial period ended 30 June 2022 and 30 June 2021.

## 9. Net Asset Value

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
Net asset value per ordinary share (US cents)	104.06	104.79	102.85	103.76
Number of ordinary shares issued ('000)	860,184	860,184	860,184	860,184

## 10. Associates

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
Investment in associates	269,300	283,681	269,300	283,681

The Group has one (2021: one) associate that is material and three (2021: four) other associates that are individually immaterial to the Group. All are equity accounted. The followings are details of the material associates of the Group and the Company:

	Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd (“SPIA”)
Nature of business	Exclusive supplier of jet fuel at Shanghai Pudong International Airport
Principal place of business/Country of incorporation	People’s Republic of China
Ownership interest/Voting rights held	33% (2021: 33%)

## 11. Financial assets at fair value through other comprehensive income

	30 Jun 2022 US\$'000	31 Dec 2021 US\$'000
Investment in equity instrument designated as at FVTOCI - unquoted equity shares	5,500	5,500

The investment in equity instrument is not held for trading. Instead, it is held for medium to long-term strategic purposes. Accordingly, management has elected to designate this investment in equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in this investment’s fair value in profit or loss would not be consistent with the Group’s strategy of holding this investment for long-term purposes and realising its performance potential in the long run.

No investment in equity instrument measured at FVTOCI has been disposed of during the current reporting period.

## 12. Trade and other receivables

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables	596,098	350,938	336,766	289,853
Other receivables	32,126	36,739	17,362	25,022
Amounts due from:				
- subsidiaries (trade)	-	-	365,745	32,603
- related corporations (trade)	356,443	188,834	245,546	135,635
- related corporation of a corporate shareholder (trade)	59,928	26,018	55,481	23,914
- holding company (non-trade)	2	2	2	2
- subsidiaries (non-trade)	-	-	84,496	96,032
- associate (trade)	113,729	118,572	113,729	118,572
- associate (non-trade)	-	2,000	-	-
Loan to subsidiary	-	-	-	5,035
	1,158,326	723,103	1,219,127	726,668
Allowance for impairment loss on doubtful debts - trade receivables	(8,052)	(5,852)	(6,390)	(5,508)
Loans and receivables	1,150,274	717,251	1,212,737	721,160
Derivative financial assets:				
- oil commodity derivatives	63,812	18,247	64,139	17,130
	1,214,086	735,498	1,276,876	738,290
Prepayments	101,165	48,476	-	-
	1,315,251	783,974	1,276,876	738,290
Current	1,315,251	783,974	1,276,876	733,255
Non-current	-	-	-	5,035
	1,315,251	783,974	1,276,876	738,290

## 13. Share capital

The Group and the Company				
	30 Jun 2022		31 Dec 2021	
	Number of shares	Amount	Number of shares	Amount
	'000	US\$'000	'000	US\$'000
<b>Beginning of interim period</b>	866,184	215,573	866,184	215,573
<b>Treasury shares</b>				
Balance at beginning of interim period	(6,000)	(5,482)	(6,000)	(5,482)
Additions during the period	-	-	-	-
Balance at end of interim period	(6,000)	(5,482)	(6,000)	(5,482)
<b>End of interim period</b>	860,184	210,091	860,184	210,091

There are no sales, transfers, cancellation and use of treasury shares from 1 January 2022 to 30 June 2022.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.



#### 14. Trade and other payables

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables	791,828	509,614	748,498	472,023
Other payables and accruals	35,409	33,683	34,035	31,977
Amounts due to:				
- holding company (non-trade)	10,125	10,124	-	-
subsidiaries (trade)	-	-	2,700	1,819
subsidiaries (non-trade)	-	-	46,738	-
related corporation (trade)	-	3,680	-	3,138
- related corporation of a corporate shareholder (trade)	66,919	24,636	-	-
associate (trade)	-	9	-	-
Derivative financial liabilities:				
- oil commodity derivatives	49,565	23,051	46,116	22,302
	953,846	604,797	878,087	531,259

#### 15. Borrowings

Amount repayable in one year or less, or on demand

	The Group and the Company	
	30 Jun 2022 US\$'000	31 Dec 2021 US\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	-	-
Unsecured	-	-
<u>Amount repayable after one year</u>		
Secured	-	-
Unsecured	-	-

#### 16. Fair value measurement

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

At the reporting date, the carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost approximate their fair values because of the short period to maturity.

