



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

(Company Registration No. 199303293Z)

Condensed Consolidated Financial Statements For The Second Half and Year Ended 31 December 2022

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

Consolidated Statement of Profit or Loss

	Note	2H 2022 US\$'000	2H 2021 US\$'000	Variance + / - %	FY 2022 US\$'000	FY 2021 US\$'000	Variance + / -
Revenue	4	7,175,815	8,953,402	-19.85	16,464,124	17,636,657	-6.65
Cost of sales		(7,161,956)	(8,938,407)	-19.87	(16,428,733)	(17,605,960)	-6.69
Gross Profit		13,859	14,995	-7.58	35,391	30,697	15.29
Other operating income		2,028	1,505	34.75	1,005	2,224	-54.81
Administrative expenses		(9,150)	(7,628)	19.95	(14,486)	(11,370)	27.41
Other operating expenses		1,392	2,446	-43.09	(955)	1,023	NM
Finance costs		(454)	(890)	-48.99	(1,150)	(1,695)	-32.15
Operating Profit		7,675	10,428	-26.40	19,805	20,879	-5.14
Share of results of associates (net of tax)		8,224	7,452	10.36	17,902	23,550	-23.98
Profit before tax	5	15,899	17,880	-11.08	37,707	44,429	-15.13
Tax expense	6	(2,327)	(1,817)	28.07	(4,521)	(4,079)	10.84
Profit for the period/year		13,572	16,063	-15.51	33,186	40,350	-17.75

Condensed consolidated statement of other comprehensive income

Consolidated Statement of Other Comprehensive Income

	2H 2022	2H 2021	Variance	FY 2022	FY 2021	Variance
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
PROFIT FOR THE PERIOD/YEAR	13,572	16,063	-15.51	33,186	40,350	-17.75
Other comprehensive income/(loss):						
Items that may be reclassified to profit or loss in subsequent periods (net of tax) :						
Currency translation differences on consolidation of foreign entities (net) (note (a))	(5,988)	(187)	3,102.14	(20,074)	896	NM
Total other comprehensive (loss)/income for the period/year	(5,988)	(187)	3,102.14	(20,074)	896	NM
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	7,584	15,876	-52.23	13,112	41,246	-68.21
Profit attributable to:						
Owners of the Company	13,872	16,063	-13.64	33,532	40,350	-16.90
Non-controlling interests	(300)	-	NM	(346)	-	NM
	13,572	16,063	-15.51	33,186	40,350	-17.75
Total comprehensive income attributable to:						
Owners of the Company	7,884	15,876	-50.34	13,458	41,246	-67.37
Non-controlling interests	(300)	-	NM	(346)	-	NM
	7,584	15,876	-52.23	13,112	41,246	-68.21
Earnings per share for profit for the period attributable to the owners of the Company during the period/year:						
Basic (USD in cent)	1.61	1.87	-13.90	3.90	4.69	-16.84
Diluted (USD in cent)	1.61	1.87	-13.90	3.90	4.69	-16.84

Note (a): Compared to the end of December 2021, the RMB and Korean Won depreciated approximately 8.46% and 5.95% respectively against the US Dollar during the twelve months ended 31 December 2022 giving rise to the translation loss on foreign associates. In comparison, RMB appreciated approximately 2.34% against the US Dollar while Korean Won depreciated by 8.70% against the US Dollar for the twelve months ended 31 December 2021.

NM denotes "not meaningful"

B. Condensed statements of financial position

Statements of Financial Position

	Note	Group		Company	
		As at 31 Dec 2022 US\$'000	As at 31 Dec 2021 US\$'000	As at 31 Dec 2022 US\$'000	As at 31 Dec 2021 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment		5,264	3,826	3,140	3,631
Intangible assets	7	11,201	399	89	132
Subsidiaries		-	-	34,921	21,191
Associates	10	259,777	283,681	259,777	283,681
Financial asset at FVTOCI	11	5,500	5,500	-	-
Trade and other receivables	12	-	-	-	5,035
Right-of-use assets		11,971	14,069	8,299	13,161
Deferred tax assets		-	446	-	446
		293,713	307,921	306,226	327,277
Current assets					
Inventories		182,089	42,926	144,386	14,120
Trade and other receivables	12	715,621	783,974	641,734	733,255
Cash and cash equivalents		308,195	400,837	293,046	369,394
		1,205,905	1,227,737	1,079,166	1,116,769
Total assets		1,499,618	1,535,658	1,385,392	1,444,046
EQUITY AND LIABILITIES					
Capital, Reserves and					
Non-controlling interests					
Share capital	13	215,573	215,573	215,573	215,573
Reserves		687,405	685,796	673,721	676,928
Equity attributable to owners of the Company		902,978	901,369	889,294	892,501
Non-controlling interests		4,430	-	-	-
Total equity		907,408	901,369	889,294	892,501
Non-current liabilities					
Lease liabilities		4,281	7,661	2,026	7,306
Deferred tax liabilities		7,501	6,732	7,501	6,732
		11,782	14,393	9,527	14,038
Current liabilities					
Trade and other payables	14	564,884	604,797	478,271	531,259
Contract liabilities		4,916	7,626	-	137
Lease liabilities		8,283	6,689	6,432	6,111
Current tax liabilities		2,345	784	1,868	-
		580,428	619,896	486,571	537,507
Total liabilities		592,210	634,289	496,098	551,545
Total equity and liabilities		1,499,618	1,535,658	1,385,392	1,444,046

