



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD
(Company Registration No. 199303293Z)
Full Year Financial Statement For The Year Ended 31 December 2020

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

These figures have not been audited:

Consolidated Statement of Profit or Loss

	2H 2020	2H 2019	Variance	Jan-Dec 2020	Jan-Dec 2019	Variance
	US\$'000	US\$'000	+/- %	US\$'000	US\$'000	+/- %
Revenue (Note 1)	5,143,550	10,660,204	-51.75%	10,516,955	20,343,491	-48.30%
Cost of sales	(5,120,549)	(10,630,445)	-51.83%	(10,471,083)	(20,285,035)	-48.38%
Gross Profit	23,001	29,759	-22.71%	45,872	58,456	-21.53%
Other operating income (Note 2)	3,408	1,591	114.20%	6,750	5,815	16.08%
Administrative expenses	(8,624)	(13,495)	-36.09%	(13,643)	(19,397)	-29.66%
Other operating expenses (Note 3)	(2,957)	5,326	NM	(2,371)	(1,225)	93.55%
Finance costs	(681)	(1,572)	-56.68%	(1,158)	(2,749)	-57.88%
Operating Profit	14,147	21,609	-34.53%	35,450	40,900	-13.33%
Share of results of associates (net of tax) (Note 4)	20,900	27,255	-23.32%	24,789	65,532	-62.17%
Profit before tax	35,047	48,864	-28.28%	60,239	106,432	-43.40%
Tax expense (Note 5)	(2,425)	(3,818)	-36.49%	(4,046)	(6,602)	-38.72%
Profit for the period/year	32,622	45,046	-27.58%	56,193	99,830	-43.71%
Attributable to:						
Equity holders of the Company	32,622	45,046	-27.58%	56,193	99,830	-43.71%

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

	2H 2020	2H 2019	Variance		Jan-Dec 2020	Jan-Dec 2019	Variance	
	US\$'000	US\$'000	+ / -	%	US\$'000	US\$'000	+ / -	%
PROFIT FOR THE PERIOD/YEAR	32,622	45,046	-27.58%		56,193	99,830	-43.71%	
Other comprehensive income/(loss):								
Items that are or may be reclassified subsequently to profit or loss:								
Translation differences relating to financial statements of foreign associates (Note (a))	21,336	(3,350)	NM		14,553	(5,565)	NM	
Other comprehensive income/(loss) for the period, net of tax	21,336	(3,350)	NM		14,553	(5,565)	NM	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	53,958	41,696	29.41%		70,746	94,265	-24.95%	
Total comprehensive income attributable to:								
Owners of the Company	53,958	41,696	29.41%		70,746	94,265	-24.95%	

Note (a): For the twelve months ended 31 December 2020, RMB and Korean Won appreciated by approximately 6.92% and 5.75% respectively against the US Dollar compared to end of December 2019 thereby giving rise to the translation gain on foreign associates. In comparison to FY 2019, RMB and Korean Won both depreciated by 1.62% and 3.33% respectively against the US Dollar in the same period last year.

In the event of the disposal of foreign associates or loss of significant influence over foreign associates, all of the accumulated translation differences in respect of the foreign associates will be reclassified to profit or loss.

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

	2H 2020	2H 2019	Var	Jan-Dec 2020	Jan-Dec 2019	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Depreciation of property, plant and equipment	(374)	(396)	-5.56%	(751)	(781)	-3.84%
Depreciation of right-of-use assets	(5,562)	(5,610)	-0.86%	(11,077)	(10,839)	2.20%
Amortisation of intangible assets	(91)	(131)	-30.53%	(197)	(260)	-24.23%
Impairment on goodwill	(914)	-	NM	(914)	-	NM
Gain/(loss) on disposal of property, plant and equipment	-	(2)	NM	4	(2)	NM
Other debtors written off	-	(247)	NM	-	(247)	NM
Bank interest income	2,348	1,999	17.46%	4,604	6,475	-28.90%
Interest expense	(35)	(603)	-94.20%	(90)	(893)	-89.92%
Interest expense - lease liabilities	(100)	(251)	-60.16%	(277)	(569)	-51.32%
Net foreign exchange gain/(loss)	573	(409)	NM	1,144	(690)	NM
(Increase)/decrease in loss allowance	(1,694)	6,301	NM	(712)	73	NM

