



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD
(Company Registration No. 199303293Z)
Full Year Financial Statement For The Period Ended 31 December 2013

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 2013	4Q 2012	Variance		Jan-Dec 2013	Jan-Dec 2012	Variance	
	US\$'000	US\$'000	+ / -	%	US\$'000	US\$'000	+ / -	%
Revenue (Note 1)	4,353,292	4,406,913	-1.22%		15,571,869	14,807,984	5.16%	
Cost of sales	(4,341,733)	(4,398,334)	-1.29%		(15,519,378)	(14,765,234)	5.11%	
Gross Profit	11,559	8,579	34.74%		52,491	42,750	22.79%	
Other operating income (Note 2)	977	631	54.83%		1,165	800	45.63%	
Administrative expenses	(5,141)	(3,625)	41.82%		(19,454)	(13,075)	48.79%	
Other operating expenses	(1,059)	(546)	93.96%		(2,955)	(2,445)	20.86%	
Finance costs	(1,676)	(1,768)	-5.20%		(5,299)	(5,644)	-6.11%	
Operating Profit	4,660	3,271	42.46%		25,948	22,386	15.91%	
Share of results of associates (net of tax) (Note 3)	9,343	15,236	-38.68%		46,476	43,187	7.62%	
Profit before income tax	14,003	18,507	-24.34%		72,424	65,573	10.45%	
Tax expense (Note 4)	(510)	(354)	44.07%		(2,208)	616	NM	
PROFIT FOR THE PERIOD	13,493	18,153	-25.67%		70,216	66,189	6.08%	
Attributable to:								
Equity holders of the Company	13,493	18,153	-25.67%		70,216	66,189	6.08%	

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 2013	4Q 2012	Variance	Jan-Dec 2013	Jan-Dec 2012	Variance
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
PROFIT FOR THE PERIOD	13,493	18,153	-25.67%	70,216	66,189	6.08%
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	2,765	3,241	-14.69%	5,253	3,748	40.15%
Other comprehensive income for the period, net of tax	2,765	3,241	-14.69%	5,253	3,748	40.15%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	16,258	21,394	-24.01%	75,469	69,937	7.91%
Total comprehensive income attributable to:						
Owners of the parent	16,258	21,394	-24.01%	75,469	69,937	7.91%

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

	Group			Group		
	4Q 2013 US\$'000	4Q 2012 US\$'000	Var + / - %	Jan-Dec 2013 US\$'000	Jan-Dec 2012 US\$'000	Var + / - %
Depreciation of property, plant and equipment	(200)	(201)	-0.50%	(796)	(780)	2.05%
Amortisation of intangible assets	(129)	(26)	396.15%	(1,003)	(104)	864.42%
Bank interest income	42	40	5.00%	208	192	8.33%
Interest expense	(808)	(400)	102.00%	(1,998)	(1,344)	48.66%
Foreign exchange gain	874	587	48.89%	896	556	61.15%
Provision for doubtful debts	-	-	-	55	(773)	NM

Note 1: Revenue

	Group			Group		
	4Q 2013 US\$'000	4Q 2012 US\$'000	Var + / - %	Jan-Dec 2013 US\$'000	Jan-Dec 2012 US\$'000	Var + / - %
Revenue from middle distillates	3,218,496	3,957,953	-18.68%	12,456,025	13,106,088	-4.96%
Revenue from other oil products	1,134,796	448,960	152.76%	3,115,844	1,701,896	83.08%
	4,353,292	4,406,913	-1.22%	15,571,869	14,807,984	5.16%

Note 2: Other operating income

	Group			Group		
	4Q 2013 US\$'000	4Q 2012 US\$'000	Var + / - %	Jan-Dec 2013 US\$'000	Jan-Dec 2012 US\$'000	Var + / - %
Bank interest income	42	40	5.00%	208	192	8.33%
Foreign exchange gain	874	587	48.89%	896	556	61.15%
Other income	61	4	NM	61	52	17.31%
	977	631	54.83%	1,165	800	45.63%

Note 3: Share of results of associates

	Group			Group		
	4Q 2013 US\$'000	4Q 2012 US\$'000	Var + / - %	Jan-Dec 2013 US\$'000	Jan-Dec 2012 US\$'000	Var + / - %
Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("Pudong")	8,370	11,958	-30.01%	44,935	38,207	17.61%
China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL")	181	342	-47.08%	1,705	1,808	-5.70%
China Aviation Oil Xinyuan Petrochemicals Co. Ltd ("Xinyuan")	151	196	-22.96%	451	633	-28.75%
Oilhub Korea Yeosu Co., Ltd ("OKYC")	641	2,740	-76.61%	(615)	2,539	NM
	9,343	15,236	-38.68%	46,476	43,187	7.62%

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 tax for income earned by a subsidiary during the period. The undistributed retained earnings from associates in China is subject to withholding tax. Deferred tax asset arises from the recognition of temporary differences attributable to unutilised tax losses. There was no additional deferred tax assets recognised in FY2013 whereas deferred tax assets of approximately US\$3.10 million was recognised in the year ended 31 December 2012.