C. Condensed statements of changes in equity

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 attributable to owners of the Company US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
As at 1 January 2021	215,573	616,139	(5,482)	13,563	37,086	876,879	-	876,879
Total comprehensive income for the year	-	40,350	-	896	-	41,246	-	41,246
Share of associates' accumulated profits transferred to statutory reserve	-	(77)	-	-	77	-	-	-
Dividends paid in respect of 2020, representing total transactions with shareholders recognised directly in equity	-	(16,756)	-	-	-	(16,756)	-	(16,756)
As at 31 December 2021	215,573	639,656	(5,482)	14,459	37,163	901,369	-	901,369
As at 1 January 2022	215,573	639,656	(5,482)	14,459	37,163	901,369	-	901,369
Total comprehensive income for the year	-	33,532	-	(20,074)	-	13,458	(346)	13,112
Share of associates' accumulated profits transferred to statutory reserve	-	(40)	-	-	40	-	-	-
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	-	-	-	-	-	-	4,776	4,776
As at 31 December 2022	215,573	661,299	(5,482)	(5,615)	37,203	902,978	4,430	907,408

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 2021	215,573	609,694	(5,482)	13,579	37,086	870,450
Total comprehensive income for the year	-	37,911	-	896	-	38,807
Share of associates' accumulated profits transferred to statutory reserve	-	(77)	-	-	77	-
Dividends paid in respect of 2020, representing total transactions with shareholders recognised directly in equity	-	(16,756)	-	-	-	(16,756)
As at 31 December 2021	215,573	630,772	(5,482)	14,475	37,163	892,501
As at 1 January 2022	215,573	630,772	(5,482)	14,475	37,163	892,501
Total comprehensive income for the year	-	28,732	-	(20,090)	-	8,642
Share of associates' accumulated profits transferred to statutory reserve	-	(40)	-	-	40	-
Dividends paid in respect of 2021, representing total transactions with shareholders recognised directly in equity	-	(11,849)	-	-	-	(11,849)
As at 31 December 2022	215,573	647,615	(5,482)	(5,615)	37,203	889,294

D. Condensed consolidated statement of cash flows

Consolidated Statement of Cash Flows

	Note	FY 2022 US\$'000	FY 2021 US\$'000
Cash flows from operating activities			
Profit for the year		33,186	40,350
Adjustments for:-			
Depreciation of property, plant and equipment	5	1,129	754
Depreciation of right-of-use assets	5	8,052	8,628
Amortisation of intangible assets	5	691	154
Property, plant and equipment written off	5	23	33
Gain on deemed disposal of interest in an associate	5	(820)	-
Allowance/(Reversal of allowance) for impairment loss on doubtful debts	5	201	(2,280)
Fair value gain on derivative instruments		(1,052)	(9,370)
Share of results of associates		(17,902)	(23,550)
Interest income	5	(3,288)	(1,564)
Interest expense	5	6	28
Lease interest expense	5	199	153
Tax expense	6	4,521	4,079
Unrealised exchange differences		1,652	72
		26,598	17,487
Change in inventories		(139,163)	48,449
Change in trade and other receivables		89,722	415,340
Change in trade and other payables		(64,462)	(367,940)
Cash (used in)/from operating activities		(87,305)	113,336
Tax paid		(1,463)	(336)
Net cash (used in)/from operating activities		(88,768)	113,000
Cash flows from investing activities			
Interest received		3,562	1,573
Purchase of property, plant and equipment		(287)	(229)
Purchase of intangible assets		(32)	(72)
Acquisition of subsidiary, net of cash acquired	17	571	-
Dividends received from associates		20,632	42,913
Net cash from investing activities		24,446	44,185
Cash flows from financing activities			
Interest paid		(6)	(28)
Interest paid on lease liabilities		(199)	(153)
Repayment of lease liabilities		(8,414)	(8,446)
Proceeds from loans and borrowings		25,000	787,116
Repayment of loans and borrowings		(31,200)	(787,116)
Dividends paid		(11,849)	(16,756)
Net cash used in financing activities		(26,668)	(25,383)
Net (decrease)/increase in cash and cash equivalents		(90,990)	131,802
Cash and cash equivalents at beginning of the year		400,837	269,107
Net effect of exchange rate fluctuations on cash held		(1,652)	(72)
Cash and cash equivalents at end of the year		308,195	400,837

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 and full year ended 31 December 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) and Aviation Fuel Supply B.V..