Note 1: Revenue

	2H 2020	2H 2019	Var	Jan-Dec 2020	Jan-Dec 2019	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Revenue from middle distillates	2,386,099	7,199,278	-66.86%	5,629,604	13,594,049	-58.59%
Revenue from other oil products	2,757,451	3,460,926	-20.33%	4,887,351	6,749,442	-27.59%
	5,143,550	10,660,204	-51.75%	10,516,955	20,343,491	-48.30%

Note 2: Other operating income

	2H 2020	2H 2019	Var	Jan-Dec 2020	Jan-Dec 2019	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Bank interest income	2,348	1,999	17.46%	4,604	6,475	-28.90%
Net foreign exchange gain/(loss)	573	(409)	NM	1,144	(690)	NM
Other income	487	1	NM	1,002	30	3240.00%
	3,408	1,591	114.20%	6,750	5,815	16.08%

Note 3: Other operating expenses

Other operating expenses for 2H 2020 was US\$2.96 million compared to -US\$5.33 million for 2H 2019, mainly due to the expected credit loss ("ECL") provision of US\$1.69 million in 2H 2020 compared to the reversal of US\$6.30 million in 2H 2019.

Note 4: Share of results of associates

	2H 2020	2H 2019	Var	Jan-Dec 2020	Jan-Dec 2019	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("Pudong")	17,655	24,645	-28.36%	19,789	58,832	-66.36%
Other associates	3,245	2,610	24.33%	5,000	6,700	-25.37%
	20,900	27,255	-23.32%	24,789	65,532	-62.17%

Note 5: Tax expense

Tax expense mainly comprised of the recognition of deferred tax liabilities on the Company's share of undistributed retained earnings from associates and provision of taxation for current year's earnings. The undistributed retained earnings from associates 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 Dec 2020 US\$'000	As at 31 Dec 2019 US\$'000	As at 31 Dec 2020 US\$'000	As at 31 Dec 2019 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	4,384	4,905	4,173	4,647
Intangible assets	481	1,536	214	355
Subsidiaries	-	-	20,830	28,578
Associates	304,578	362,040	304,577	361,312
Financial asset at FVTOCI	5,500	5,500	-	-
Trade and other receivables	-	-	5,035	5,035
Right-of-use Assets	4,644	14,752	3,163	12,694
Deferred tax assets	1,252	3,602	1,248	3,598
	320,839	392,335	339,240	416,219
Current assets				
Inventories	91,375	58,676	75,063	32,687
Trade and other receivables	1,152,784	898,491	1,132,401	857,232
Contract assets	53,845	144,663	53,845	133,260
Cash and cash equivalents	269,107	378,780	247,472	340,618
	1,567,111	1,480,610	1,508,781	1,363,797
Total assets	1,887,950	1,872,945	1,848,021	1,780,016
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	215,573	215,573	215,573	215,573
Reserves	661,306	619,386	654,877	605,759
Total equity	876,879	834,959	870,450	821,332
Non-current liabilities				
Lease liabilities	512	3,916	198	2,894
Deferred tax liabilities	6,896	11,695	6,896	11,695
	7,408	15,611	7,094	14,589
Current liabilities				
Trade and other payables	988,875	864,463	967,283	800,688
Contract liabilities	10,326	144,874	137	133,397
Lease liabilities	4,231	10,973	3,057	10,010
Current tax liabilities	231	2,065	-	-
	1,003,663	1,022,375	970,477	944,095
Total liabilities	1,011,071	1,037,986	977,571	958,684
Total equity and liabilities	1,887,950	1,872,945	1,848,021	1,780,016

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

As at 31 Dec 2020		As at 31 Dec 2019	
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 2020		As at 31 Dec 2019	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
0	0	0	0

