



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD
(Company Registration No. 199303293Z)
First Quarter Financial Statement For The Period Ended 31 March 2015

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

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

These figures have not been audited:

	Group		
	1Q 2015	1Q 2014	Variance
	US\$'000	US\$'000	+ / - %
Revenue (Note 1)	2,080,982	4,026,861	-48.32%
Cost of sales	(2,075,679)	(4,012,374)	-48.27%
Gross Profit	5,303	14,487	-63.39%
Other operating income (Note 2)	959	273	251.28%
Administrative expenses	(3,283)	(3,010)	9.07%
Other operating expenses	2,902	(196)	NM
Finance costs	(354)	(840)	-57.86%
Operating Profit	5,527	10,714	-48.41%
Share of results of associates and joint venture (net of tax) (Note 3)	9,325	9,607	-2.94%
Profit before income tax	14,852	20,321	-26.91%
Tax expense (Note 4)	(496)	(653)	-24.04%
Profit for the period	14,356	19,668	-27.01%
Attributable to:			
Equity holders of the Company	14,356	19,668	-27.01%

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

Consolidated Statement of Comprehensive Income

	Group		
	1Q 2015	1Q 2014	Variance
	US\$'000	US\$'000	+ / - %
PROFIT FOR THE PERIOD	14,356	19,668	-27.01%
Other comprehensive expense			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of the financial statements of foreign associates	(628)	(4,702)	-86.64%
Other comprehensive expense for the period, net of tax	(628)	(4,702)	-86.64%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	13,728	14,966	-8.27%
Total comprehensive income attributable to:			
Owners of the parent	13,728	14,966	-8.27%

Exchange differences on translation of the financial statements of foreign associates will be reclassified to profit and loss in the event of a disposal of the investments in foreign associates.

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

	Group		
	1Q 2015	1Q 2014	Var
	US\$'000	US\$'000	+ / - %
Depreciation of property, plant and equipment	(209)	(202)	3.47%
Amortisation of intangible assets	(175)	(171)	2.34%
Bank interest income	50	42	19.05%
Interest expense	(85)	(246)	-65.45%
Foreign exchange gain	909	231	293.51%
Write back of allowance for doubtful debts	3,100	-	NM

Note 1: Revenue

Revenue from middle distillates
 Revenue from other oil products

Group		
1Q 2015	1Q 2014	Var + / -
US\$'000	US\$'000	%
1,802,385	2,742,036	-34.27%
278,597	1,284,825	-78.32%
2,080,982	4,026,861	-48.32%

Note 2: Other operating income

Bank interest income
 Net foreign exchange gain

Group		
1Q 2015	1Q 2014	Var + / -
US\$'000	US\$'000	%
50	42	19.05%
909	231	293.51%
959	273	251.28%

Note 3: Share of results of associates and joint venture**Associates:**

Shanghai Pudong International Airport Aviation Fuel Supply
 Company Ltd ("Pudong")
 China National Aviation Fuel TSN-PEK Pipeline Transportation
 Corporation Ltd ("TSN-PEKCL")
 China Aviation Oil Xinyuan Petrochemicals Co. Ltd ("Xinyuan")
 Oilhub Korea Yeosu Co., Ltd ("OKYC")

Joint venture:

CNAF Hong Kong Refuelling Limited ("CNAF HKR")

Group		
1Q 2015	1Q 2014	Var + / -
US\$'000	US\$'000	%
8,249	10,148	-18.71%
549	486	12.96%
380	67	467.16%
243	(1,094)	NM
(96)	-	NM
9,325	9,607	-2.94%

Note 4: Tax expense

The tax expense was mainly attributable to the recognition of deferred tax liabilities on the Company's share of undistributed retained earnings from associates and provision of income tax by a subsidiary during the period. The undistributed retained earnings from associates incorporated in China is subject to withholding tax.