Group	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>30 Jun 2022</b>				
Financial assets at FVTOCI*	-	-	5,500	5,500
Derivative financial assets	-	63,812	-	63,812
Derivative financial liabilities	-	(49,565)	-	(49,565)
	-	14,247	5,500	19,747
<b>31 Dec 2021</b>				
Financial assets at FVTOCI	-	-	5,500	5,500
Derivative financial assets	-	18,247	-	18,247
Derivative financial liabilities	-	(23,051)	-	(23,051)
	-	(4,804)	5,500	696

Company	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>30 Jun 2022</b>				
Derivative financial assets	-	64,139	-	64,139
Derivative financial liabilities	-	(46,116)	-	(46,116)
	-	18,023	-	18,023
<b>31 Dec 2021</b>				
Derivative financial assets	-	17,130	-	17,130
Derivative financial liabilities	-	(22,302)	-	(22,302)
	-	(5,172)	-	(5,172)

\* There was no movement to the Level 3 fair value measurement of the financial asset during the current reporting period.

## 17. Acquisition of subsidiary

On 31 May 2022, China Aviation Oil (Hong Kong) Limited (“CAOHK”), a wholly owned subsidiary of CAO, had subscribed for, and was allotted 97 million ordinary shares in the capital of CNAF Hong Kong Refuelling Limited (“CNAF HKR”) at a cash consideration of HK\$1.00 per share.

Following the aforesaid allotment, the Company’s deemed interest in the issued shares of CNAF HKR, held through CAOHK, by virtue of the provisions of Section 4 of the Securities and Futures Act 2001, has increased from 39 million ordinary shares in CNAF HKR to 136 million ordinary shares in CNAF HKR, representing 68% of the total issued shares in CNAF HKR.

### **Assets acquired and liabilities assumed at the date of acquisition and consideration transferred**

The following summarises the consideration transferred and the recognised amount of assets acquired and liabilities assumed based on provisionally determined fair values at the date of acquisition:

	Note	Total US\$'000
<u>CNAF Hong Kong Refuelling Limited</u>		
Plant, property and equipment		3,809
Intangible assets	7	5,112
Right-of-use assets		1,657
Current assets		13,479
Current liabilities		<u>(10,870)</u>
Net identifiable assets and liabilities acquired		13,187
Goodwill on acquisition	7	3,611
Gain on deemed disposal of associate		(143)
Non-controlling interests		<u>(4,220)</u>
Cash consideration paid, satisfied in cash		12,435
Cash acquired		<u>(13,006)</u>
Net cash inflow		<u>(571)</u>

As at 30 June 2022, the Group used provisionally determined fair values of the identifiable assets and liabilities of CNAF HKR in the calculation of goodwill. The Group will finalize the review of the purchase price allocation exercise for the acquisition by 31 December 2022. The impact of the exercise on the carrying amount of net assets and liabilities acquired and goodwill will be adjusted, if significant, in the financial year ending 31 December 2022.

## 18. Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

## OTHER INFORMATION

### 1. Review

The condensed consolidated statement of financial position of China Aviation Oil (Singapore) Corporation Ltd and its subsidiaries as at 30 June 2022 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### Consolidated Statement of Comprehensive Income

##### 1H 2022 v 1H 2021

The Group's net profit decreased by US\$4.67 million (19.24%) to US\$19.61 million for the first half year ended 30 June 2022 ("1H 2022") compared to US\$24.29 million for the first half year ended 30 June 2021 ("1H 2021"), mainly attributable to the decrease in share of results from associates and other income, as well as the increase in expenses which was partially offset by the increase in gross profit.

The total supply and trading volume decreased by 6.47 million tonnes (36.45%) to 11.27 million tonnes for 1H 2022 compared to 17.74 million tonnes for 1H 2021. The trading volume of other oil products decreased by 3.47 million tonnes (33.49%) to 6.89 million tonnes for 1H 2022 compared to 10.36 million tonnes for 1H 2021 attributable mainly to lower trading volume for crude oil. Volume for middle distillates decreased by 3 million tonnes (40.65%) to 4.38 million tonnes from 7.38 million tonnes, of which jet fuel supply and trading volume decreased by 0.54 million tonnes (11.59%) to 4.12 million tonnes for 1H 2022 compared to 4.66 million tonnes for 1H 2021. Trading volume for gas oil decreased by 2.46 million tonnes (90.44%) to 0.26 million tonnes for 1H 2022 from 2.72 million tonnes for 1H 2021.