1(c) A 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

	2H 2020 US\$'000	2H 2019 US\$'000	Jan-Dec 2020 US\$'000	Jan-Dec 2019 US\$'000
Cash flows from operating activities				
Profit for the period	32,622	45,046	56,193	99,830
Adjustments for:-				
Depreciation of property, plant and equipment	374	396	751	781
Depreciation of right-of-use assets	5,562	5,610	11,077	10,839
Amortisation of intangible assets	91	131	197	260
Impairment on goodwill	914	-	914	-
(Gain)/loss on disposal of property, plant and equipment	-	2	(4)	2
Allowance for impairment loss on doubtful debts	1,694	(6,301)	712	(73)
Debtors written off	-	247	-	247
Fair value loss/(gain) on derivative instruments	6,321	(16,716)	18,971	(1,743)
Share of results of associates (net of tax)	(20,900)	(27,255)	(24,789)	(65,532)
Interest income	(2,348)	(1,999)	(4,604)	(6,475)
Interest expense	35	603	90	893
Lease interest expense	100	251	277	569
Tax expense	2,425	3,818	4,046	6,602
Unrealised exchange differences	(62)	55	(114)	(901)
	26,828	3,888	63,717	45,299
Change in inventories	(13,732)	9,853	(32,699)	52,092
Change in trade and other receivables	(556,316)	1,071,791	(188,612)	(158,106)
Change in trade and other payables	376,218	(916,806)	(6,351)	111,413
Cash from operating activities	(167,002)	168,726	(163,945)	50,698
Tax paid	(1,226)	(695)	(2,246)	(812)
Net cash (used in)/from operating activities	(168,228)	168,031	(166,191)	49,886
Cash flows from investing activities				
Interest received	3,872	6,356	4,597	7,870
Purchase of property, plant and equipment	(191)	(396)	(232)	(442)
Purchase of intangible assets	(57)	(103)	(57)	(134)
Proceeds from disposal of property, plant and equipment	-	-	6	-
Dividends received from associates	32,731	1,039	92,398	3,624
Net cash from investing activities	36,355	6,896	96,712	10,918
Cash flows from financing activities				
Interest paid	(35)	(603)	(90)	(893)
Interest paid on lease liabilities	(100)	(251)	(277)	(569)
Repayment of lease liabilities	(5,654)	(5,634)	(11,115)	(10,703)
Proceeds from loans and borrowing	171,066	121,413	217,626	121,413
Repayment of loans and borrowing	(171,066)	(121,413)	(217,626)	(121,413)
Dividend paid	-	-	(28,826)	(28,450)
Net cash used in financing activities	(5,789)	(6,488)	(40,308)	(40,615)
Net (decrease)/increase in cash and cash equivalents	(137,662)	168,439	(109,787)	20,189
Cash and cash equivalents at beginning of the period	406,707	210,396	378,780	357,690
Net effect of exchange rate fluctuations on cash held	62	(55)	114	901
Cash and cash equivalents at end of the period	269,107	378,780	269,107	378,780

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 capitalisation 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 2019	215,573	518,666	(5,482)	4,575	35,812	769,144
Total comprehensive income for the year	-	99,830	-	(5,565)	-	94,265
Share of associates' accumulated profits transferred to statutory reserve	-	(752)	-	-	752	-
Dividend paid in respect of 2018, representing total transactions with shareholders recognised directly in equity	-	(28,450)	-	-	-	(28,450)
As at 31 December 2019	215,573	589,294	(5,482)	(990)	36,564	834,959
As at 1 January 2020	215,573	589,294	(5,482)	(990)	36,564	834,959
Total comprehensive income for the year	-	56,193	-	14,553	-	70,746
Share of associates' accumulated profits transferred to statutory reserve	-	(522)	-	-	522	-
Dividend paid in respect of 2019, representing total transactions with shareholders recognised directly in equity	-	(28,826)	-	-	-	(28,826)
As at 31 December 2020	215,573	616,139	(5,482)	13,563	37,086	876,879

Statement of Changes in Equity

THE COMPANY	Share capital US\$'000	Retained earnings US\$'000	Treasury shares US\$'000	Foreign Currency translation reserve US\$'000	Statutory reserve US\$'000	Total equity US\$'000
As at 1 January 2019	215,573	535,388	(5,482)	4,644	35,812	785,935
Total comprehensive income for the year	-	69,466	-	(5,619)	-	63,847
Share of associates' accumulated profits transferred to statutory reserve	-	(752)	-	-	752	-
Dividend paid in respect of 2018, representing total transactions with shareholders recognised directly in equity	-	(28,450)	-	-	-	(28,450)
As at 31 December 2019	215,573	575,652	(5,482)	(975)	36,564	821,332
As at 1 January 2020	215,573	575,652	(5,482)	(975)	36,564	821,332
Total comprehensive income for the year	-	63,390	-	14,554	-	77,944
Share of associates' accumulated profits transferred to statutory reserve	-	(522)	-	-	522	-
Dividend paid in respect of 2019, representing total transactions with shareholders recognised directly in equity	-	(28,826)	-	-	-	(28,826)
As at 31 December 2020	215,573	609,694	(5,482)	13,579	37,086	870,450

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 during the second half of the year.