NM denotes "not meaningful"

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

Statement of Financial Position

	Group		Company	
	As at 31 Mar 15 US\$'000	As at 31 Dec 14 US\$'000	As at 31 Mar 15 US\$'000	As at 31 Dec 14 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	6,597	6,790	6,537	6,726
Intangible assets	2,194	2,369	1,013	1,188
Subsidiaries	-	-	33,435	33,435
Associates and joint venture	278,840	270,143	82,625	82,625
Trade and other receivables	-	-	35,480	35,480
Deferred tax assets	7,587	7,587	7,583	7,583
	<u>295,218</u>	<u>286,889</u>	<u>166,673</u>	<u>167,037</u>
Current assets				
Inventories	133,487	38,098	128,393	34,214
Trade and other receivables	696,090	959,442	645,108	913,373
Cash and cash equivalents	110,893	94,286	76,313	84,043
	<u>940,470</u>	<u>1,091,826</u>	<u>849,814</u>	<u>1,031,630</u>
Total assets	<u>1,235,688</u>	<u>1,378,715</u>	<u>1,016,487</u>	<u>1,198,667</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	215,573	215,573	215,573	215,573
Reserves	351,669	337,941	198,863	193,020
Total equity	<u>567,242</u>	<u>553,514</u>	<u>414,436</u>	<u>408,593</u>
Non-current liabilities				
Deferred tax liabilities	6,683	6,238	-	-
Current liabilities				
Trade and other payables	661,697	818,948	600,830	788,853
Loans and borrowings	-	-	1,221	1,221
Current tax liabilities	66	15	-	-
	<u>661,763</u>	<u>818,963</u>	<u>602,051</u>	<u>790,074</u>
Total liabilities	<u>668,446</u>	<u>825,201</u>	<u>602,051</u>	<u>790,074</u>
Total equity and liabilities	<u>1,235,688</u>	<u>1,378,715</u>	<u>1,016,487</u>	<u>1,198,667</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 Mar 2015		As at 31 Dec 2014	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
0	0	0	0

Amount repayable after one year

As at 31 Mar 2015		As at 31 Dec 2014	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
0	0	0	0

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

Consolidated Statement of Cash Flows

	1Q 2015	1Q 2014
	US\$'000	US\$'000
Operating activities		
Profit for the period	14,356	19,668
Adjustments for items not involving outlay of funds:-		
Depreciation of property, plant and equipment	209	202
Amortisation of intangible assets	175	171
Write back of allowance for doubtful debts	(3,100)	-
Share of profit of associates and joint venture (net of tax)	(9,325)	(9,607)
Interest income	(50)	(42)
Interest expense	85	246
Tax expense	496	653
Exchange differences	194	(83)
	<u>3,040</u>	<u>11,208</u>
Changes in working capital		
Inventories	(95,389)	21,847
Trade and other receivables	266,452	(107,243)
Trade and other payables	(157,251)	109,616
Cash flows generated from operating activities	<u>16,852</u>	<u>35,428</u>
Investing activities		
Interest received	50	48
Purchase of property, plant and equipment	(16)	(19)
Purchase of intangible assets	-	(216)
Cash flows generated from/(used in) investing activities	<u>34</u>	<u>(187)</u>
Financing activities		
Interest paid	(85)	(246)
Proceeds from loans and bank borrowings	-	61,157
Repayment of loans and bank borrowings	-	(60,000)
Cash flows (used in)/generated from financing activities	<u>(85)</u>	<u>911</u>
Net increase in cash and cash equivalents	16,801	36,152
Cash and cash equivalents at beginning of the period	94,286	56,299
Net effect of exchange rate fluctuations on cash held	(194)	83
Cash and cash equivalents at end of the period	<u>110,893</u>	<u>92,534</u>

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

Consolidated Statement of Changes in Equity

	Share capital US\$'000	Accumulated profits US\$'000	Reserve for own shares US\$'000	Foreign currency translation reserve US\$'000	Statutory reserves US\$'000	Total equity US\$'000
THE GROUP						
As at 1 January 2014	215,573	272,241	(5,482)	32,141	9,089	523,562
Total comprehensive income for the period	-	19,668	-	(4,702)	-	14,966
Transfer from retained earnings to other reserve	-	(628)	-	-	628	-
As at 31 March 2014	215,573	291,281	(5,482)	27,439	9,717	538,528
As at 1 January 2015	215,573	300,829	(5,482)	26,627	15,967	553,514
Total comprehensive income for the period	-	14,356	-	(628)	-	13,728
Transfer from retained earnings to statutory and other reserve	-	(977)	-	-	977	-
As at 31 March 2015	215,573	314,208	(5,482)	25,999	16,944	567,242