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 13 US\$'000	As at 31 Dec 12 US\$'000	As at 31 Dec 13 US\$'000	As at 31 Dec 12 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	7,377	8,046	7,323	7,992
Intangible assets	2,815	1,975	1,634	160
Subsidiaries	-	-	28,095	25,329
Associates and jointly-controlled entity (Note 1)	267,761	248,874	81,236	111,526
Deferred tax assets	7,087	7,093	7,083	7,083
	285,040	265,988	125,371	152,090
Current assets				
Inventories	113,125	18,572	110,197	15,568
Trade and other receivables	1,120,426	1,284,636	1,055,608	1,218,242
Cash and cash equivalents	56,299	81,144	52,617	75,290
	1,289,850	1,384,352	1,218,422	1,309,100
Total assets	1,574,890	1,650,340	1,343,793	1,461,190
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	215,573	215,573	215,573	215,573
Retained earnings	272,241	213,989	170,016	117,253
Other components of equity	35,748	30,371	(5,482)	(5,211)
Total equity	523,562	459,933	380,107	327,615
Non-current liabilities				
Deferred tax liabilities	6,228	6,194	-	-
Current liabilities				
Trade and other payables	1,016,120	1,182,184	963,006	1,132,771
Loans and borrowings	28,609	1,666	680	804
Current tax liabilities	371	363	-	-
	1,045,100	1,184,213	963,686	1,133,575
Total liabilities	1,051,328	1,190,407	963,686	1,133,575
Total equity and liabilities	1,574,890	1,650,340	1,343,793	1,461,190

Note 1: The increase in investment of associates was mainly attributable to the share of profits of US\$46.48 million in FY 2013, the impact on foreign currency translation reserve of US\$5.25 million and the additional investment of US\$5 million in CNAF Hong Kong Refuelling Limited ("CNAF HKRL") made by CAOHK, a subsidiary, partially offset by the dividend of US\$37.95 million declared by associates in 2Q 2013. CNAF HKRL's refuelling facilities is currently under construction and will be completed in 2015. Total dividend received from associates in FY 2013 was US\$38.83 million, resulting to an exchange gain of US\$0.69 million from the aggregate dividend receivable of US\$38.14 million.

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 2013		As at 31 Dec 2012	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
0	28,609	0	1,666

Amount repayable after one year

As at 31 Dec 2013		As at 31 Dec 2012	
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 2013	4Q 2012	Jan-Dec 2013	Jan-Dec 2012
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities				
Profit for the period	13,493	18,153	70,216	66,189
Adjustments for items not involving outlay of funds:-				
Depreciation of property, plant and equipment	200	201	796	780
Amortisation of intangible assets	129	26	1,003	104
Allowance for doubtful debts	-	-	(55)	773
Share of results of associates (net of tax)	(9,343)	(15,236)	(46,476)	(43,187)
Interest income	(42)	(40)	(208)	(192)
Interest expense	809	400	1,998	1,344
Tax expense/(credit)	510	354	2,208	(616)
Share-based payment	-	(77)	(271)	217
Exchange differences	(799)	(486)	(922)	(644)
	4,957	3,295	28,289	24,768
Changes in working capital				
Inventories	(39,588)	1,541	(94,553)	22,762
Trade and other receivables	(95,411)	(143,809)	164,092	(390,619)
Trade and other payables	91,506	67,530	(165,739)	372,119
Cash generated (used in)/from operations	(38,536)	(71,443)	(67,911)	29,030
Tax paid	(2,304)	(2,716)	(2,307)	(2,732)
Cash flows (used in)/from operating activities	(40,840)	(74,159)	(70,218)	26,298
Investing activities				
Interest received	36	40	202	202
Purchase of property, plant and equipment	(53)	18	(149)	(191)
Purchase of intangible assets	(1,075)	(21)	(2,146)	(21)
Acquisition of subsidiaries, net of cash acquired	-	-	-	(8,725)
Acquisition of associate and jointly-controlled entity	(5,000)	-	(5,000)	(28,785)
Dividends received from associate	38,648	43,157	38,829	45,417
Cash flows from investing activities	32,556	43,194	31,736	7,897
Financing activities				
Interest paid	(811)	(424)	(1,998)	(1,351)
Proceeds from loans and bank borrowing	56,481	55,845	248,845	286,760
Repayment of loans and bank borrowing	(56,553)	(86,172)	(221,902)	(315,094)
Dividend paid	-	-	(11,569)	(11,556)
Cash flows (used in)/from financing activities	(883)	(30,751)	13,376	(41,241)
Net decrease in cash and cash equivalents	(9,167)	(61,716)	(25,106)	(7,046)
Cash and cash equivalents at beginning of the period	65,328	142,893	81,144	88,065
Net effect of exchange rate fluctuations on cash held	138	(33)	261	125
Cash and cash equivalents at end of the period	56,299	81,144	56,299	81,144