2. Basis of Preparation

The condensed financial statements for the six months and full year ended 31 December 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

	Middle distillates	Other oil products	Investment in oil related assets	Total
1 Jul 2022 to 31 Dec 2022	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	4,191,201	2,984,614	-	7,175,815
Gross profit	12,742	1,117	-	13,859
Other administrative /operating expenses	(6,221)	(456)	-	(6,677)
Depreciation and amortisation	(1,009)	(72)	-	(1,081)
Foreign exchange loss	(1,473)	(121)	-	(1,594)
Interest income	2,579	137	-	2,716
Gain on deemed disposal of an associate	-	-	677	677
Other income	210	19	-	229
Finance costs	(145)	(309)	-	(454)
Share of results of associates	-	-	8,224	8,224
Profit before tax	6,683	315	8,901	15,899
Tax expense	(1,797)	(24)	(506)	(2,327)
Earnings for the period	4,886	291	8,395	13,572
Segment assets/Total assets per statement of financial position	1,181,909	52,433	265,276	1,499,618
Segment liabilities	526,815	55,549	-	582,364
Current tax liabilities				2,345
Deferred tax liabilities				7,501
Total liabilities per statement of financial position				592,210

	Middle distillates	Other oil products	Investment in oil related assets	Total
1 Jul 2021 to 31 Dec 2021	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	4,235,775	4,717,627	-	8,953,402
Gross profit	13,219	1,776	-	14,995
Other administrative /operating expenses	(3,668)	(497)	2	(4,163)
Depreciation and amortisation	(896)	(123)	-	(1,019)
Foreign exchange gain	425	77	-	502
Interest income	785	113	-	898
Other income	95	10	-	105
Finance costs	(280)	(610)	-	(890)
Share of results of associates	-	-	7,452	7,452
Profit before tax	9,680	746	7,454	17,880
Tax expense	(772)	(62)	(983)	(1,817)
Earnings for the period	8,908	684	6,471	16,063
Segment assets	1,047,295	198,736	289,181	1,535,212
Deferred tax assets				446
Total assets per statement of financial position	1,047,295	198,736	289,181	1,535,658
Segment liabilities	502,401	124,372	-	626,773
Current tax liabilities				784
Deferred tax liabilities				6,732
Total liabilities per statement of financial position				634,289

	Middle distillates	Other oil products	Investment in oil related assets	Total
1 Jan 2022 to 31 Dec 2022	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	8,529,418	7,934,706	-	16,464,124
Gross profit	33,760	1,631	-	35,391
Other administrative /operating expenses	(12,734)	(615)	-	(13,349)
Depreciation and amortisation	(1,996)	(96)	-	(2,092)
Foreign exchange loss	(3,537)	(171)	-	(3,708)
Interest income	3,137	151	-	3,288
Gain on deemed disposal of an associate	-	-	820	820
Other income	577	28	-	605
Finance costs	(354)	(796)	-	(1,150)
Share of results of associates	-	-	17,902	17,902
Profit before tax	18,853	132	18,722	37,707
Tax expense	(3,446)	(24)	(1,051)	(4,521)
Earnings for the year	15,407	108	17,671	33,186
Segment assets/Total assets per statement of financial position	1,181,909	52,433	265,276	1,499,618
Segment liabilities	526,815	55,549	-	582,364
Current tax liabilities				2,345
Deferred tax liabilities				7,501
Total liabilities per statement of financial position				592,210

	Middle distillates	Other oil products	Investment in oil related assets	Total
1 Jan 2021 to 31 Dec 2021	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	8,115,774	9,520,883	-	17,636,657
Gross profit	26,261	4,436	-	30,697
Other administrative /operating expenses	(7,142)	(1,206)	-	(8,348)
Depreciation and amortisation	(1,710)	(289)	-	(1,999)
Foreign exchange gain	300	51	-	351
Interest income	1,338	226	-	1,564
Other income	264	45	-	309
Finance costs	(536)	(1,159)	-	(1,695)
Share of results of associates	-	-	23,550	23,550
Profit before tax	18,775	2,104	23,550	44,429
Tax expense	(1,452)	(163)	(2,464)	(4,079)
Earnings for the year	17,323	1,941	21,086	40,350
Segment assets	1,047,295	198,736	289,181	1,535,212
Deferred tax assets				446
Total assets per statement of financial position	1,047,295	198,736	289,181	1,535,658
Segment liabilities	502,401	124,372	-	626,773
Current tax liabilities				784
Deferred tax liabilities				6,732
Total liabilities per statement of financial position				634,289

4.2 Disaggregation of Revenue

The Group				
6 months ended 31 December 2022				
	Middle distillates US\$'000	Other oil products US\$'000	Investment in oil related assets US\$'000	Total US\$'000
Sales of goods	4,212,209	2,984,597	-	7,196,806
Trading of oil commodity derivatives	(21,008)	17	-	(20,991)
Total revenue	4,191,201	2,984,614	-	7,175,815
Timing of revenue recognition:				
At a point in time	4,212,209	2,984,597	-	7,196,806
Over time	(21,008)	17	-	(20,991)
Total revenue	4,191,201	2,984,614	-	7,175,815
Geographical information:				
People's Republic of China	1,905,256	1,338,704	-	3,243,960
Singapore	221,508	845,354	-	1,066,862
Netherland	725,017	-	-	725,017
USA	438,375	-	-	438,375
Other countries	901,045	800,556	-	1,701,601
Total revenue	4,191,201	2,984,614	-	7,175,815