Statement of Changes in Equity

	Share capital US\$'000	Accumulated profits US\$'000	Reserve for own shares US\$'000	Total equity US\$'000
THE COMPANY				
As at 1 January 2014	215,573	170,016	(5,482)	380,107
Total comprehensive income for the period	-	7,983	-	7,983
As at 31 March 2014	215,573	177,999	(5,482)	388,090
As at 1 January 2015	215,573	198,502	(5,482)	408,593
Total comprehensive income for the period	-	5,843	-	5,843
As at 31 March 2015	215,573	204,345	(5,482)	414,436

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital

There were no movements in the Company's share capital for the quarter ended 31 March 2015.

China Aviation Oil Share Option Scheme

China Aviation Oil Share Option Scheme of the Company ("CAO Share Option Scheme") which was approved by shareholders at an extraordinary general meeting of the Company held on 9 November 2001, expired on 9 November 2011. However, share options granted and outstanding prior to such expiry will continue to be valid and be subject to the terms of the CAO Share Option Scheme (and as amended pursuant to the terms of the CAO Share Option Scheme).

During the quarter under review, 1,748,201 outstanding share options ceased to be exercisable under the CAO Share Option Scheme on 12 February 2015 as vesting conditions were not met. There are no outstanding share options as at 31 March 2015.

Treasury shares

During the quarter ended 31 March 2015, the Company did not make any purchase of its own ordinary shares pursuant to the Share Purchase Mandate renewed at the Extraordinary General Meeting of the Company held on 24 April 2014.

As at 31 March 2015, a total of 6,000,000 ordinary shares (31 December 2014: 6,000,000 ordinary shares) were held by the Company as treasury shares.

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

Number of Shares	1Q 2015	1Q 2014
Issued ordinary shares		
Balance at beginning	866,183,628	722,820,537
Bonus share issue	-	143,363,091
Balance at end of period	866,183,628	866,183,628
Treasury shares		
Balance at beginning	(6,000,000)	(6,000,000)
Additions during the period	-	-
Balance at end of period	(6,000,000)	(6,000,000)
Total	860,183,628	860,183,628

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

These figures have not been audited or reviewed.

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

Not applicable.

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

Except for the adoption of new and revised Financial Reporting Standards (“FRS”) and Interpretations to FRS (“INT-FRS”) as mentioned in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted for the audited consolidated financial statements for the year ended 31 December 2014.

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

The Group has adopted all new and revised FRS and INT-FRS that are relevant to its operations and effective for annual periods beginning after 1 January 2015. The adoption of the new and revised FRS had no significant impact on the financial statements of the Group.

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

	1Q 2015	1Q 2014
Earnings per ordinary share for the period based on net profit attributable to owners of the Company:-		
(a) Based on weighted average number of ordinary share on issue	1.67 US cents	2.29 US cents
- Weighted average number of shares ('000)	860,184	860,184
(b) On a fully diluted basis	1.67 US cents	2.29 US cents
- Adjusted weighted average number of shares ('000)	860,184	860,184

The average market value of the Company’s shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding. There are no outstanding share options as at 31 March 2015.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
Net asset value per ordinary share based on issued share capital at the end of the period reported on (US cents)	65.94	64.35	47.72	47.50
Number of ordinary shares issued ('000)	860,184	860,184	860,184	860,184

Net asset value per ordinary share is determined based on net asset value attributable to owners of the Company and the number of shares in issue of the Company as at 31 March 2015 and 31 December 2014 (excluding treasury shares).

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

PERFORMANCE REVIEW

BACKGROUND

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

CAO is the largest physical jet fuel trader in Asia Pacific region and the sole supplier of imported jet fuel to the civil aviation industry of the People's Republic of China ("PRC"). CAO also engage in international trading of jet fuel and other oil products. The Company has wholly-owned subsidiaries located in Hong Kong, North America and United Kingdom; viz. China Aviation Oil (Hong Kong) Company Limited ("CAOHK"), North American Fuel Corporation ("NAFCO") and China Aviation Oil (Europe) Limited ("CAO Europe") respectively.