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	Retained earnings US\$'000	Treasury shares US\$'000	Share option reserve US\$'000	Foreign currency translation reserve US\$'000	Statutory reserve US\$'000	Total equity US\$'000
THE GROUP							
As at 1 January 2012	215,573	159,884	(5,482)	54	23,140	8,166	401,335
Total comprehensive income for the period	-	66,189	-	-	3,748	-	69,937
Dividend paid in respect of 2011	-	(11,556)	-	-	-	-	(11,556)
Transfer from retained earnings to statutory reserve	-	(528)	-	-	-	528	-
Share-based payment transaction	-	-	-	217	-	-	217
As at 31 December 2012	215,573	213,989	(5,482)	271	26,888	8,694	459,933
As at 1 January 2013	215,573	213,989	(5,482)	271	26,888	8,694	459,933
Total comprehensive income for the period	-	70,216	-	-	5,253	-	75,469
Dividend paid in respect of 2012	-	(11,569)	-	-	-	-	(11,569)
Transfer from retained earnings to statutory reserve	-	(395)	-	-	-	395	-
Share-based payment transaction	-	-	-	(271)	-	-	(271)
As at 31 December 2013	215,573	272,241	(5,482)	-	32,141	9,089	523,562

Statement of Changes in Equity

	Share capital US\$'000	Retained earnings US\$'000	Share option reserve US\$'000	Treasury shares US\$'000	Total equity US\$'000
THE COMPANY					
As at 1 January 2012	215,573	62,025	54	(5,482)	272,170
Total comprehensive income for the period	-	66,784	-	-	66,784
Dividend paid in respect of 2011	-	(11,556)	-	-	(11,556)
Share-based payment transaction	-	-	217	-	217
As at 31 December 2012	215,573	117,253	271	(5,482)	327,615
As at 1 January 2013	215,573	117,253	271	(5,482)	327,615
Total comprehensive income for the period	-	64,332	-	-	64,332
Dividend paid in respect of 2012	-	(11,569)	-	-	(11,569)
Share-based payment transaction	-	-	(271)	-	(271)
As at 31 December 2013	215,573	170,016	-	(5,482)	380,107

- 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 year ended 31 December 2013.

Employee share option plans

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).

The option period in respect of the Executive Share Options (as defined under the CAO Share Option Scheme) commenced on 9 October 2013 and expires on the date immediately preceding the tenth anniversary of the date of grant i.e. 9 October 2011 ("**Date of Grant**"). Non-Executive Share Options (as defined under the CAO Share Option Scheme) commenced on 9 October 2013 and expires on the date immediately preceding the fifth anniversary of the Date of Grant.

As at 31 December 2013, there were 3,444,600 outstanding share options (31 December 2012: 5,262,000 share options) after taking into account 118,000 share options which lapsed during the year due to staff resignation ("**Outstanding Share Options**"). The Outstanding Share Options, when exercisable, would entitle the holders to subscribe for a total of 3,444,600 ordinary shares (31 December 2012: 5,262,000 ordinary shares) of the Company at a weighted average exercise price of S\$0.91 per share.

The Outstanding Share Options as at 31 December 2013 constitute approximately 0.48% of the total issued shares of the Company (including treasury shares held by the Company).

Treasury shares

During the quarter ended 31 December 2013, 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 25 April 2013.

As at 31 December 2013, a total of 6,000,000 ordinary shares (31 December 2012: 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 2013	4Q 2012	Jan-Dec 2013	Jan-Dec 2012
Issued ordinary shares				
Balance at beginning/end of period	722,820,537	722,820,537	722,820,537	722,820,537
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	716,820,537	716,820,537	716,820,537	716,820,537

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 as disclosed 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 2012.