The Group				
6 months ended 31 December 2021				
	Middle distillates US\$'000	Other oil products US\$'000	Investment in oil related assets US\$'000	Total US\$'000
Sales of goods	4,273,723	4,720,354	-	8,994,077
Trading of oil commodity derivatives	(37,948)	(2,727)	-	(40,675)
Total revenue	4,235,775	4,717,627	-	8,953,402
Timing of revenue recognition:				
At a point in time	4,273,723	4,720,354	-	8,994,077
Over time	(37,948)	(2,727)	-	(40,675)
Total revenue	4,235,775	4,717,627	-	8,953,402
Geographical information:				
People's Republic of China	1,600,913	2,773,099	-	4,374,012
Singapore	161,792	892,019	-	1,053,811
Hong Kong	400,129	275,985	-	676,114
Other countries	2,072,941	776,524	-	2,849,465
Total revenue	4,235,775	4,717,627	-	8,953,402

The Group				
12 months ended 31 December 2022				
	Middle distillates US\$'000	Other oil products US\$'000	Investment in oil related assets US\$'000	Total US\$'000
Sales of goods	8,648,537	7,934,841	-	16,583,378
Trading of oil commodity derivatives	(119,119)	(135)	-	(119,254)
Total revenue	8,529,418	7,934,706	-	16,464,124
Timing of revenue recognition:				
At a point in time	8,648,537	7,934,841	-	16,583,378
Over time	(119,119)	(135)	-	(119,254)
Total revenue	8,529,418	7,934,706	-	16,464,124
Geographical information:				
People's Republic of China	3,886,863	4,890,988	-	8,777,851
Singapore	404,019	1,502,478	-	1,906,497
Netherland	1,426,923	-	-	1,426,923
USA	933,620	-	-	933,620
Other countries	1,877,993	1,541,240	-	3,419,233
Total revenue	8,529,418	7,934,706	-	16,464,124

The Group				
12 months ended 31 December 2021				
	Middle distillates US\$'000	Other oil products US\$'000	Investment in oil related assets US\$'000	Total US\$'000
Sales of goods	8,178,763	9,524,177	-	17,702,940
Trading of oil commodity derivatives	(62,989)	(3,294)	-	(66,283)
Total revenue	8,115,774	9,520,883	-	17,636,657
Timing of revenue recognition:				
At a point in time	8,178,763	9,524,177	-	17,702,940
Over time	(62,989)	(3,294)	-	(66,283)
Total revenue	8,115,774	9,520,883	-	17,636,657
Geographical information:				
People's Republic of China	2,951,397	6,022,556	-	8,973,953
Singapore	340,898	1,604,861	-	1,945,759
Hong Kong	659,700	526,262	-	1,185,962
Other countries	4,163,779	1,367,204	-	5,530,983
Total revenue	8,115,774	9,520,883	-	17,636,657

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

A breakdown of sales as follows:

The Group			
	Financial year ended 31 December 2022 US\$'000	Financial year ended 31 December 2021 US\$'000	Increase/ (Decrease) %
Sales reported for first half year	9,288,309	8,683,255	6.97
Operating profit after tax before deducting non-controlling interests reported for first half year	19,614	24,287	-19.24
Sales reported for second half year	7,175,815	8,953,402	-19.85
Operating profit after tax before deducting non-controlling interests reported for second half year	13,572	16,063	-15.51

5. Profit before tax

5.1 Significant items

The Group				
	2H 2022 US\$'000	2H 2021 US\$'000	FY 2022 US\$'000	FY 2021 US\$'000
Income				
Bank interest income	2,716	898	3,288	1,564
Gain on deemed disposal of an associate	677	-	820	-
Net foreign exchange (loss)/gain	(1,594)	502	(3,708)	351
Expenses				
Depreciation of property, plant and equipment	650	377	1,129	754
Depreciation of right-of-use assets	4,137	3,893	8,052	8,628
Amortisation of intangible assets	585	65	691	154
Property, plant and equipment written off	-	33	23	33
Interest expense	2	19	6	28
Interest expense - lease liabilities	111	82	199	153
Write back of allowance on doubtful debts	(1)	-	(1)	-
(Reversal of) Allowance for impairment loss on doubtful debts	(1,999)	(3,406)	201	(2,280)

5.2 Related party transactions

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

6. Tax expense

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:

	2H 2022	2H 2021	FY 2022	FY 2021
	US\$'000	US\$'000	US\$'000	US\$'000
Current tax expense	1,255	343	2,688	721
Tax expense underprovided in prior year	284	-	284	-
Utilisation of previously unused tax losses/ capital allowances	230	402	446	802
Withholding tax expense	558	1,072	1,103	2,556
Total tax expense	2,327	1,817	4,521	4,079

7. Intangible assets

	Goodwill on consolidation US\$'000	Customer contracts US\$'000	Concession operating rights US\$'000	Software US\$'000	Total US\$'000
Group					
Cost					
At 1 January 2021	1,181	634	-	3,976	5,791
Additions	-	-	-	72	72
Written off	-	-	-	(2)	(2)
At 31 December 2021	1,181	634	-	4,046	5,861
Additions	-	-	-	32	32
Acquired on acquisition of a subsidiary (note 17)	3,108	-	8,353	-	11,461
Written off	-	-	-	(105)	(105)
At 31 December 2022	4,289	634	8,353	3,973	17,249
Accumulated amortisation					
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 year	-	-	616	75	691
Written off	-	-	-	(105)	(105)
At 31 December 2022	-	-	616	3,884	4,500
Impairment					
At 1 January 2021, 31 December 2021 and 31 December 2022	914	634	-	-	1,548
Carrying amounts					
At 31 December 2021	267	-	-	132	399
At 31 December 2022	3,375	-	7,737	89	11,201