In addition, CAO Group owns investments in strategic oil-related businesses, which include Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("Pudong"), China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL"), China Aviation Oil Xinyuan Petrochemicals Co. Ltd ("Xinyuan") and Oilhub Korea Yeosu Co., Ltd ("OKYC"). The Group had also entered into a joint venture contract on 4 September 2013 for the establishment of a joint venture company in Hong Kong known as CNAF Hong Kong Refuelling Limited ("CNAF HKR") through its subsidiary, CAOHK. CNAF HKR's refuelling facilities is currently under construction and is expected to complete in 2015.

Consolidated Statement of Comprehensive Income

1st Qtr 2015 v 1st Qtr 2014

The total supply and trading volume for jet fuel and other oil products decreased by 0.60 million tonnes (13.02%) to 4.01 million tonnes for the first quarter ended 31 March 2015 ("1Q 2015") compared to 4.61 million tonnes for the first quarter ended 31 March 2014 ("1Q 2014"). The volume of jet fuel supply and trading increased by 0.76 million tonnes (35.68%) to 2.89 million tonnes for 1Q 2015 compared to 2.13 million tonnes for 1Q 2014. The trading volume of other oil products decreased by 1.36 million tonnes (54.84%) to 1.12 million tonnes for 1Q 2015 compared to 2.48 million tonnes for 1Q 2014.

Total revenue decreased by US\$1,945.88 million (48.32%) to US\$2,080.98 million for 1Q 2015 from US\$4,026.86 million for 1Q 2014, attributable mainly to the decline in oil price as well as lower trading volume. Please see breakdown under note 1 on page 3.

Gross profit derived from jet fuel supply and trading and from trading of other oil products was US\$5.30 million for 1Q 2015, a decrease of 63.39% compared to US\$14.49 million for 1Q 2014. This was mainly attributable to the Company moderating its trading strategy as a result of overall weakness in the oil market that led to the decrease in trading gains from jet fuel and other oil products and lower volumes.

Other operating income was US\$0.96 million for 1Q 2015 compared to US\$0.27 million for 1Q 2014, an increase of US\$0.69 million (251.28%) attributable mainly to higher foreign exchange gain resulted from the revaluation differences on the foreign currency balances against the US Dollar.

Total expenses decreased by US\$3.31 million (81.73%) to US\$0.74 million for 1Q 2015 compared to US\$4.05 million for 1Q 2014, mainly due to the recovery of monies due from MF Global amounting to US\$3.10 million

and the reduction in finance cost relating to bank charges and interest expense. The Company made a bad debts provision of US\$4.28 million in 2011 when MF Global went under bankruptcy proceedings.

The share of profits from associates and joint venture decreased by 2.94% to US\$9.33 million for 1Q 2015 compared to US\$9.61 million for 1Q 2014, mainly due to lower share of profits from Pudong partially offset by an improvement in share of results from OKYC. The share of profits in Pudong was US\$8.25 million for 1Q 2015 compared to US\$10.15 million for 1Q 2014, a decrease of US\$1.90 million (18.71%), mainly due to lower refuelling sales price and decline in oil price that resulted in lower gross profit.

Share of profits from OKYC was US\$0.24 million for 1Q 2015 compared to share of loss of US\$1.09 million for 1Q 2014, an improvement of US\$1.33 million mainly attributable to higher revenue from its tank storage leasing activities than the mark-to-market (“MTM”) loss from its cross currency interest rate swap contracts (“CRS”) in 1Q 2015 compared to lower revenue than MTM loss from its CRS contracts in 1Q 2014. OKYC entered into CRS contracts to hedge against future revenue in US Dollar. However, it could not qualify for hedge effectiveness in accordance with International Financial Reporting Standards (“IFRS”). As such, accounting treatment requires the MTM gain or loss incurred on CRS to be recorded in the Income Statement.

Share of profits from TSN-PEKCL for 1Q 2015 was US\$0.55 million, an increase of US\$0.06 million (12.96%) compared to US\$0.49 million for 1Q 2014 mainly due to higher pipeline transportation volume.

The share of results in Xinyuan increased by US\$0.31 million (467.16%) to US\$0.38 million for 1Q 2015 compared to US\$0.07 million for 1Q 2014, mainly attributable to the increase in revenue from the leasing of its oil storage properties.

