



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD
(Company Registration No. 199303293Z)
Full Year Financial Statement For The Period Ended 31 December 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			Group		
	4Q 2015	4Q 2014	Variance	Jan-Dec 2015	Jan-Dec 2014	Variance
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Revenue (Note 1)	1,972,800	4,323,043	-54.37%	8,977,226	17,061,031	-47.38%
Cost of sales	(1,964,795)	(4,318,461)	-54.50%	(8,941,782)	(17,033,634)	-47.51%
Gross Profit	8,005	4,582	74.71%	35,444	27,397	29.37%
Other operating income (Note 2)	(42)	520	NM	(240)	1,168	NM
Administrative expenses	(3,883)	(646)	501.08%	(13,594)	(12,520)	8.58%
Other operating expenses	(1,783)	(3,393)	-47.45%	731	(5,135)	NM
Finance costs	(196)	(1,166)	-83.19%	(1,040)	(3,075)	-66.18%
Operating Profit	2,101	(103)	NM	21,301	7,835	171.87%
Share of results of associates and joint venture (net of tax) (Note 3)	9,747	4,623	110.84%	42,296	43,194	-2.08%
Profit before income tax	11,848	4,520	162.12%	63,597	51,029	24.63%
Tax expense (Note 4)	(435)	(93)	367.74%	(2,316)	(1,869)	23.92%
PROFIT FOR THE PERIOD	11,413	4,427	157.80%	61,281	49,160	24.66%
Attributable to:						
Equity holders of the Company	11,413	4,427	157.80%	61,281	49,160	24.66%

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				Group			
	4Q 2015	4Q 2014	Variance		Jan-Dec 2015	Jan-Dec 2014	Variance	
	US\$'000	US\$'000	+ / -	%	US\$'000	US\$'000	+ / -	%
PROFIT FOR THE PERIOD	11,413	4,427	157.80%		61,281	49,160	24.66%	
Other comprehensive income								
Items that are or may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign associates	(2,993)	(3,222)	-7.11%		(9,389)	(5,514)	70.28%	
Other comprehensive income for the period, net of tax	(2,993)	(3,222)	-7.11%		(9,389)	(5,514)	70.28%	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8,420	1,205	598.76%		51,892	43,646	18.89%	
Total comprehensive income attributable to:								
Owners of the parent	8,420	1,205	598.76%		51,892	43,646	18.89%	

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

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

	Group			Group		
	4Q 2015	4Q 2014	Var	Jan-Dec 2015	Jan-Dec 2014	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Depreciation of property, plant and equipment	(198)	(206)	-3.88%	(827)	(811)	1.97%
Amortisation of intangible assets	(191)	(173)	10.40%	(731)	(687)	6.40%
Interest income	156	115	35.65%	375	304	23.36%
Interest expense	(94)	(874)	-89.24%	(251)	(1,548)	-83.79%
Foreign exchange (loss)/gain	(333)	359	NM	(750)	818	NM
Allowance for doubtful debts	(1,512)	(2,741)	-44.84%	(1,512)	(2,741)	-44.84%
Write back of allowance for doubtful debts	-	-	-	3,100	-	NM

Note 1: Revenue

	Group			Group		
	4Q 2015	4Q 2014	Var	Jan-Dec 2015	Jan-Dec 2014	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Revenue from middle distillates	1,386,302	3,868,741	-64.17%	7,008,359	13,474,524	-47.99%
Revenue from other oil products	586,498	454,302	29.10%	1,968,867	3,586,507	-45.10%
	1,972,800	4,323,043	-54.37%	8,977,226	17,061,031	-47.38%

The decrease in revenue was primarily due to the decline in jet fuel prices which averaged at US\$58.82 and US\$68.15 per bbl for 4Q 2015 and FY 2015 compared to an average price of US\$103.04 and US\$115.87 per bbl for 4Q 2014 and FY 2014 respectively.