Company	Software US\$'000
Cost	
At 1 January 2021	3,976
Additions	72
Written off	(2)
At 31 December 2021	4,046
Additions	32
Written off	(105)
At 31 December 2022	3,973
Accumulated amortisation	
At 1 January 2021	3,762
Amortisation for the year	154
Written off	(2)
At 31 December 2021	3,914
Amortisation for the year	75
Written off	(105)
At 31 December 2022	3,884
Carrying amounts	
At 31 December 2021	132
At 31 December 2022	89

8. Dividends

The Group		
	Financial Year 2022 US\$'000	Financial Year 2021 US\$'000
Ordinary dividends paid:		
Final dividend	11,849	16,756
Total:	11,849	16,756
Dividend per share (net of tax) - Singapore cents	1.90	2.58

9. Net Asset Value

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Net asset value per ordinary share (US cents)	104.97	104.79	103.39	103.76
Number of ordinary shares issued ('000)	860,184	860,184	860,184	860,184

10. Associates

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
Investment in associates	259,777	283,681	259,777	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 associate 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

	31 Dec 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	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables	170,273	350,938	102,552	289,853
Other receivables	53,890	36,739	36,746	25,022
Amounts due from:				
- subsidiaries (trade)	-	-	170,279	32,603
- related corporations (trade)	216,155	188,834	105,192	135,635
- related corporation of a corporate shareholder (trade)	102,877	26,018	5,638	23,914
- holding company (non-trade)	2	2	2	2
- subsidiaries (non-trade)	-	-	100,238	96,032
- associate (trade)	84,536	118,572	84,536	118,572
- associate (non-trade)	-	2,000	-	-
Loan to subsidiary	-	-	-	5,035
	627,733	723,103	605,183	726,668
Allowance for impairment loss on doubtful debts - trade receivables	(6,062)	(5,852)	(5,404)	(5,508)
Loans and receivables	621,671	717,251	599,779	721,160
Derivative financial assets:				
- oil commodity derivatives	39,621	18,247	40,559	17,130
	661,292	735,498	640,338	738,290
Prepayments	54,329	48,476	1,397	-
	715,621	783,974	641,735	738,290
Current	715,621	783,974	641,735	733,255
Non-current	-	-	-	5,035
	715,621	783,974	641,735	738,290

13. Share capital

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

There are no sales, transfers, cancellation and use of treasury shares from 1 January 2022 to 31 December 2022.

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

14. Trade and other payables

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables	377,783	509,614	332,207	472,023
Other payables and accruals	54,716	33,683	52,593	31,977
Amounts due to:				
- holding company (non-trade)	10,125	10,124	-	-
subsidiaries (trade)	-	-	12,249	1,819
related corporation (trade)	-	3,680	-	3,138
- related corporation of a corporate shareholder (trade)	78,887	24,636	39,332	-
associate (trade)	-	9	-	-
Derivative financial liabilities:				
- oil commodity derivatives	43,373	23,051	41,890	22,302
	564,884	604,797	478,271	531,259

15. Borrowings

Amount repayable in one year or less, or on demand

	The Group and the Company	
	31 Dec 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
31 Dec 2022				
Financial assets at FVTOCI*	-	-	5,500	5,500
Derivative financial assets	-	39,621	-	39,621
Derivative financial liabilities	-	(43,373)	-	(43,373)
	-	(3,752)	5,500	1,748
31 Dec 2021				
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
31 Dec 2022				
Derivative financial assets	-	40,559	-	40,559
Derivative financial liabilities	-	(41,890)	-	(41,890)
	-	(1,331)	-	(1,331)
31 Dec 2021				
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 financial year.

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 determined fair values at the date of acquisition:

	Note	Total US\$'000
<u>CNAF Hong Kong Refuelling Limited</u>		
Property, plant and equipment		2,303
Intangible assets	7	8,353
Right-of-use assets		1,657
Current assets		13,479
Non-current liabilities		(1,575)
Current liabilities		(9,295)
Net identifiable assets and liabilities acquired		14,922
Goodwill on acquisition	7	3,108
Gain on deemed disposal of associate	5	(820)
Non-controlling interests		(4,775)
Cash consideration paid, satisfied in cash		12,435
Cash acquired		(13,006)
Net cash inflow		(571)

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 Limited and its subsidiaries as at 31 December 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 and full year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Consolidated Statement of Comprehensive Income

2H 2022 v 2H 2021

The Group's net profit decreased by US\$2.49 million (15.51%) to US\$13.57 million for the second half year ended 31 December 2022 ("2H 2022") compared to US\$16.06 million for the second half year ended 31 December 2021 ("2H 2021"), mainly attributable to the decrease in gross profit and the increase in expenses partially offset by the increase in share of results and other income.