The share of loss of US\$0.10 million from CNAF HKR was mainly due to the pre-operating expenses incurred in 1Q 2015. CNAF HKR was incorporated on 10 September 2013 and the construction of the facility is still underway.

Income tax expense was US\$0.50 million for 1Q 2015 compared to US\$0.65 million for 1Q 2014, a decrease of US\$0.15 million (24.04%) due mainly to the lower deferred tax liabilities on the Company’s share of undistributed retained earnings from associates and lower provision for income tax by a subsidiary.

The Group’s net profit for 1Q 2015 was US\$14.36 million compared to US\$19.67 million for 1Q 2014, a decrease of US\$5.31 million (27.01%), mainly attributable to the decrease in gross profit offset by the recovery of monies due from MF Global. Earnings per share was 1.67 US cents for 1Q 2015 compared to 2.29 US cents for 1Q 2014.

1st Qtr 2015 v 4th Qtr 2014

The total supply and trading volume of jet fuel and other oil products decreased by 1.80 million tonnes (30.98%) to 4.01 million tonnes for 1Q 2015 from 5.81 million tonnes for the fourth quarter ended 31 December 2014 (“4Q 2014”).

Total revenue decreased by US\$2,242.06 million (51.86%) to US\$2,080.98 million for 1Q 2015 from US\$4,323.04 million for 4Q 2014, mainly attributable to lower oil prices and lower trading volume.

Gross profit derived from jet fuel supply and trading and trading of other oil products was US\$5.30 million for 1Q 2015, an increase of 15.72% compared to US\$4.58 million for 4Q 2014 as gains from trading and optimisation activities improved.

Other operating income was US\$0.96 million for 1Q 2015 compared to US\$0.52 million for 4Q 2014, mainly due to higher foreign exchange gain resulted from the revaluation differences on the foreign currency balances against the US Dollar.

Total expenses decreased by US\$4.47 million (85.80%) to US\$0.74 million for 1Q 2015, compared to US\$5.21 million for 4Q 2014, mainly due to (i) recovery of doubtful debts of US\$3.10 million in 1Q 2015 compared to provision of doubtful debts of US\$2.74 million in 4Q 2014; and (ii) reduction in finance costs relating to bank charges and interest expense in 1Q 2015.

The share of profits from associates and joint venture was US\$9.33 million for 1Q 2015 compared to US\$4.62 million for 4Q 2014, an increase of US\$4.71 million (101.95%) attributable mainly to higher share of results from

Pudong and contribution from OKYC. The share of profits from Pudong increased by US\$3.64 million (78.96%) to US\$8.25 million for 1Q 2015 compared to US\$4.61 million for 4Q 2014, mainly due to the impairment provision on inventory in 4Q 2014 owing to the decline in oil price.

The share of profits from OKYC was US\$0.24 million for 1Q 2015 compared to share of loss of US\$1.24 million for 4Q 2014, an improvement of US\$1.48 million mainly attributable to the operating profits from its tank storage leasing activities in 1Q 2015 compared to the recognition of MTM loss from its CRS contracts in 4Q 2014.

Share of profits from TSN-PEKCL for 1Q 2015 was US\$0.55 million, an increase of US\$0.38 million (223.53%) compared to US\$0.17 million for 4Q 2014 mainly due to higher pipeline transportation volume.

The share of profits in Xinyuan was US\$0.38 million for 1Q 2015 compared to US\$1.27 million for 4Q 2014, a decrease of US\$0.89 million (70.08%), mainly due to a reversal of impairment provision on its oil storage properties in 4Q 2014.

The share of loss from CNAF HKR was US\$0.10 million for 1Q 2015 compared to US\$0.19 million for 4Q 2014 mainly due to the pre-operating expenses incurred.

Income tax expense was US\$0.50 million for 1Q 2015 compared to US\$0.09 million for 4Q 2014, an increase of 455.55% due mainly to the recognition of higher deferred tax liabilities on the Company's share of undistributed retained earnings from associates.