Note 2: Other operating income

	Group			Group		
	4Q 2015 US\$'000	4Q 2014 US\$'000	Var + / - %	Jan-Dec 2015 US\$'000	Jan-Dec 2014 US\$'000	Var + / - %
Bank interest income	156	115	35.65%	375	304	23.36%
Foreign exchange (loss)/gain	(333)	359	NM	(750)	818	NM
Other income	135	46	193.48%	135	46	193.48%
	(42)	520	NM	(240)	1,168	NM

Note 3: Share of results of associates and joint venture

	Group			Group		
	4Q 2015 US\$'000	4Q 2014 US\$'000	Var + / - %	Jan-Dec 2015 US\$'000	Jan-Dec 2014 US\$'000	Var + / - %
Associates:						
Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("Pudong")	8,064	4,609	74.96%	38,884	41,873	-7.14%
China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL")	317	167	89.82%	2,237	1,652	35.41%
China Aviation Oil Xinyuan Petrochemicals Co. Ltd ("Xinyuan")	186	1,273	-85.39%	651	1,550	-58.00%
Oilhub Korea Yeosu Co., Ltd ("OKYC")	1,442	(1,235)	NM	1,353	(1,690)	NM
Joint venture:						
CNAF Hong Kong Refuelling Limited ("CNAF HKR")	(262)	(191)	-37.17%	(829)	(191)	-334.03%
	9,747	4,623	110.84%	42,296	43,194	-2.08%

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 in China is subject to withholding tax. Tax expenses for FY 2015 comprised mainly deferred tax liabilities of US\$1.98 million, income tax expenses of US\$0.36 million from subsidiaries partially offset by deferred tax assets of US\$0.02 million. Tax expense for FY 2014 comprised mainly deferred tax liabilities of US\$1.92 million, income tax expenses of US\$0.45 million from subsidiaries partially offset by deferred tax assets of US\$0.50 million. Deferred tax assets arises from the recognition of temporary differences attributable to unutilised tax losses.

NM denotes "not meaningful"

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

Statement of Financial Position

	Group		Company	
	As at 31 Dec 15 US\$'000	As at 31 Dec 14 US\$'000	As at 31 Dec 15 US\$'000	As at 31 Dec 14 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	6,214	6,790	6,114	6,726
Intangible assets	1,826	2,369	646	1,188
Subsidiaries	-	-	37,648	33,435
Associates and joint venture	265,620	270,143	82,625	82,625
Trade and other receivables	-	-	35,480	35,480
Deferred tax assets	7,604	7,587	7,600	7,583
	<u>281,264</u>	<u>286,889</u>	<u>170,113</u>	<u>167,037</u>
Current assets				
Inventories	56,826	38,098	51,702	34,214
Trade and other receivables	337,474	959,442	306,628	913,373
Cash and cash equivalents	170,505	94,286	144,064	84,043
	<u>564,805</u>	<u>1,091,826</u>	<u>502,394</u>	<u>1,031,630</u>
Total assets	<u>846,069</u>	<u>1,378,715</u>	<u>672,507</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	377,068	337,941	238,313	193,020
Total equity	<u>592,641</u>	<u>553,514</u>	<u>453,886</u>	<u>408,593</u>
Non-current liabilities				
Deferred tax liabilities	6,164	6,238	-	-
Current liabilities				
Trade and other payables	246,915	818,948	217,545	788,853
Loans and borrowings	-	-	1,076	1,221
Current tax liabilities	349	15	-	-
	<u>247,264</u>	<u>818,963</u>	<u>218,621</u>	<u>790,074</u>
Total liabilities	<u>253,428</u>	<u>825,201</u>	<u>218,621</u>	<u>790,074</u>
Total equity and liabilities	<u>846,069</u>	<u>1,378,715</u>	<u>672,507</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 Dec 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 Dec 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