The total supply and trading volume decreased by 7.39 million metric tonnes ("mt") (45.12%) to 8.99 million mt for 2H 2022 compared to 16.38 million mt for 2H 2021. The trading volume of other oil products decreased by 4.87 million m (49.14%) to 5.04 million mt for 2H 2022 compared to 9.91 million mt for 2H 2021 attributable mainly to lower trading volume for crude oil. Volume for middle distillates decreased by 2.52 million mt (38.95%) to 3.95 million mt from 6.47 million mt, of which gas oil trading volume decreased by 1.61 million mt (93.07%) to 0.12 million mt for 2H 2022 from 1.73 million mt for 2H 2021. Trading volume for jet fuel supply and trading decreased by 0.90 million mt (18.99%) to 3.84 million mt for 2H 2022 compared to 4.74 million mt for 2H 2021.

Total revenue decreased by US\$1,777.58 million (19.85%) to US\$7,175.82 million for 2H 2022 from US\$8,953.40 million for 2H 2021, mainly attributable to the decrease in volume.

Total gross profit was US\$13.86 million for 2H 2022, a decrease of US\$1.14 million (7.58%) compared to US\$15.00 million for 2H 2021 mainly due to lower gains derived from trading of other oil products.

Other operating income was US\$2.03 million for 2H 2022 compared to US\$1.51 million for 2H 2021, an increase of US\$0.52 million (34.75%) attributable mainly to higher interest income and gain on deemed disposal of associate. Interest income was US\$2.72 million for 2H 2022 compared to US\$0.90 million for 2H 2021, an increase of US\$1.82 million (202.45%) from time deposits placed with banks and financial institutions. Other income was US\$0.91 million for 2H 2022 compared to US\$0.11 million for 2H 2021, an increase of US\$0.80 million mainly comprised of US\$0.68 million from gain on deemed disposal of associate and the increase of US\$0.10 million in government rebates pertaining to the COVID-19 pandemic. Exchange differences was -US\$1.60 million for 2H 2022 compared to US\$0.50 million for 2H 2021, a decrease of US\$2.10 million mainly due to the depreciation of RMB and Euro against US Dollar.

Total expenses increased by US\$2.14 million (35.24%) to US\$8.21 million for 2H 2022 compared to US\$6.07 million for 2H 2021, mainly attributable to the increase of US\$1.41 million in provision of expected credit loss (“ECL”). The reversal of ECL provision was -US\$2.00 million for 2H 2022 compared to -US\$3.41 million in 2H 2021, an increase of US\$1.41 million in provision. Staff costs increased by US\$1.26 million y-o-y partially offset by the decrease of US\$0.45 million in bank charges.

The share of results from associates was US\$8.22 million for 2H 2022 compared to US\$7.45 million for 2H 2021, an increase of US\$0.77 million (10.36%). Share of results from SPIA was US\$8.77 million for 2H 2022 compared to US\$8.58 million for 2H 2021, an increase of US\$0.19 million or 2.21%, mainly due to lower operating expenses. Share of results from other associates was -US\$0.55 million for 2H 2022 compared to -US\$1.13 million for 2H 2021, an improvement of US\$0.58 million, mainly attributable to lower share of loss from TSN-PEKCL.

Income tax expense was US\$2.33 million for 2H 2022 compared to US\$1.82 million for 2H 2021, an increase of US\$0.51 million (28.07%) mainly due to higher provision of tax expenses.

Earnings per share attributable to the owners of the Company was 1.61 US cents for 2H 2022 compared to 1.87 US cents for 2H 2021.

2H 2022 v 1H 2022

The Group’s net profit decreased by US\$6.04 million (30.80%) to US\$13.57 million for 2H 2022 compared to US\$19.61 million for the first half year ended 30 June 2022 (“1H 2022”), mainly attributable to the decrease in gross profit and share of results from associates.

The total supply and trading volume decreased by 2.28 million mt (20.23%) to 8.99 million mt for 2H 2022 compared to 11.27 million mt for 1H 2022. The trading volume of other oil products decreased by 1.85 million mt (26.85%) to 5.04 million mt for 2H 2022 compared to 6.89 million mt for 1H 2022 attributable mainly to lower trading volume for crude oil. Volume for middle distillates decreased by 0.43 million mt (9.82%) to 3.95 million mt from 4.38 million mt, of which trading volume for jet fuel supply and trading volume decreased by 0.28 million mt (6.80%) to 3.84 million mt for 2H 2022 from 4.12 million mt for 1H 2022. Gas oil trading volume decreased by 0.14 million mt (53.85%) to 0.12 million mt for 2H 2022 compared to 0.26 million mt for 1H 2022.

Total revenue decreased by US\$2,112.49 million (22.74%) to US\$7,175.82 million for 2H 2022 from US\$9,288.31 million for 1H 2022, mainly attributable to the decrease in volume.

Total gross profit was US\$13.86 million for 2H 2022, a decrease of US\$7.67 million (35.64%) compared to US\$21.53 million for 1H 2022 mainly due to lower gains derived from jet fuel supply.

Other operating income was US\$2.03 million for 2H 2022 compared to -US\$1.02 million for 1H 2022, an improvement of US\$3.05 million attributable mainly to an increase of US\$2.14 million in bank interest income and the increase of US\$0.53 million from gain on deemed disposal of associate.