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 Financial Reporting Standards (FRS) and Interpretations to FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning after 1 January 2013. 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 2013	4Q 2012	Jan-Dec 2013	Jan-Dec 2012
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	1.88 US cents	2.53 US cents	9.80 US cents	9.23 US cents
- Weighted average number of shares ('000)	716,821	716,821	716,821	716,821
(b) On a fully diluted basis	1.87 US cents	2.51 US cents	9.74 US cents	9.16 US cents
- Adjusted weighted average number of shares ('000)	720,306	722,168	720,666	722,411

- 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 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Net asset value per ordinary share based on issued share capital at the end of the period reported on (US cents)	73.04	64.16	53.03	45.70
Number of ordinary shares issued ('000)	716,821	716,821	716,821	716,821

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 2013 and 31 December 2012 (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.

We are the largest physical jet fuel trader in Asia Pacific and the sole importer of jet fuel into the People's Republic of China's ("PRC"). The Company has three wholly-owned subsidiaries located in Hong Kong, USA 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. CAO Europe was incorporated on 27 November 2013 and will commence operations in FY 2014.

In addition, we engaged in international trading of jet fuel and other oil products and owned 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 oil storage terminal of OKYC has officially commenced operation on 1 April 2013. 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 HKRL") through its subsidiary, CAOHK. The Group had invested US\$5 million which represents a 39% equity interest in CNAF HKRL. CNAF HKRL's refuelling facilities is currently under construction and will be completed in 2015.

Consolidated Statement of Comprehensive Income

4th Qtr 2013 v 4th Qtr 2012

The total supply and trading volume for jet fuel and other oil products increased by 0.33 million tonnes (7.57%) to 4.69 million tonnes for the fourth quarter ended 31 December 2013 ("4Q 2013") compared to 4.36 million tonnes for the fourth quarter ended 31 December 2012 ("4Q 2012"). The volume of jet fuel supply and trading decreased by 0.11 million tonnes (4.12%) to 2.56 million tonnes for 4Q 2013 compared to 2.67 million tonnes for 4Q 2012. Trading volume of other oil products increased by 0.44 million tonnes (26.04%) to 2.13 million tonnes for 4Q 2013 compared to 1.69 million tonnes for 4Q 2012.

Total revenue decreased by US\$53.62 million (1.22%) to US\$4,353.29 million for 4Q 2013 from US\$4,406.91 million for 4Q 2012. This was mainly attributable to lower jet fuel prices in 4Q 2013, which averaged US\$125.03 per barrel (bbl) compared to an average of US\$129.83 per bbl in 4Q 2012.

Gross profit derived from jet fuel supply and trading and trading of other oil products was US\$11.56 million for 4Q 2013, an increase of 34.74% compared to US\$8.58 million for 4Q 2012 attributable mainly to higher gain from jet fuel trading despite lower supply and trading volume of jet fuel.

Other operating income was US\$0.98 million for 4Q 2013 compared to US\$0.63 million for 4Q 2012. This was mainly due to higher foreign exchange gain of approximately US\$0.87 million derived mainly from the conversion of Renminbi to US Dollar for the receipts of dividends denominated in Renminbi from associates.

Total expenses increased by US\$1.94 million (32.66%) to US\$7.88 million for 4Q 2013 compared to US\$5.94 million for 4Q 2012, mainly due to: (i) higher professional fees incurred for advisory services rendered in assessing and evaluation of potential projects; (ii) higher staff costs due to increase in headcount averaging 93 in 4Q 2013 compared to average headcount of 85 in 4Q 2012; (iii) higher information technology expenses incurred for maintenance of trading software; and (iv) higher travelling and meeting expenses as a result of increased business activities.

The share of profits from associates was US\$9.34 million for 4Q 2013 compared to US\$15.24 million for 4Q 2012, a decrease of 38.68% mainly due to lower share of results from Pudong and OKYC. The share of profits from Pudong was US\$8.37 million for 4Q 2013 compared to US\$11.96 million for 4Q 2012, decreased by 30.01% mainly attributable to the recognition of positive stock-take variance and bad debts written back in respect of a trade receivable in 4Q 2012 and lower gross profit in 4Q 2013 due mainly to the introduction of indirect tax regime in China that had impacted the refueling price on domestic airlines flying international routes.