Treasury shares

The Company did not make any purchase of its own ordinary shares during the second half of the year.

As at 31 December 2020, the Company held 6,000,000 ordinary shares (31 December 2019: 6,000,000) which represents 0.69% (31 December 2019: 0.69%) of the total number of issued shares of the Company (excluding treasury shares).

The Company has no subsidiary holdings as at 31 December 2020 and 31 December 2019.

- 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	2H 2020	As at 31 Dec 2019
Issued ordinary shares		
Balance at beginning/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

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

- 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 Singapore Financial Reporting Standards (International) (“SFRS(I)”) 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 2019.

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 SFRS(I) and INT-FRS that are relevant to its operations and effective for annual periods beginning after 1 January 2020. The adoption of the new and revised SFRS(I) 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.

	2H 2020		2H 2019		Jan-Dec 2020		Jan-Dec 2019	
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	3.79	US cents	5.24	US cents	6.53	US cents	11.61	US cents
- Weighted average number of shares ('000)	860,184		860,184		860,184		860,184	
(b) On a fully diluted basis	3.79	US cents	5.24	US cents	6.53	US cents	11.61	US cents
- Adjusted weighted average number of shares ('000)	860,184		860,184		860,184		860,184	

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Group		Company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Net asset value per ordinary share based on issued share capital at the end of the period reported on (US cents)	101.94	97.07	101.19	95.48
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 2020 and 31 December 2019 (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:
- 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
 - 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 the Asia Pacific region and the key supplier of imported jet fuel to the civil aviation industry of the People's Republic of China ("PRC"). CAO also engages in the trading of jet fuel and other oil products. The Company has three wholly-owned subsidiaries, namely China Aviation Oil (Hong Kong) Company Limited ("CAOHK") located in Hong Kong, North American Fuel Corporation ("NAFCO") located in North America, and China Aviation Fuel (Europe) Limited ("CAFEU") located in the United Kingdom.

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"), Oilhub Korea Yeosu Co., Ltd ("OKYC"), China Aviation Oil Xinyuan Petrochemicals Co. Ltd ("Xinyuan"), CNAF Hong Kong Refuelling Limited ("CNAF HKR") and Aviation Fuel Supply B.V. ("AFS").

Consolidated Statement of Comprehensive Income

2H 2020 v 2H 2019

The Group's net profit decreased by US\$12.42 million (27.58%) to US\$32.62 million for the second half year ended 31 December 2020 ("2H 2020") compared to US\$45.05 million for the second half year ended 31 December 2019 ("2H 2019"), mainly attributable to the decrease in gross profit and share of results from associates due to the COVID-19 pandemic impact and increase in expenses partially offset by the increase in other income.

The total supply and trading volume decreased by 5.06 million tonnes (25.92%) to 14.46 million tonnes for 2H 2020 compared to 19.52 million tonnes for 2H 2019. Volume for middle distillates decreased by 5.32 million tonnes (44.71%) to 6.58 million tonnes from 11.90 million tonnes, of which jet fuel supply and trading volume decreased by 4.70 million tonnes (54.15%) to 3.98 million tonnes for 2H 2020 compared to 8.68 million tonnes for 2H 2019. Trading volume for gas oil decreased by 0.62 million tonnes (19.25%) to 2.60 million tonnes for 2H 2020 from 3.22 million tonnes for 2H 2019. The trading volume of other oil products increased by 0.26 million tonnes (3.41%) to 7.88 million tonnes for 2H 2020 compared to 7.62 million tonnes for 2H 2019 attributable mainly to higher trading volume for crude oil.

Total revenue decreased by US\$5,516.65 million (51.75%) to US\$5,143.55 million for 2H 2020 from US\$10,660.20 million for 2H 2019, mainly attributable to the decrease in oil price and volume as a result of the COVID-19 pandemic.