Total expenses decreased by US\$0.17 million (1.99%) to US\$8.21 million for 2H 2022 compared to US\$8.38 million for 1H 2022.

Share of results from associates was US\$8.22 million for 2H 2022 compared to US\$9.68 million for 1H 2022, a decrease of US\$1.46 million (15.08%), mainly attributable to lower contributions from SPIA. Share of results from SPIA was US\$8.77 million for 2H 2022 compared to US\$10.44 million for 1H 2022, a decrease of US\$1.67 million or 16.00%, mainly due to higher operating expenses partially offset by the increase in gross profit. Share of results from other associates was -US\$0.55 million for 2H 2022 compared to -US\$0.76 million for 1H 2022, an improvement of US\$0.21 million, mainly due to lower share of losses from TSN-PEKCL and OKYC.

Income tax expense was US\$2.33 million for 2H 2022 compared to US\$2.19 million for 1H 2022, an increase of US\$0.14 million (6.39%).

Earnings per share attributable to the owners of the Company was 1.61 US cents for 2H 2022 compared to 2.29 US cents for 1H 2022.

FY 2022 v FY 2021

The Group's net profit decreased by US\$7.16 million (17.75%) to US\$33.19 million for the financial year ended 31 December 2022 ("FY 2022") compared to US\$40.35 million for the financial year ended 31 December 2021 ("FY 2021"), mainly attributable to the decrease in share of results and other income, and the increase in expenses partially offset by the increase in gross profit.

The total supply and trading volume decreased by 13.85 million mt (40.60%) to 20.26 million mt for FY 2022 compared to 34.11 million mt for FY 2021. The trading volume for other oil products decreased by 8.33 million mt (41.12%) to 11.93 million tonnes for FY 2022 compared to 20.26 million mt for FY 2021 attributable mainly to lower trading volume for crude oil. Volume for middle distillates decreased by 5.52 million mt (39.86%) to 8.33 million mt from 13.85 million mt, of which gas oil trading volume decreased by 4.08 million mt (91.69%) to 0.37 million mt for FY 2022 from 4.45 million mt for FY 2021. Trading volume for jet fuel supply and trading decreased by 1.44 million mt (15.32%) to 7.96 million mt for FY 2022 compared to 9.40 million mt for FY 2021.

Total revenue decreased by US\$1,172.54 million (6.65%) to US\$16,464.12 million for FY 2022 from US\$17,636.66 million for FY 2021, mainly attributable to the decrease in volume.

Total gross profit was US\$35.39 million for FY 2022, an increase of US\$4.69 million (15.29%) compared to US\$30.70 million for FY 2021 attributable mainly to higher gains derived from jet trading activities.

Other operating income was US\$1.01 million for FY 2022 compared to US\$2.22 million for FY 2021, a decrease of US\$1.22 million (54.81%). Exchange differences was -US\$3.71 million for FY 2022 compared to US\$0.35 million for FY 2021, a decrease of US\$4.06 million due to exchange loss resulting from the depreciation of RMB and Euro dollar against US dollar. Interest income was US\$3.29 million for FY 2022 compared to US\$1.56 million for FY 2021, an increase of US\$1.73 million (110.90%) attributable mainly to higher deposit interest rate. Other income which mainly comprised of government rebates pertaining to the COVID-19 pandemic increased by US\$0.30 million. Gain from deemed disposal of an associate was US\$0.82 million for FY 2022.

Total expenses increased by US\$4.55 million (37.78%) to US\$16.59 million for FY 2022 compared to US\$12.04 million for FY 2021, mainly attributable to the increase of US\$2.80 million in staff costs. The ECL provision for FY 2022 was US\$0.20 million compared to -US\$2.28 million in FY 2021, an increase of US\$2.48 million. Bank charges and professional fees decreased by US\$0.57 million and US\$0.50 million respectively y-o-y.

The share of results from associates was US\$17.90 million for FY 2022 compared to US\$23.55 million for FY 2021, a decrease of US\$5.65 million (23.98%), mainly attributable to lower contributions from SPIA. Share of results from SPIA was US\$19.21 million for FY 2022 compared to US\$23.19 million for FY 2021, a decrease of US\$3.98 million or 17.17%, mainly attributable to lower revenue and profits as a result of lower refuelling volume. Share of results from other associates was -US\$1.31 million for FY 2022 compared to US\$0.36 million for FY 2021, a decrease of US\$1.67 million, mainly due to share of loss from OKYC owing to the decrease in revenue and higher exchange loss.

Income tax expense was US\$4.52 million for FY 2022 compared to US\$4.08 million for FY 2021, an increase of US\$0.44 million or 10.84% mainly due to higher provision for income tax partially offset by lower withholding tax expense.

Earnings per share attributable to the owners of the Company was 3.90 US cents for FY 2022 compared to 4.69 US cents for FY 2021.

Consolidated Statements of Financial Position

The Group's current assets stood at US\$1,205.91 million as at 31 December 2022 compared to US\$1,227.74 million as at 31 December 2021. The decrease of US\$21.83 million in current assets resulted from the decrease of US\$68.35 million in trade and other receivables due to lower volume in December 2022 compared to December 2021 and the decrease of US\$92.64 million in cash and cash equivalents, offset by the the increase of US\$139.16 million in inventories.