Share of results from OKYC was US\$0.64 million for 4Q 2013 compared to US\$2.74 million for 4Q 2012, a decrease of 76.61% due mainly to lower mark-to-market ("MTM") gain from its cross currency interest rate swap ("CSR") contracts denominated in Korea Won against the US Dollar. OKYC entered into the CSR 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 to be recorded in the Income Statement.

Share of profits from TSN-PEKCL was US\$0.18 million for 4Q 2013, a decrease of US\$0.16 million (47.08%) compared to US\$0.34 million for 4Q 2012, mainly due to lower revenue from decrease in jet fuel transportation volume and higher operating expenses. The share of results in Xinyuan decreased by US\$0.05 million (22.96%) to US\$0.15 million for 4Q 2013 compared to US\$0.20 million for 4Q 2012, mainly due to higher operating expenses.

Tax expense was US\$0.51 million for 4Q 2013, increased by US\$0.16 million (44.07%) compared to US\$0.35 million for 4Q 2012. Tax expense of US\$0.51 million for 4Q 2013 comprised mainly the provision of income tax of a subsidiary in addition to the recognition of deferred tax liabilities on the Company’s share of undistributed retained earnings from associates. Tax expense of US\$0.35 million in 4Q 2012 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 of the subsidiary partially offset by the recognition of deferred tax assets in relation to the Company’s tax losses carried forward.

The Group’s net profit for 4Q 2013 was US\$13.49 million compared to US\$18.15 million for 4Q 2012, a decrease of US\$4.66 million (25.67%), mainly due to lower contribution from share of results of associates partially offset by higher gross profit from trading activities. Earnings per share was 1.88 US cents for 4Q 2013 compared to 2.53 US cents for 4Q 2012.

4th Qtr 2013 v 3rd Qtr 2013

The total supply and trading volume for jet fuel and other oil products increased by 0.82 million tonnes (21.19%) to 4.69 million tonnes for 4Q 2013 compared to 3.87 million tonnes for the third quarter ended 30 September 2013 (“3Q 2013”), mainly due to higher trading volume of other oil products.

Total revenue increased by US\$685.74 million (18.70%) to US\$4,353.29 million for 4Q 2013 from US\$3,667.55 million for 3Q 2013. This was mainly attributable to higher trading volume of trading in other oil products.

Gross profit derived from supply and trading of jet fuel and trading of other oil products was US\$11.56 million for 4Q 2013, an increase of 62.36% compared to US\$7.12 million for 3Q 2013, mainly attributable to higher gains from oil trading activities.

Other operating income was US\$0.98 million for 4Q 2013 compared to US\$2,000 for 3Q 2013, attributable mainly to the foreign exchange gain from the conversion of the Renminbi to US Dollar for dividends received from associates in 4Q 2013.

Total expenses decreased by US\$0.77 million (8.90%) to US\$7.88 million for 4Q 2013, compared to US\$8.65 million for 3Q 2013 as higher bonus was provided in 3Q 2013.

The share of profits from associates was US\$9.34 million for 4Q 2013 compared to US\$23.99 million for 3Q 2013, a decrease of US\$14.65 million (61.07%). The share of profits in Pudong was US\$8.37 million for 4Q 2013 compared to US\$20.82 million for 3Q 2013, decreased by 59.80% mainly due to the one-off credit of US\$11.92 million recorded in 3Q 2013 which resulted from the reversal of provision for past claims relating to customs duties and value added tax.

Share of profits from OKYC was US\$0.64 million for 4Q 2013 compared to US\$2.53 million for 3Q 2013, a decrease of 74.70% due mainly to lower MTM gain from its CSR contracts denominated in Korea Won against the US Dollar. OKYC entered into the CSR contracts to hedge against future revenue in US Dollar. However, it could not qualify for hedge effectiveness in accordance with IFRS. As such, accounting treatment requires the MTM gain or loss to be recorded in the Income Statement.

The share of results in TSN-PEKCL was US\$0.18 million for 4Q 2013 compared to US\$0.58 million for 3Q 2013, a decrease of US\$0.40 million (68.97%), attributable to lower jet fuel transportation volume. The share of results in Xinyuan increased by US\$0.09 million (150.00%) to US\$0.15 million for 4Q 2013 compared to US\$0.06 million for

3Q 2013 mainly attributable to higher gross profit resulting from higher profit margin from sales of petrochemical products.

Income tax expense was US\$0.51 million for 4Q 2013 compared to US\$0.64 million for 3Q 2013, a decrease of 20.31% due mainly to lower recognition of deferred tax liabilities on the Company's share of undistributed retained earnings from associates.