	4Q 2015	4Q 2014	Jan-Dec 2015	Jan-Dec 2014
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities				
Profit for the period	11,413	4,427	61,281	49,160
Adjustments for items not involving outlay of funds:-				
Depreciation of property, plant and equipment	198	206	827	811
Amortisation of intangible assets	191	173	731	687
Allowance for doubtful debts	1,512	2,741	1,512	2,741
Write back of allowance for doubtful debts	-	-	(3,100)	-
Share of results of associates and joint venture (net of tax)	(9,747)	(4,623)	(42,296)	(43,194)
Interest income	(156)	(115)	(375)	(304)
Interest expense	94	874	251	1,548
Tax expense	435	93	2,316	1,869
Exchange differences	(182)	(135)	56	355
	3,758	3,641	21,203	13,673
Changes in working capital				
Inventories	47,619	47,173	(18,728)	75,027
Trade and other receivables	343,332	734,057	623,559	304,745
Trade and other payables	(396,230)	(775,650)	(572,033)	(343,680)
Cash generated (used in)/generated from operations	(1,521)	9,221	54,001	49,765
Tax paid	(1,731)	(2,424)	(1,882)	(2,563)
Cash flows (used in)/generated from operating activities	(3,252)	6,797	52,119	47,202
Investing activities				
Interest received	154	115	373	310
Purchase of property, plant and equipment	(146)	(93)	(251)	(224)
Purchase of intangible assets	-	(25)	(188)	(241)
Dividends received from associate	34,534	32,409	37,238	35,146
Cash flows from investing activities	34,542	32,406	37,172	34,991
Financing activities				
Interest paid	(94)	(874)	(251)	(1,548)
Proceeds from loans and bank borrowing	20,000	35,543	47,900	361,755
Repayment of loans and bank borrowing	(20,000)	(56,589)	(47,900)	(390,364)
Dividend paid	-	-	(12,765)	(13,694)
Cash flows used in financing activities	(94)	(21,920)	(13,016)	(43,851)
Net increase in cash and cash equivalents	31,196	17,283	76,275	38,342
Cash and cash equivalents at beginning of the period	139,127	76,868	94,286	56,299
Net effect of exchange rate fluctuations on cash held	182	135	(56)	(355)
Cash and cash equivalents at end of the period	170,505	94,286	170,505	94,286

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

THE GROUP	Share capital US\$'000	Retained earnings US\$'000	Treasury shares US\$'000	Foreign currency translation reserve US\$'000	Statutory reserve US\$'000	Total equity US\$'000
As at 1 January 2014	215,573	272,241	(5,482)	32,141	9,089	523,562
Total comprehensive income for the period	-	49,160	-	(5,514)	-	43,646
Dividend paid in respect of 2013	-	(13,694)	-	-	-	(13,694)
Transfer from retained earnings to other reserve	-	(6,878)	-	-	6,878	-
As at 31 December 2014	215,573	300,829	(5,482)	26,627	15,967	553,514
As at 1 January 2015	215,573	300,829	(5,482)	26,627	15,967	553,514
Total comprehensive income for the period	-	61,281	-	(9,389)	-	51,892
Dividend paid in respect of 2014	-	(12,765)	-	-	-	(12,765)
Transfer from retained earnings to other reserve	-	(2,857)	-	-	2,857	-
As at 31 December 2015	215,573	346,488	(5,482)	17,238	18,824	592,641

Statement of Changes in Equity

THE COMPANY	Share capital US\$'000	Retained earnings US\$'000	Treasury shares US\$'000	Total equity US\$'000
As at 1 January 2014	215,573	170,016	(5,482)	380,107
Total comprehensive income for the period	-	42,180	-	42,180
Dividend paid in respect of 2013	-	(13,694)	-	(13,694)
As at 31 December 2014	215,573	198,502	(5,482)	408,593
As at 1 January 2015	215,573	198,502	(5,482)	408,593
Total comprehensive income for the period	-	58,058	-	58,058
Dividend paid in respect of 2014	-	(12,765)	-	(12,765)
As at 31 December 2015	215,573	243,795	(5,482)	453,886

- 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 was no change in the Company's share capital for the quarter ended 31 December 2015.

Treasury shares

During the quarter ended 31 December 2015, the Company did not make any purchase of its own ordinary shares pursuant to the Share Purchase Mandate renewed at the 21st Annual General Meeting of the Company held on 22 April 2015.

As at 31 December 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	4Q 2015	4Q 2014	YTD 4Q 2015	YTD 4Q 2014
Issued ordinary shares				
Balance at beginning	866,183,628	866,183,628	866,183,628	722,820,537
Bonus share issue	-	-	-	143,363,091
Balance at end of period	866,183,628	866,183,628	866,183,628	866,183,628
Treasury shares				
Balance at beginning of period	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)
Additions during the period	-	-	-	-
Balance at end of period	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)
Total	860,183,628	860,183,628	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.