Total gross profit was US\$23.00 million for 2H 2020, a decrease of US\$6.76 million (22.71%) compared to US\$29.76 million for 2H 2019 mainly due to lower gains derived from trading and optimisation activities as well as jet fuel supply business due to COVID-19 pandemic.

Other operating income was US\$3.41 million for 2H 2020 compared to US\$1.59 million for 2H 2019, an increase of US\$1.82 million (114.20%) attributable mainly to higher foreign exchange gains and higher other income. Exchange differences improved by US\$0.98 million mainly due to exchange gain from the receipt of RMB dividends from Pudong. Other income which is mainly comprised of wage support and property tax rebates from Singapore Government pertaining to COVID-19 pandemic increased by US\$0.49 million. Bank interest income was US\$2.35 million for 2H 2020 compared to US\$2.00 million for 2H 2019, an increase of US\$0.35 million (17.46%) from time deposits placed with banks and financial institutions.

Total expenses increased by US\$2.52 million (25.88%) to US\$12.26 million for 2H 2020 compared to US\$9.74 million for 2H 2019, mainly attributable to the provision for expected credit loss (“ECL”) of US\$1.69 million in 2H 2020 compared to the reversal of US\$6.30 million in 2H 2019, an increase of US\$7.99 million. This was partially offset by the decrease of US\$4.41 million in staff costs and the decrease of US\$0.74 million in bank charges and interest expenses.

The share of profits from associates was US\$20.90 million for 2H 2020 compared to US\$27.25 million for 2H 2019, a decrease of US\$6.35 million (23.32%), mainly attributable to lower contributions from Pudong. Share of results from Pudong was US\$17.66 million for 2H 2020 compared to US\$24.64 million for 2H 2019, a decrease of US\$6.98 million or 28.36%, mainly due to lower revenue and profits as a result of lower refuelling volume and oil prices caused by the COVID-19 pandemic. Share of results from other associates was US\$3.24 million for 2H 2020 compared to US\$2.61 million for 2H 2019, an increase of US\$0.63 million or 24.33%, mainly attributable to higher contribution from OKYC due to higher revenue and lower operating expenses.

Income tax expense was US\$2.43 million for 2H 2020 compared to US\$3.82 million for 2H 2019, a decrease of US\$1.39 million (36.49%) mainly due to lower deferred tax liabilities recognised on the Company’s share of undistributed retained earnings of associates.

Earnings per share was 3.79 US cents for 2H 2020 compared to 5.24 US cents for 2H 2019.

2H 2020 v 1H 2020

The Group’s net profit increased by US\$9.05 million (38.40%) to US\$32.62 million for 2H 2020 compared to US\$23.57 million for the first half year ended 30 June 2020 (“1H 2020”), mainly attributable to the increase in share of results from associates partially offset by the increase in expenses.

The total supply and trading volume increased by 1.30 million tonnes (9.88%) to 14.46 million tonnes for 2H 2020 compared to 13.16 million tonnes for 1H 2020. Volume for middle distillates decreased by 1.09 million tonnes (14.21%) to 6.58 million tonnes from 7.67 million tonnes, of which jet fuel supply and trading volume decreased by 1.33 million tonnes (25.05%) to 3.98 million tonnes for 2H 2020 compared to 5.31 million tonnes for 1H 2020. Trading volume for gas oil increased by 0.24 million tonnes (10.17%) to 2.60 million tonnes for 2H 2020 from 2.36 million tonnes for 1H 2020. The trading volume of other oil products increased by 2.39 million tonnes (43.53%) to 7.88 million tonnes for 2H 2020 compared to 5.49 million tonnes for 1H 2020 attributable mainly to higher trading volume for crude oil.

Total revenue decreased by US\$229.86 million (4.28%) to US\$5,143.55 million for 2H 2020 from US\$5,373.41 million for 1H 2020, mainly attributable to the decrease in oil price.

Total gross profit was US\$23.00 million for 2H 2020, an increase of US\$0.13 million (0.57%) compared to US\$22.87 million for 1H 2020 mainly due to higher gains derived from jet fuel supply business.

Other operating income was US\$3.41 million for 2H 2020 compared to US\$3.34 million for 1H 2020, an increase of US\$0.07 million (2.10%) attributable mainly to higher bank interest income. Bank interest income was US\$2.35 million for 2H 2020 compared to US\$2.26 million for 1H 2020, an increase of US\$0.09 million (3.98%) from time deposits placed with banks and financial institutions.