The Group's net profit for 4Q 2013 was US\$13.49 million compared to US\$21.83 million for 3Q 2013, a decrease of US\$8.34 million (38.20%), mainly due to lower share of profits from associates. Earnings per share was 1.88 US cents for 4Q 2013 compared to 3.04 US cents for 3Q 2013.

FY 2013 v FY 2012

The total supply and trading volume for jet fuel and other oil products increased by 1.67 million tonnes (11.28%) to 16.48 million tonnes for the financial year ended 31 December 2013 ("FY 2013") compared to 14.81 million tonnes for the financial year ended 31 December 2012 ("FY 2012"). The volume of jet fuel supply and trading decreased by 0.13 million tonnes (1.23%) to 10.41 million tonnes for FY 2013 compared to 10.54 million tonnes for FY 2012. The trading volume of other oil products increased by 1.80 million tonnes (42.15%) to 6.07 million tonnes for FY 2013 compared to 4.27 million tonnes for FY 2012 as a result of increase in demand for fuel oil and petrochemical products.

Total revenue increased by US\$763.89 million (5.16%) to US\$15,571.87 million for FY 2013 from US\$14,807.98 million for FY 2012. This was mainly attributable to increase in trading volumes across the board. Please see breakdown under note 1 on page 3.

Gross profit derived from jet fuel supply and trading and trading of other oil products was US\$52.49 million for FY 2013, an increase of 22.79% compared to US\$42.75 million for FY 2012. This was mainly attributable to stable profits derived from supply and trading of jet fuel and increase in trading gains from other oil products.

Other operating income was US\$1.17 million for FY 2013 compared to US\$0.80 million for FY 2012, an increase of 45.63%. This was mainly due to higher foreign exchange gain of approximately US\$0.90 million for FY 2013, an increase of 61.15% compared to US\$0.56 million for FY 2012, attributable mainly to the conversion of Renminbi to US Dollar for dividends received from associates.

Total expenses were US\$27.71 million for FY 2013, increased by 30.95% compared to US\$21.16 million for FY 2012. The increase in expenses was mainly attributable to i) higher staff costs due to increase in average headcount of 88 in FY 2013 compared to average headcount of 79 in FY 2012; ii) higher professional fees incurred for advisory services rendered in assessing and evaluation of potential business expansion; and iii) amortisation of US\$0.63 million following the Purchase Price Allocation ("PPA") exercise undertaken in accordance to FRS 103 in relation to the acquisition of CAOHK.

The share of profits from associates was US\$46.48 million for FY 2013 compared to US\$43.19 million for FY 2012, an increase of US\$3.29 million or 7.62%, mainly attributable to higher share of profits from Pudong. The share of results in Pudong was US\$44.94 million for FY 2013 compared to US\$38.21 million for FY 2012, an increase of US\$6.73 million (17.61%) attributable mainly to a one-off credit of US\$11.92 million resulting from the reversal of provision for past claims relating to customs duties and value added tax partially offset by higher operating expenses and lower gross profit due to the introduction of new tax regime in China that had impacted the refueling price on domestic airlines flying international routes and the recognition of positive stock-take variance in FY 2012. Excluding the one-off credit in FY 2013 and the positive stock-take variance in FY 2012, the share of results of Pudong decreased by US\$1.76 million (5.06%) compared to last year, mainly due to higher operating expenses and lower gross profit.

The share of results of OKYC for FY 2013 was a loss of US\$0.62 million compared to the share of profits of US\$2.54 million for FY 2012. The share of loss in FY 2013 was mainly caused by higher operating costs and interest expense that have exceeded the gross profit generated from its leasing of storage activities commenced on 1 April 2013. The share of profits in FY 2012 was mainly attributable to the recognition of the MTM gain from its CSR contracts denominated in Korea Won against the US Dollar. OKYC entered into the CSR contracts to hedge

against future revenue in US Dollar. However, it could not qualify for hedge effectiveness in accordance with IFRS. 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\$1.71 million for FY 2013 compared to US\$1.81 million for FY 2012, a decrease of 5.70%, attributable mainly to higher operating expenses. The share of results in Xinyuan decreased by US\$0.18 million (28.75%) to US\$0.45 million for FY 2013 compared to US\$0.63 million for FY 2012, mainly due to higher cost of sales and increase in operating expenses.