	4Q 2015		4Q 2014		YTD 4Q 2015		YTD 4Q 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	1.33	US cents	0.51	US cents	7.12	US cents	5.72	US cents
- Weighted average number of shares ('000)		860,184		860,184		860,184		860,184
(b) On a fully diluted basis	1.33	US cents	0.51	US cents	7.12	US cents	5.72	US cents
- Adjusted weighted average number of shares ('000)		860,184		860,184		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 December 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 Dec 2015	31 Dec 2014	31 Dec 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)	68.90	64.35	52.77	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 December 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 purchaser and trader of physical jet fuel 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 engages in trading of jet fuel and other oil products. The Company has wholly-owned subsidiaries located in Hong Kong, North America, United Kingdom, and Singapore; viz. China Aviation Oil (Hong Kong) Company Limited ("CAOHK"), North American Fuel Corporation ("NAFCO"), China Aviation Oil (Europe) Limited ("CAO Europe") and CAOT Pte Ltd ("CAOT") 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"). CNAF Hong Kong Refuelling Limited ("CNAF HKR"), a joint venture company incorporated on 10 September 2013 through CAOHK, had completed the setting up of refuelling facilities and commenced operations on 1 August 2015.

Consolidated Statement of Comprehensive Income

4th Qtr 2015 v 4th Qtr 2014

Total supply and trading volume for jet fuel and other oil products decreased by 0.18 million tonnes (3.10%) to 5.63 million tonnes for the fourth quarter ended 31 December 2015 ("4Q 2015") compared to 5.81 million tonnes for the fourth quarter ended 31 December 2014 ("4Q 2014"). The volume of jet fuel supply and trading decreased by 1.18 million tonnes (29.87%) to 2.77 million tonnes for 4Q 2015 compared to 3.95 million tonnes for 4Q 2014. Trading volume of other oil products increased by 1.00 million tonnes (53.76%) to 2.86 million tonnes for 4Q 2015 compared to 1.86 million tonnes for 4Q 2014. This is mainly due to the increase in volume of fuel oil.

Total revenue decreased by US\$2,350.24 million (54.37%) to US\$1,972.80 million for 4Q 2015 from US\$4,323.04 million for 4Q 2014, mainly attributable to decline in oil prices and the trading volume of jet fuel.

Gross profit derived from jet fuel supply and trading and trading of other oil products was US\$8.01 million for 4Q 2015, an increase of 74.71% compared to US\$4.58 million for 4Q 2014, mainly attributable to profits generated from trading of other oil products which incurred losses last year while jet fuel trading continued to generate stable profits.

Other operating income was negative US\$0.04 million for 4Q 2015 compared to a credit of US\$0.52 million for 4Q 2014, mainly attributable to foreign exchange loss of US\$0.33 million in 4Q 2015 compared to foreign exchange gain of US\$0.36 million in 4Q 2014 which was due to revaluation differences on the foreign currency balances against the US Dollar. Bank interest income which was derived from time deposits placed with banks was US\$0.16 million for 4Q 2015 compared to US\$0.12 million for 4Q 2014.

Total expenses increased by US\$0.65 million (12.48%) to US\$5.86 million for 4Q 2015 compared to US\$5.21 million for 4Q 2014. The increase in expenses was mainly due to provision for staff bonus based on forecasted financial performance, partially offset by lower allowance for doubtful debts and lower finance costs relating to bank charges and interest expense.

The share of profits from associates and joint venture was US\$9.75 million for 4Q 2015 compared to US\$4.62 million for 4Q 2014, an increase of 110.84% mainly due to higher profit contributions from Pudong and from OKYC. The share of profits from Pudong was US\$8.06 million for 4Q 2015 compared to US\$4.61 million for 4Q 2014, increased by 74.96% mainly attributable to higher gross profit as a result of higher refueling volume and lower impairment provision on inventory valuation owing to the decline in oil prices in both quarters, higher other operating income in foreign exchange gain as well as lower operating expenses.