Total expenses increased by US\$7.35 million (149.69%) to US\$12.26 million for 2H 2020 compared to US\$4.91 million for 1H 2020, mainly attributable to the increase of US\$2.67 million in ECL provision and US\$2.27 million in staff costs. Impairment for intangible assets and professional and legal fees also increased by US\$0.91 million and US\$0.86 million respectively.

The share of profits from associates was US\$20.90 million for 2H 2020 compared to US\$3.89 million for 1H 2020, an increase of US\$17.01 million (437.28%), mainly attributable to higher contributions from Pudong. Share of results from Pudong was US\$17.66 million for 2H 2020 compared to US\$2.13 million for 1H 2020, an increase of US\$15.53 million or 729.11%, mainly due to higher operating profits as a result of higher refuelling volume and lower operating costs. Share of results from other associates was US\$3.24 million for 2H 2020 compared to US\$1.76 million for 1H 2020, an increase of US\$1.48 million or 84.09%, mainly due to higher contribution from OKYC.

Income tax expense was US\$2.42 million for 2H 2020 compared to US\$1.62 million for 1H 2020, an increase of US\$0.80 million (49.38%) mainly due to higher deferred tax liabilities recognised on the Company's share of undistributed retained earnings of associates.

Earnings per share was 3.79 US cents for 2H 2020 compared to 2.74 US cents for 1H 2020.

FY 2020 v FY 2019

The Group's net profit decreased by US\$43.64 million (43.71%) to US\$56.19 million for the financial year ended 31 December 2020 ("FY 2020") compared to US\$99.83 million for the financial year ended 31 December 2019 ("FY 2019"), mainly attributable to the decrease in gross profit and share of results from associates due to the COVID-19 pandemic impact partially offset by the decrease in expenses.

The total supply and trading volume decreased by 9.31 million tonnes (25.21%) to 27.62 million tonnes for FY 2020 compared to 36.93 million tonnes for FY 2019. Volume for middle distillates decreased by 8.01 million tonnes (35.98%) to 14.25 million tonnes from 22.26 million tonnes, of which jet fuel supply and trading volume decreased by 6.98 million tonnes (42.87%) to 9.30 million tonnes for FY 2020 compared to 16.28 million tonnes for FY 2019. Trading volume for gas oil decreased by 1.03 million tonnes (17.22%) to 4.95 million tonnes for FY 2020 from 5.98 million tonnes for FY 2019. The trading volume for other oil products decreased by 1.30 million tonnes (8.86%) to 13.37 million tonnes for FY 2020 compared to 14.67 million tonnes for FY 2019 attributable mainly to lower trading volume for fuel oil.

Total revenue decreased by US\$9,826.53 million (48.30%) to US\$10,516.96 million for FY 2020 from US\$20,343.49 million for FY 2019, mainly attributable to the decrease in oil prices and volume as a result of the COVID-19 pandemic.

Total gross profit was US\$45.87 million for FY 2020, a decrease of US\$12.58 million (21.53%) compared to US\$58.46 million for FY 2019, attributable mainly to the decline in profits from jet fuel supply business due to COVID-19 pandemic.

Other operating income was US\$6.75 million for FY 2020 compared to US\$5.82 million for FY 2019, an increase of US\$0.93 million (16.08%) attributable mainly to higher foreign exchange gains and higher other income. Exchange differences improved by US\$1.83 million mainly due to exchange gains from the receipt of RMB dividends from Pudong. Other income which is mainly comprised of wage support and property tax rebates from the Singapore Government pertaining to COVID-19 pandemic increased by US\$0.97 million. Bank interest income was US\$4.61 million for FY 2020 compared to US\$6.48 million for FY 2019, a decrease of US\$1.87 million (28.90%) attributable mainly to the decline in interest rate.

Total expenses decreased by US\$6.20 million (26.53%) to US\$17.17 million for FY 2020 compared to US\$23.37 million for FY 2019, mainly attributable to the decrease of US\$4.63 million in staff costs. Bank charges and interest expenses also decreased by US\$0.50 million and US\$0.80 million respectively.