Despite lower volume, total revenue increased by US\$605.05 million (6.97%) to US\$9,288.31 million for 1H 2022 from US\$8,683.26 million for 1H 2021, mainly attributable to the increase in oil price.

Total gross profit was US\$21.53 million for 1H 2022, an increase of US\$5.83 million (37.13%) compared to US\$15.70 million for 1H 2021 mainly due to higher gains derived from trading activities. In addition, jet fuel supply business has not fully recovered due to COVID-19 pandemic.

Other operating income was -US\$1.02 million for 1H 2022 compared to US\$0.72 million for 1H 2021, a decrease of US\$1.74 million attributable mainly to higher exchange loss as RMB weakened against US dollar in 1H2022. Bank interest income was US\$0.57 million for 1H 2022 compared to US\$0.67 million for 1H 2021, a decrease of US\$0.10 million (14.11%) from fixed deposits and interest-bearing funds placed with banks. Other income which mainly comprised of government rebates and gain on deemed disposal of associate increased by US\$0.32 million.

Total expenses increased by US\$2.41 million (40.35%) to US\$8.38 million for 1H 2022 compared to US\$5.97 million for 1H 2021, mainly attributable to the increase of US\$1.57 million and US\$1.08 million in staff costs and provision for expected credit loss ("ECL") respectively, partially offset by the decrease of US\$0.18 million in professional fees and US\$0.06 million in bank charges.

Share of profits from associates was US\$9.68 million for 1H 2022 compared to US\$16.10 million for 1H 2021, a decrease of US\$6.42 million (39.88%), mainly attributable to lower contributions from SPIA. Share of results from SPIA was US\$10.44 million for 1H 2022 compared to US\$14.61 million for 1H 2021, a decrease of US\$4.17 million or 28.54%, mainly due to lower revenue and profits as a result of lower refuelling volume. Share of results from other associates was -US\$0.76 million for 1H 2022 compared to US\$1.49 million for 1H 2021, a decrease of US\$2.25 million, mainly due to lower contribution from OKYC.

Income tax expense was US\$2.19 million for 1H 2022 compared to US\$2.26 million for 1H 2021, a decrease of US\$0.07 million (3.01%) mainly due to lower deferred tax liabilities recognised on the Company's share of undistributed retained earnings of associates.

Earnings per share attributable to owners of the company was 2.29 US cents for 1H 2022 compared to 2.82 US cents for 1H 2021.

### **Consolidated Statements of Financial Position**

The Group's current assets stood at US\$1,575.67 million as at 30 June 2022 compared to US\$1,227.74 million as at 31 December 2021. The increase of US\$347.93 million in current assets resulted from the increase of US\$531.28 million in trade and other receivables due to higher oil prices in June 2022 compared to December 2021 and the increase of US\$12.24 million in inventories, offset by the decrease of US\$195.59 million in cash and cash equivalents.

Non-current assets stood at US\$307.11 million as at 30 June 2022 compared to US\$307.92 million as at 31 December 2021, a slight decrease of US\$0.81 million.

Current liabilities which comprised of trade and other payables, contract liabilities, short term lease liabilities and tax liabilities, increased by US\$348.23 million to US\$968.12 million as at 30 June 2022 compared to US\$619.90 million as at 31 December 2021, mainly attributable to the increase of US\$349.05 million in trade and other payables, as a result of higher oil prices in June 2022 compared to December 2021.

Non-current liabilities which comprised of lease liabilities and deferred tax liabilities increased by US\$1.00 million to US\$15.39 million as at 30 June 2022 compared to US\$14.39 million as at 31 December 2021.

The equity attributable to owners of the Company stood at US\$895.09 million as at 30 June 2022, or 104.06 US cents per share, compared to US\$901.37 million as at 31 December 2021 or 104.79 US cents per share. Equity attributable to the non-controlling interests was US\$4.17 million as at 30 June 2022.

## Consolidated Statement of Cash Flows

### 1H 2022 v 1H 2021

Net cash used in operating activities in 1H 2022 was US\$182.44 million compared to net cash of US\$6.36 million generated from operating activities in 1H 2021, mainly attributable to higher utilisation of working capital for trading in 1H 2022.