Share of results from OKYC was US\$1.44 million for 4Q 2015 compared to a loss of US\$1.24 million for 4Q 2014, mainly due to comparatively better mark-to-market (“MTM”) gain from its cross currency interest rate swap contracts (“CSR”) and increase in storage rental income. The profit from the leasing of storage tanks by OKYC which was near its full capacity in 4Q 2015, contributed US\$0.79 million, an increase of US\$0.49 million or 61.22%, representing a significant improvement in profitability of its tank leasing business. 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”) where a hedge relationship is effective (meets the 80%–125% rule). As such, accounting treatment requires the MTM gain or loss to be recorded in the Income Statement.

Share of profits from TSN-PEKCL was US\$0.32 million for 4Q 2015, an increase of US\$0.15 million (89.82%) compared to US\$0.17 million for 4Q 2014, mainly due to higher pipeline transportation volume. The share of results in Xinyuan decreased by US\$1.08 million (85.39%) to US\$0.19 million for 4Q 2015 compared to US\$1.27 million for 4Q 2014, mainly due to lower sales volume and profit margin in 4Q 2015 and the one-off reversal of impairment provision on its oil storage properties in 4Q 2014.

The share of loss of US\$0.26 million from CNAF HKR was mainly due to the losses incurred from its refuelling activities in 4Q 2015. The share of loss of US\$0.19 million from CNAF HKRL was mainly due to pre-operating expenses. CNAF HKR had completed the setting up of its refuelling facilities and commenced operations on 1 August 2015.

Income tax expense was US\$0.44 million for 4Q 2015 compared to US\$0.09 million for 4Q 2014, an increase of US\$0.35 million (367.74%) due mainly to the higher deferred tax liabilities on the Company’s share of undistributed retained earnings from associates.

The Group’s net profit for 4Q 2015 was US\$11.41 million compared to US\$4.43 million for 4Q 2014, an increase of US\$6.98 million (157.80%), mainly due to the increase in gross profit and higher contribution from share of results of associates. Earnings per share was 1.33 US cents for 4Q 2015 compared to 0.51 US cents for 4Q 2014.

4th Qtr 2015 v 3rd Qtr 2015

Total supply and trading volume for jet fuel and other oil products decreased by 0.15 million tonnes (2.60%) to 5.63 million tonnes for 4Q 2015 compared to 5.78 million tonnes for the third quarter ended 30 September 2015 (“3Q 2015”).

Total revenue decreased by US\$426.63 million (17.78%) to US\$1,972.80 million for 4Q 2015 from US\$2,399.43 million for 3Q 2015, mainly attributable to lower oil prices and lower trading volume of jet fuel.

Gross profit derived from jet fuel supply and trading and trading of other oil products was US\$8.01 million for 4Q 2015, a decrease of 38.05% compared to US\$12.93 million for 3Q 2015. This was mainly due to lower gains from jet fuel trading and higher provision of direct costs in 4Q 2015.

Other operating income was negative US\$0.04 million for 4Q 2015 compared to negative US\$0.94 million for 3Q 2015, mainly due to the foreign exchange loss of US\$0.33 million and US\$1.07 million in 4Q 2015 and 3Q 2015 respectively. The foreign exchange loss in 4Q 2015 was attributable to revaluation differences on the foreign currency balances against the US Dollar while the foreign exchange loss in 3Q 2015 was mainly due to the depreciation in RMB against US Dollar on translation of dividends receivable in RMB.

Total expenses was US\$5.86 million for 4Q 2015 compared to US\$3.41 million for 3Q 2015, an increase of US\$2.45 million (71.85%), mainly due to the provision of staff bonus and provision for doubtful debts.

The share of profits from associates and joint venture was US\$9.75 million for 4Q 2015 compared to US\$9.73 million for 3Q 2015, a slight increase of 0.21% mainly attributable to positive contribution from OKYC partially offset by slightly lower share of profits from Pudong.

Income tax expense was US\$0.43 million for 4Q 2015 compared to US\$0.58 million for 3Q 2015, a decrease of 25.86% mainly due to the recognition of lower deferred tax liabilities in tandem with the Company's share of undistributed retained earnings from associates.

The Group's net profit for 4Q 2015 was US\$11.41 million compared to US\$17.73 million for 3Q 2015, a decrease of US\$6.32 million (35.65%) was mainly due to the decrease in gross profit. Earnings per share was 1.33 US cents for 4Q 2015 compared to 2.06 US cents for 3Q 2015.