The Group's net profit increased by US\$9.93 million (224.15%) to US\$14.36 million for 1Q 2015 compared to US\$4.43 million for 4Q 2014, mainly attributable to higher gross profit resulting from higher gains from oil trading activities, lower operating expenses and higher contribution from share of results of associates. Earnings per share was 1.67 US cents for 1Q 2015 compared to 0.51 US cents for 4Q 2014.

Statement of Financial Position

The Group's current assets stood at US\$940.47 million as at 31 March 2015 compared to US\$1,091.83 million as at 31 December 2014. The decrease of US\$151.36 million in current assets resulted mainly from:

- (i) an increase of US\$95.39 million in inventories held for trading;
- (ii) a decrease of US\$263.35 million in trade and other receivables to US\$696.09 million as at 31 March 2015 from US\$959.44 million as at 31 December 2014 due to lower sales revenue in March 2015 compared to December 2014; and
- (iii) an increase of US\$16.61 million in cash and cash equivalents which was mainly attributable to the aggregate cash inflow of US\$16.89 million from operating and investing activities partially offset by the cash outflow of US\$0.09 million in financing activities.

Non-current assets stood at US\$295.22 million as at 31 March 2015, compared to US\$286.89 million as at 31 December 2014. The increase of US\$8.33 million was mainly attributable to the share of profits in associates of US\$9.33 million partially offset by the impact of foreign currency translation reserve of US\$0.63 million.

Current liabilities comprised trade and other payables, bank borrowings and tax payables, decreased by US\$157.20 million to US\$661.76 million as at 31 March 2015 compared to US\$818.96 million as at 31 December 2014. This was mainly due to decrease in trade payables in March 2015 compared to December 2014.

Non-current liabilities were attributable to the recognition of deferred tax liabilities on the Company's share of undistributed retained earnings of associates. The undistributed retained earnings from associates is subject to withholding tax.

The Group's net assets stood at US\$567.24 million as at 31 March 2015, or 65.94 US cents per share, compared to US\$553.51 million as at 31 December 2014 or 64.35 US cents per share.

Consolidated Statement of Cash Flows

1st Qtr 2015 v 1st Qtr 2014

The net cash generated from operating activities was US\$16.02 million in 1Q 2015 compared to US\$35.43 million in 1Q 2014, attributable mainly to higher inventory.

Cash flows generated from investing activities amounted to US\$0.03 million in 1Q 2015 compared to cash flow used in investing activities of US\$0.19 million in 1Q 2014, mainly attributable to cash outflow of US\$0.22 million for the purchase of trading software in 1Q 2014.

Cash flows used in financing activities in 1Q 2015 was US\$0.09 million for payment of bank interest. Cash flows generated from financing activities of US\$0.91 million in 1Q 2014 was mainly attributable to aggregate proceeds of US\$61.16 million from bank borrowings partially offset by US\$60.00 million in repayment of bank borrowings and US\$0.25 million for payment of bank interest.

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

Not Applicable.

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

Volatility remained in the oil markets as macroeconomic weakness restrains global oil demand growth and uncertainties continued to surround oil output projections. We expect the oil trading environment to remain challenging for rest of the year amidst uncertainties in oil supply and demand as well as geopolitical instability.

Notwithstanding these factors, CAO will continue to build on its global network focusing on jet fuel trading and aviation marketing, while seeking opportunities to invest in synergetic and strategic assets and synergetic businesses. CAO will also continue to expand its diversification into trading activities in other oil products. CAO will also continue to pursue its long term strategy to ensure sustainable and stable development of the Company.

- 11 Dividend

(a) Current financial period reported on

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

(b) Corresponding period of the immediately preceding financial year

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

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

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

No interim dividend has been declared for the period ended 31 March 2015.

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

Aggregate value of interested person transactions entered from 1 January 2015 to 31 March 2015.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than US\$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 US\$100,000)
	US\$'000	US\$'000
Sales revenue from related corporations	0	601,642
Purchases from related corporations	0	245,054
Purchases from related corporation of a corporate shareholder	0	1,575
Services rendered from related corporation of a corporate shareholder	0	127
Supply chain services rendered from related corporation	0	433
Transportation revenue of associate from related corporation	0	2,278
Loan granted by associate to related corporation	0	3,298
Principal deposited with Interested person	0	5,063

BY ORDER OF THE BOARD

Doreen Nah
Company Secretary
23 April 2015