Income tax expense of US\$2.21 million for FY 2013 comprised mainly the provision of income tax of a subsidiary in addition to the recognition of deferred tax liabilities on the Company's share of undistributed retained earnings from associates. In 2012, the credit of US\$0.62 million in tax expenses was mainly attributable to accounting for deferred tax with the recognition of deferred tax assets in relation to the Company's tax losses carried forward, partially offset by the recognition of deferred tax liabilities on the Company's share of undistributed retained earnings from its associates and the provision of income tax by a subsidiary.

The Group's net profit for FY 2013 was US\$70.22 million compared to US\$66.19 million for FY 2012, an increase of US\$4.03 million (6.08%), mainly due to higher gross profit resulting from higher gains from oil trading activities and higher share of profits from associates. Earnings per share was 9.80 US cents for FY 2013 compared to 9.23 US cents for FY 2012.

Statement of Financial Position

The Group's current assets stood at US\$1,289.85 million as at 31 December 2013 compared to US\$1,384.35 million as at 31 December 2012. The decrease of US\$94.50 million in current assets resulted mainly from:

- (i) an increase of US\$94.55 million in inventories for trading;
- (ii) a decrease of US\$164.21 million in trade and other receivables to US\$1,120.43 million as at 31 December 2013 from US\$1,284.64 million as at 31 December 2012 due to lower sales revenue in December 2013 compared to December 2012; and
- (iii) a decrease of US\$24.84 million in cash and cash equivalents which was mainly attributable to the cash outflow of US\$70.22 million from operating activities partially offset by the aggregate cash inflow of US\$45.11 million from financing and investing activities.

Non-current assets stood at US\$285.04 million as at 31 December 2013, compared to US\$265.99 million as at 31 December 2012. The increase of US\$19.05 million was mainly attributable to the share of profits in associates of US\$46.48 million, the impact of foreign currency translation reserve of US\$5.25 million and the new investment of US\$5 million in CNAF HKRL, partially offset by the dividends of US\$37.95 million from associates.

Current liabilities made up of trade and other payables, bank borrowings and tax payables, decreased by US\$139.11 million to US\$1,045.10 million as at 31 December 2013 compared to US\$1,184.21 million as at 31 December 2012. This was mainly due to reduction in trade payables in December 2013 compared to December 2012.

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\$523.56 million as at 31 December 2013, or 73.04 US cents per share, compared to US\$459.93 million as at 31 December 2012 or 64.16 US cents per share. The increase in the Group's net assets per share was primarily due to an increase in retained earnings as a result of the net profits generated for FY 2013 less the dividend payout in May 2013.

Consolidated Statement of Cash Flows 4Q 2013 v 4Q 2012

The net cash used in operating activities was US\$40.84 million in 4Q 2013 compared to US\$74.16 million in 4Q 2012. This was mainly due to lower working capital requirements for trading activities.

Cash flows generated from investing activities amounted to US\$32.56 million in 4Q 2013, compared to US\$43.19 million in 4Q 2012, mainly attributable to lower dividend income received from associates and investment in new associate, CNAF HKRL.

Cash flows used in financing activities in 4Q 2013 was US\$0.88 million, compared to US\$30.75 million in 4Q 2012, as there is no significant movements in bank borrowings in 4Q 2013.

FY 2013 v FY 2012

Net cash used in operating activities was US\$70.22 million in FY 2013 compared to net cash generated from operating activities of US\$26.30 million in FY 2012. This was mainly due to increase in inventory.

Cash flows generated from investing activities amounted to US\$31.74 million in FY 2013 compared to US\$7.90 million in FY 2012, mainly attributable to cash out flow for investing in CNAF HKRL in FY 2013 compared to investing in OKYC and acquiring CAOHK and NAFCO in FY 2012.

Cash flows generated from financing activities was US\$13.38 million in FY 2013 compared to cash flows used in financing activities of US\$41.24 million mainly attributable to an increase in bank borrowings.

- 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.

The two wholly owned subsidiaries; namely, CAOHK and NAFCO have been fully integrated into CAO Group in 2013. As part of the Group's expansion plans, the Group's subsidiary in Europe will commence its operation in London. This will form the base for the Group to focus on building on its jet fuel supply and trading business as well as expanding its global aviation fuel marketing business. Whilst the effect of the PRC's indirect tax regime for the transportation service industry which came into effect from 1 August 2013, has not had any significant effect on jet fuel import volume into China, the Company will continue to pay close attention to any developments in this respect. The Company will also continue to build on its expansion on trading activities in other oil products. The Company continues to proactively seek opportunities to invest in or acquire strategic oil assets with higher returns or businesses in accordance with its corporate development strategy to diversify its income streams.