FY 2015 v FY 2014

Total supply and trading volume for jet fuel and other oil products decreased by 0.20 million tonnes (0.98%) to 20.15 million tonnes for the financial year ended 31 December 2015 ("FY 2015") compared to 20.35 million tonnes for the financial year ended 31 December 2014 ("FY 2014"). The volume of supply and trading for jet fuel decreased by 0.20 million tonnes (1.66%) to 11.87 million tonnes for FY 2015 compared to 12.07 million tonnes for FY 2014. The trading volume of other oil products remained unchanged at 8.28 million tonnes for FY 2015 and FY 2014.

Total revenue decreased by US\$8,083.80 million (47.38%) to US\$8,977.23 million for FY 2015 from US\$17,061.03 million for FY 2014. This was mainly attributable to the decrease in oil prices albeit a small impact from product mix. Please see breakdown under note 1 on page 2.

Gross profit derived from jet fuel supply and trading and trading of other oil products was US\$35.44 million for FY 2015, an increase of 29.37% compared to US\$27.40 million for FY 2014. This was mainly attributable to the increase in gains from jet fuel trading and lower losses incurred in trading of other oil products particularly fuel oil trading had turned profitable. In view of the difficult trading environment, the Company had focused on its core business and as such, had temporarily suspended petrochemical trading in early September 2015 due to weak Chinese demand caused by the slowdown in China's economy and deteriorating credit environment.

Other operating income was negative US\$0.24 million for FY 2015 compared to a credit of US\$1.17 million for FY 2014 mainly due to foreign exchange loss of US\$0.75 million for FY 2015 compared to foreign exchange gain of US\$0.82 million for FY 2014. The foreign exchange loss in FY 2015 was mainly due to the depreciation in RMB against US Dollar which impacted the translation of dividends receivable in RMB. Foreign exchange gain for FY 2014 was due to revaluation differences on the foreign currency balances against the US Dollar. Bank interest income which was derived from time deposits placed with banks was US\$0.38 million for FY 2015 compared to US\$0.30 million for FY 2014.

Total expenses were US\$13.90 million for FY 2015, decreased by 32.95% compared to US\$20.73 million for FY 2014, mainly due to the recovery of monies due from MF Global amounting to US\$3.10 million, lower provision for doubtful debts, lower professional fees incurred for business development and the reduction in finance cost relating to bank charges and interest expense.

The share of profits from associates and joint venture was US\$42.30 million for FY 2015 compared to US\$43.19 million for FY 2014, a decrease of US\$0.89 million or 2.08%, mainly attributable to lower share of profits from Pudong. The share of profits in Pudong was US\$38.88 million for FY 2015 compared to US\$41.87 million for FY 2014, a decrease of US\$2.99 million (7.14%) attributable mainly to lower refuelling sales price despite higher refueling volume and the reversal of provisions in FY 2014.

The share of profit from OKYC was US\$1.35 million for FY 2015 compared to share of loss of US\$1.69 million for FY 2014 mainly attributable to the Group's share in operating profits of US\$3.34 million from its tank storage leasing activities for FY 2015 compared to operating loss of US\$0.40 million incurred from leasing activities for FY 2014 despite higher MTM loss from its CRS contracts in FY 2015.

Share of profits from TSN-PEKCL for FY 2015 was US\$2.24 million, an increase of US\$0.59 million (35.41%) compared to US\$1.65 million for FY 2014 mainly due to higher pipeline transportation volume and higher other operating income.

The share of results in Xinyuan decreased by US\$0.90 million (58.00%) to US\$0.65 million for FY 2015 compared to US\$1.55 million for FY 2014, mainly due to the reversal of impairment provision on its oil storage properties in FY 2014.

The share of loss from CNAF HKR attributable to pre-operating expenses and loss from operations was US\$0.83 million for FY 2015 compared to US\$0.19 million for FY 2014.

Income tax expense was US\$2.32 million for FY 2015 compared to US\$1.87 million for FY 2014, an increase of 23.92% due mainly to the recognition of deferred tax liabilities on the Company's share of undistributed retained earnings from associates and the absence of setoff against deferred tax assets. The deferred tax liabilities for FY 2014 was partially offset by the recognition of deferred tax assets of US\$0.50 million in relation to the Company's tax losses carried forward.