Net cash generated from investing activities were US\$10.56 million in 1H 2022 compared to US\$31.24 million in 1H 2021, a decrease of US\$20.68 million mainly attributable to lower receipt of dividends from SPIA in 1H 2022.

Net cash used in financing activities in 1H 2022 were US\$22.30 million compared to US\$21.54 million in 1H 2021, an increase of US\$0.76 million mainly attributable to the repayment of bank borrowings of US\$6.20 million assumed from CNAF HKR upon acquisition, partially offset by the decrease of US\$4.91 million in dividends paid in 1H 2022.

### **Litigation- (1) Banque De Commerce Et De Placements S.A. DIFC Branch (“BCP-DIFC”), (2) Banque De Commerce Et De Placement SA (“BCP-Geneva”) v China Aviation Oil (Singapore) Corporation Ltd & 2 Ors (Suit No. HC/S 675/2020 (“the Suit”))**

The Company refers to its last update in relation to the Suit.

Following the conclusion of the first round of specific discovery in the Suit, both BCP-DIFC and BCP-Geneva (the “Plaintiffs”) and the Company have indicated their intention to amend their respective pleadings. The Company anticipates that the Plaintiffs will shortly file their amendment application, with any consequential amendments to the Defence to follow after the determination of any such application.

As directed by the Court, the previously blocked-out trial dates of February/March 2023 had been vacated, and the Suit has now been tentatively fixed in the months of May, August, and September 2023.

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

Not applicable.

### **4. 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.**

With increasing COVID-19 vaccination rates globally, the easing and lifting of travel restrictions around the world, together with strong pent-up demand for travel, the recovery of the global aviation industry is expected to gather pace through 2022 and beyond. However, with the continued travel restrictions imposed by some countries and regions following the resurgence of the highly transmissible Omicron variant, the pace of recovery of the global aviation industry has been uneven across regions with Asia Pacific significantly lagging the other regions.

While global market conditions are expected to remain challenging due to persistent economic headwinds as well as uncertainties such as oil price volatility, ongoing geopolitical risks, supply-chain disruptions, heightening inflationary pressures and rising interest rates, the Group remains cautiously positive on its performance for the current financial year, as it remains committed to strengthening its operational resilience during this difficult period. The Group will stay the course to build on its jet fuel supply and trading network complemented with trading in other oil products. The Group will also continue to focus on long-term profitability by seeking opportunities for strategic expansion through investments in synergetic and strategic oil-related assets and businesses.

## **5. Dividend information**

### 5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? No

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

5c. Date Payable

Not Applicable.

5d. Books Closure Date

Not Applicable.

5e. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

Not Applicable.

## 6. Interested person transactions

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).

Aggregate value of interested person transactions entered from 1 January 2022 to 30 June 2022.

		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)
Nature of IPT transactions	Nature of Relationship	1H 2022 US\$'000	1H 2022 US\$'000	YTD 1H 2022 US\$'000	YTD 1H 2022 US\$'000
Sales revenue from related corporations	Associates of Controlling Shareholder, China National Aviation Fuel Group Limited	-	1,393,048	-	1,393,048
Purchases from related corporations		-	360,483	-	360,483
Supply chain services rendered from related corporation		-	3,176	-	3,176
Transportation revenue earned by associate from related corporations*		-	809	-	809
Principal deposited with related corporations		-	596,433	-	596,433
Interest earned on Principal deposited with related corporations		-	298	-	298
Subscription of additional shares in Associate of Controlling Shareholder		12,435	-	12,435	-

Nature of IPT transactions	Nature of Relationship	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) 1H 2022 US\$'000	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) 1H 2022 US\$'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) YTD 1H 2022 US\$'000	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) YTD 1H 2022 US\$'000
Sales revenue from related corporation of a corporate shareholder	Associates of Controlling Shareholder, BP Investments Asia Limited	-	80,847	-	80,847
Purchases from related corporation of a corporate shareholder		-	290,053	-	290,053
Supply chain services rendered from related corporation of a corporate shareholder		-	1,674	-	1,674

\* Based on the shareholders' approval obtained at the Annual General Meeting of the Company held on 18 April 2017 for the jet fuel transportation services framework agreement entered into between China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL") and China National Aviation Fuel Corporation Ltd ("CNAFCL") relating to the provision of pipeline transportation services by TSN-PEKCL to CNAFCL

**7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

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.

BY ORDER OF THE BOARD

Doreen Nah  
Company Secretary  
4 August 2022