Non-current assets stood at US\$293.71 million as at 31 December 2022 compared to US\$307.92 million as at 31 December 2021, a decrease of US\$14.21 million mainly attributable to the decrease of US\$23.90 million in associates which resulted mainly from the decrease in foreign translation reserve as RMB and Korean won depreciated against US dollar, partially offset by the increase in intangible assets and goodwill from the acquisition of subsidiary (please refer to Note 17).

Current liabilities which comprised of trade and other payables, contract liabilities, short term lease liabilities and tax liabilities, decreased by US\$39.47 million to US\$580.43 million as at 31 December 2022 compared to US\$619.90 million as at 31 December 2021, mainly attributable to the decrease of US\$39.91 million in trade and other payables, as a result of lower volume in December 2022 compared to December 2021.

Non-current liabilities which comprised of lease liabilities and deferred tax liabilities decreased by US\$2.61 million to US\$11.78 million as at 31 December 2022 compared to US\$14.39 million as at 31 December 2021.

The equity attributable to owners of the Company stood at US\$902.98 million as at 31 December 2022, or 104.97 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\$4.43 million as at 31 December 2022.

Consolidated Statement of Cash Flows

FY 2022 v FY 2021

Net cash used in operating activities in FY 2022 was US\$88.77 million compared to net cash generated from operating activities of US\$113.00 million in FY 2021, mainly attributable to the increase in inventories.

Net cash generated from investing activities were US\$24.45 million in FY 2022 compared to US\$44.19 million in FY 2021, a decrease of US\$19.74 million mainly attributable to the lower receipt of dividend from SPIA in FY 2022.

Net cash used in financing activities in FY 2022 were US\$26.67 million compared to US\$25.38 million in FY 2021, an increase of US\$1.29 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 dividend payout in FY 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.

After the close of pleadings, the parties to the Suit provided general discovery of documents in accordance with the timelines and directions of the Court.

Following conclusion of general discovery in the Suit, various requests and applications for specific discovery were submitted by the parties to the Suit. The Company also obtained relevant documents from the Liquidators of Zenrock Commodities Trading Pte Ltd (In Liquidation) (the "**Liquidators**"), with the other parties to the Suit also obtaining a second batch of documents from the Liquidators.

The parties to the Suit have amended their respective pleadings (based on documents disclosed pursuant to specific discovery applications and the Liquidators).

Trial for the Suit has been tentatively fixed in August/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.

According to a recent announcement from International Air Transport Association, global air passenger traffic for the full year 2022 was at 68.5% of pre-pandemic (2019) levels as COVID-19 travel restrictions have eased in most parts of the world. The global aviation industry was given a further boost when China significantly eased its zero-tolerance COVID measures and reopened its borders to international travellers from 8 January 2023. However, global market conditions are expected to remain challenging due to oil price volatility, slowing global economic growth, ongoing geopolitical tensions, supply chain disruptions and high inflation.

Nevertheless, the Group remains cautiously positive on its performance for the current financial year, as it remains committed to strengthening its operational resilience, and 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? Yes

Name of dividend	Final
Dividend Type	Cash
Dividend per share (Singapore cents)	1.60
Tax rate	Tax Exempt

The Directors are pleased to propose a tax exempt one-tier final cash dividend of 1.60 Singapore cents per share (2021: a tax exempt one-tier final cash dividend of 1.90 Singapore cents per share) in respect of the financial year ended 31 December 2022.

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	Final
Dividend Type	Cash
Dividend per share (Singapore cents)	1.90
Tax rate	Tax Exempt

5c. Date Payable

To be announced in due course.

5d. Record Date for Dividend Payment

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

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 for the year ended 31 December 2022.

	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)		Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
		FY 2022	FY 2021	FY 2022	FY 2021
		US\$'000	US\$'000	US\$'000	US\$'000
Sales to related corporations	Associates of Controlling Shareholder, China National Aviation Fuel Group Limited	-	-	2,525,780	1,381,767
Purchases from related corporations		-	-	1,461,363	770,505
Supply chain services rendered from related corporation		-	-	5,476	2,136
Services rendered from related corporation		333	392	-	-
Transportation revenue earned by associate from related corporations *		-	-	1,963	3,241
Into-plane refueling services rendered by a related corporation		-	-	105	69
Principal deposited with related corporation		-	-	1,212,524	906,611
Interest income earned from principal deposited with related corporation		-	-	2,339	332
Subscription of additional shares in associate of controlling shareholder		12,435	-	-	-
Loan to associate		-	812	-	-

	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)		Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
		FY 2022	FY 2021	FY 2022	FY 2021
		US\$'000	US\$'000	US\$'000	US\$'000
Sales to related corporation of a corporate shareholder	Associates of Controlling Shareholder, BP Investments Asia Limited	-	-	425,417	203,214
Purchases from related corporation of a corporate shareholder		-	-	395,261	625,531
Supply chain services rendered from related corporation of a corporate shareholder		-	-	3,313	5,999

* 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.

8. Disclosure of persons occupying managerial positions who are related to a director or chief executive officer or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, CAO confirms that to the best of its knowledge, belief and information, there are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, the chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Doreen Nah
Company Secretary
28 February 2023