The Group's net profit for FY 2015 was US\$61.28 million compared to US\$49.16 million for FY 2014, an increase of US\$12.12 million (24.66%), mainly attributable to the increase in gross profit and lower operating expenses. Earnings per share was 7.12 US cents for FY 2015 compared to 5.72 US cents for FY 2014.

Statement of Financial Position

The Group's current assets stood at US\$564.81 million as at 31 December 2015 compared to US\$1,091.83 million as at 31 December 2014. Overall, working capital decrease in tandem with lower oil prices. The decrease of US\$527.02 million in current assets resulted mainly from:

- (i) an increase of US\$18.73 million in inventories held for trading;
- (ii) a decrease of US\$621.97 million in trade and other receivables to US\$337.47 million as at 31 December 2015 from US\$959.44 million as at 31 December 2014 mainly due to lower oil prices and lower trading volume in the month of December 2015 compared to December 2014; and
- (iii) an increase of US\$76.22 million in cash and cash equivalents which was mainly attributable to the aggregate cash inflow of US\$89.29 million generated from operating activities and investing activities, partially offset by the cash used in financing activities of US\$13.02 million.

Non-current assets stood at US\$281.26 million as at 31 December 2015, compared to US\$286.89 million as at 31 December 2014. The decrease of US\$5.63 million was mainly attributable to the receipts of dividends of US\$37.24 million from associates and the impact of foreign currency translation reserve of US\$9.40 million, partially offset by the share of profits in associates of US\$42.30 million for FY 2015.

Current liabilities comprised trade and other payables, bank borrowings and tax payables, decreased by US\$571.70 million to US\$247.26 million as at 31 December 2015 compared to US\$818.96 million as at 31 December 2014. This was mainly due to decrease in trade payables in December 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\$592.64 million as at 31 December 2015, or 68.90 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

4Q 2015 v 4Q 2014

The net cash used in operating activities was US\$3.25 million in 4Q 2015 compared to net cash generated from operating activities of US\$6.80 million in 4Q 2014, attributable mainly to higher reduction in trade and other receivables compared to the reduction in trade and other payables.

Cash flows generated from investing activities amounted to US\$34.54 million in 4Q 2015, compared to US\$32.41 million in 4Q 2014, mainly attributable to higher dividend income received from associates.

Cash flows used in financing activities in 4Q 2015 was US\$0.09 million incurred for the payment of interest expense. Cash flows used in financing activities in 4Q 2014 was US\$21.92 million mainly attributable to higher repayment of bank borrowings and interest expense.

FY 2015 v FY 2014

The net cash generated from operating activities was US\$52.12 million in FY 2015 compared to US\$47.20 million in FY 2014 mainly due to lower working capital requirements for trading activities and higher trading profits.

Cash flows generated from investing activities amounted to US\$37.17 million in FY 2015 compared to US\$34.99 million in FY 2014, mainly attributable to higher dividend income received from associates.

Cash flows used in financing activities was US\$13.02 million in FY 2015 incurred for payment of dividend and interest expense, compared to last year's US\$43.85 million which was attributable mainly to net amount paid for bank borrowings after offsetting bank proceeds and payment for dividend and interest expense.

- 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.

Global oil supply glut continued to persist into 2016 as demand growth remained laggard and Iranian exports are expected to recover with the easing of international sanctions on Iran. As global economies continue to be saddled with uncertainties and downside risks such as depressed oil prices, volatilities in the financial markets and geopolitical risks, we expect the oil trading environment to remain challenging in 2016.

Notwithstanding this, the continued low oil prices can create opportunities for the Group to spur the development of its overall integrated supply chain as it continues its strategic drive to establish a global jet fuel trading network to expand jet fuel supply and trading business globally, including expanding aviation marketing business into more airports outside mainland China. On the basis of stronger and more prudent risk management practices and controls, the Group will continue to leverage on changing market conditions to diversify its earnings base through trading in other oil products. This will include building structural advantages for the Group's fuel oil business to extend its reach in the fuel oil supply chain.

While seeking opportunities to expand our investments in synergetic and strategic oil-related assets and synergetic businesses, the Group will also focus on pursuing its long term strategy to ensure a steady and sustainable growth and development of its businesses.