- 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)	2

(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 two Singapore cents per ordinary share, tax exempt (one-tier) for approval by shareholders at the forthcoming annual general meeting to be convened (the “AGM”).

Pursuant to the Company’s announcement made on 1 November 2013 in relation to a proposed bonus issue of new ordinary shares in the capital of the Company (collectively, the “**Bonus Shares**” and each, a “**Bonus Share**”) on the basis of one (1) Bonus Share credited as fully paid for every five (5) existing ordinary shares held in the capital of the Company (the “**Bonus Issue**”), the Bonus Shares, when issued, will be entitled to the first and final dividend in respect of the financial year 2013 which is subject to the approval of the shareholders at the AGM.

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	
	2013 US\$'000	2012 US\$'000	2013 \$'000	2012 \$'000	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Revenue	12,456,025	13,106,088	3,115,843	1,701,896	-	-	15,571,868	14,807,984
Gross profit	41,011	40,699	11,480	2,051	-	-	52,491	42,750
Operating expenses	(16,395)	(10,045)	(1,268)	(1,730)	(4,746)	(3,745)	(22,409)	(15,520)
Segment results	24,616	30,654	10,212	321	(4,746)	(3,745)	30,082	27,230
Other operating income	1,158	800	3	-	4	-	1,165	800
Finance costs	(2,581)	(3,374)	(2,717)	(2,269)	(1)	(1)	(5,299)	(5,644)
Share of results of associates (net of tax)	-	-	-	-	46,476	43,187	46,476	43,187
Profit before taxation	23,193	28,080	7,498	(1,948)	41,733	39,441	72,424	65,573
Income tax expense	(377)	2,725	-	-	(1,831)	(2,109)	(2,208)	616
Profit after taxation	22,816	30,805	7,498	(1,948)	39,902	37,332	70,216	66,189

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)
	2013 US\$'000	2012 US\$'000	
Sales reported for first half year	7,551,030	6,616,565	14.12%
Profit after tax before deducting minority interests reported for first half year	34,896	34,809	0.25%
Sales reported for second half year	8,020,839	8,191,419	-2.08%
Profit after tax before deducting minority interests reported for second half year	35,320	31,380	12.56%

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 2013 will be two Singapore cents per ordinary share (2012: Two Singapore cents per ordinary share).

	Latest Full Year US\$'000	Previous Full Year US\$'000
Ordinary – interim dividend	-	-
Ordinary – final dividend	13,608*	11,569
Total:	13,608	11,569

* Estimated based on a total number of issued ordinary shares of 860,184,644 which comprises the existing ordinary shares of 716,820,537 of the Company (excluding treasury shares) and 143,364,107 Bonus Shares to be issued pursuant to the Bonus Issue.

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

Aggregate value of interested person transactions entered from 1 January 2013 to 31 December 2013.

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 92	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 2013 US\$'000	4Q 2013 US\$'000	FY 2013 US\$'000	FY 2013 US\$'000
Sales revenue from related corporations	0	796,276	0	3,441,494
Sales revenue from related corporation of a corporate shareholder	0	237,415	0	689,389
Purchases from related corporations	0	43,895	0	194,061
Purchases from related corporation of a corporate shareholder	0	218,687	0	914,253
Services rendered from related corporation of a corporate shareholder ¹	0	136	0	544
Loss from trading of derivative financial instrument with related corporation of a corporate shareholder	0	0	0	727
Supply chain services rendered from related corporation	0	1,107	0	5,154
Supply chain services rendered from related corporation of a corporate shareholder	0	356	0	356
Transportation revenue earned by Associate from related corporation	0	2,158	0	9,324
Loan granted by associate to related corporation ²	3,380	0	8,377	0
Principal deposited with interested person ³	5,749	0	5,749	0
Loan granted to related corporation	9,846	0	9,846	0

Note:

- 1) On 18 April 2012, the services agreement in relation to services provided by a related corporation of a corporate shareholder was renewed for a period of 6 years from 1 April 2008. The fees for services rendered under the services agreement for the period from 1 April 2008 to 31 December 2012 amounted to about US\$2,047,000.
 - 2) The aggregate amount of loan granted by an associate to a related corporation amounted to US\$6,524,000 for the year ended 31 December 2012.
 - 3) The principal amount of US\$5,748,902 (which included compounded interests) represents the highest principal amount deposited with an interested person for the year ended 31 December 2013. This amount is pro-rated base on CAO equity interest of 49%.
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
26 February 2014