- 11 Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? Yes

	Proposed Final One-tier Tax Exempt Ordinary
Name of dividend	
Dividend Type	Cash
Net Dividend Amount (Singapore cents per share)	3

(b) Corresponding period of the immediately preceding financial year

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

	Proposed Final One-tier Tax Exempt Ordinary
Name of dividend	
Dividend Type	Cash
Net Dividend Amount (Singapore cents per share)	2

(c) Date payable

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

(d) Book closure date

Details on closure of books will be announced in due course.

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

Not Applicable.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

	Middle distillates		Other oil products		Investment in oil related assets		Total	
	2015 US\$'000	2014 US\$'000	2015 \$'000	2014 \$'000	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Revenue	7,008,359	13,474,524	1,968,867	3,586,507	-	-	8,977,226	17,061,031
Gross profit	36,890	32,156	(1,446)	(4,759)	-	-	35,444	27,397
Operating expenses	(9,045)	(10,616)	(2,082)	(3,596)	(1,736)	(3,443)	(12,863)	(17,655)
Segment results	27,845	21,540	(3,528)	(8,355)	(1,736)	(3,443)	22,581	9,742
Other operating income	(240)	1,168	-	-	-	-	(240)	1,168
Finance costs	(729)	(1,683)	(311)	(1,392)	-	-	(1,040)	(3,075)
Share of results of associates and joint venture (net of tax)	-	-	-	-	42,296	43,194	42,296	43,194
Profit before taxation	26,876	21,025	(3,839)	(9,747)	40,560	39,751	63,597	51,029
Income tax expense	(353)	(450)	-	-	(1,963)	(1,419)	(2,316)	(1,869)
Profit after taxation	26,523	20,575	(3,839)	(9,747)	38,597	38,332	61,281	49,160

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

Not Applicable.

15. A breakdown of sales as follows:

	Group		% Increase/ (Decrease)
	2015 US\$'000	2014 US\$'000	
Sales reported for first half year	4,605,001	7,960,717	-42.15%
Profit after tax before deducting minority interests reported for first half year	32,141	37,411	-14.09%
Sales reported for second half year	4,372,225	9,100,315	-51.96%
Profit after tax before deducting minority interests reported for second half year	29,140	11,749	148.02%

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

Total distribution paid and proposed in respect of the financial year ended 31 December 2015 will be three Singapore cents per ordinary share (2014: Two Singapore cents per ordinary share).

	Latest Full Year US\$'000	Previous Full Year US\$'000
Ordinary – interim dividend	-	-
Ordinary – final dividend	18,244*	12,765
Total:	18,244	12,765

* Estimated based on a total number of issued ordinary shares of 860,183,628 at the end of the financial year.

17. Interested Person Transactions.

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

Aggregate value of interested person transactions entered from 1 January 2015 to 31 December 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)	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)
	4Q 2015 US\$'000	4Q 2015 US\$'000	YTD 4Q 2015 US\$'000	YTD 4Q 2015 US\$'000
Sales revenue from related corporations	0	529,109	0	2,351,094
Sales revenue from related corporation of a corporate shareholder	0	11,812	0	11,812
Purchases from related corporations	0	172,007	0	493,514
Purchases from related corporation of a corporate shareholder	0	11,702	0	60,640
Services rendered from related corporation of a corporate shareholder	0	120	0	497
Supply chain services rendered from related corporation	0	364	0	903
Interest income earned by associate from related corporations	0	69	0	344
Transportation revenue earned by associate from related corporations	0	2,210	0	9,429
Loan granted by associate to related corporation	0	3,252	0	9,847
Loan granted to a joint venture *	0	2,380	0	3,080
Principal deposited with interested person	0	114,698	0	114,698

* Total loan of US\$2.38 million and US\$3.08 million was granted to the joint venture in 4Q 2015 and YTD 4Q 2015 respectively. Total repayment of US\$1.80 million was made in 4Q 2015 and YTD 4Q 2015 and the outstanding loan due from joint venture as of 31 Dec 2015 was US\$1.28 million.

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

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

BY ORDER OF THE BOARD

Doreen Nah
Company Secretary
25 February 2016