The share of profits from associates was US\$24.79 million for FY 2020 compared to US\$65.53 million for FY 2019, a decrease of US\$40.74 million (62.17%), mainly attributable to lower contributions from Pudong. Share of results from Pudong was US\$19.79 million for FY 2020 compared to US\$58.83 million for FY 2019, a decrease of US\$39.04 million or 66.36%, mainly due to lower revenue and profits as a result of lower refuelling volume and oil prices caused by the COVID-19 pandemic. Share of results from other associates was US\$5.00 million for FY 2020 compared to US\$6.70 million for FY 2019, a decrease of US\$1.70 million or 25.37%, mainly due to lower contribution from TSN-PEKCL owing to lower pipeline transportation revenue.

Income tax expense was US\$4.05 million for FY 2020 compared to US\$6.60 million for FY 2019, a decrease of US\$2.55 million (38.72%) mainly due to lower deferred tax liabilities recognised on the Company's share of undistributed retained earnings of associates.

Earnings per share was 6.53 US cents for FY 2020 compared to 11.61 US cents for FY 2019.

Statement of Financial Position

The Group's current assets stood at US\$1,567.11 million as at 31 December 2020 compared to US\$1,480.61 million as at 31 December 2019. The increase of US\$86.50 million in current assets resulted mainly from the increase of US\$254.29 million in trade and other receivables and US\$32.70 million in inventories, partially offset by the decrease of US\$90.82 million in contract assets and US\$109.67 million in cash and cash equivalents.

Non-current assets stood at US\$320.84 million as at 31 December 2020 compared to US\$392.34 million as at 31 December 2019. The decrease of US\$71.50 million was mainly attributable to the gross dividends of US\$96.81 million declared by Pudong, OKYC and TSN-PEKCL, partially offset by the share of results of US\$24.79 million and the increase of US\$14.55 million in foreign exchange translation differences. The right-of-use assets decreased by US\$10.11 million.

Current liabilities which comprised of trade and other payables, contract liabilities, short term lease liabilities and tax liabilities, decreased by US\$18.71 million to US\$1,003.66 million as at 31 December 2020 compared to US\$1,022.37 million as at 31 December 2019, mainly attributable to the decrease of US\$134.55 million in contract liabilities and the decrease in lease liabilities of US\$6.74 million partially offset by the increase of US\$124.41 million in trade and other payables.

Non-current liabilities which comprised of lease liabilities and deferred tax liabilities decreased by US\$8.20 million to US\$7.41 million as at 31 December 2020 compared to US\$15.61 million as at 31 December 2019, mainly due to lower recognition of deferred tax liabilities. Deferred tax liabilities were from the recognition of the Company's share of undistributed retained earnings of associates which is subject to withholding tax.

The Group's net assets stood at US\$876.88 million as at 31 December 2020, or 101.94 US cents per share, compared to US\$834.96 million as at 31 December 2019 or 97.07 US cents per share.

Consolidated Statement of Cash Flows

2H 2020 v 2H 2019

The net cash used in operating activities was US\$168.23 million in 2H 2020 compared to the net cash generated from operating activities of US\$168.03 million in 2H 2019, attributable mainly to higher utilisation of funds for trading requirements.

Net cash generated from investing activities amounted to US\$36.36 million in 2H 2020 compared to US\$6.90 million in 2H 2019, an increase of US\$29.46 million due mainly to higher receipt of dividends from associates.

Net cash used in financing activities in 2H 2020 was US\$5.79 million compared to US\$6.49 million in 2H 2019 attributable mainly to lower bank interest expense.

FY 2020 v FY 2019

The net cash used in operating activities in FY 2020 was US\$166.19 million compared to net cash of US\$49.89 million generated from operating activities in FY 2019, mainly attributable to higher utilisation of funds for trading requirements.

Net cash generated from investing activities were US\$96.71 million in FY 2020 compared to US\$10.92 million in FY 2019, mainly attributable to the receipt of dividend of US\$87.41 million from Pudong in FY 2020.

Net cash used in financing activities in FY 2020 were US\$40.31 million compared to US\$40.62 million in FY 2019, mainly used for dividend payout. The decrease was due to lower bank interest expenses in FY 2020.

Litigation Update- (1) Banque De Commerce Et De Placements S.A. DIFC Branch (“BCP-DIFC”), (2) Banque De Commerce Et De Placement SA (“BCP-Geneva”) v China Aviation Oil (Singapore) Corporation Ltd & 2 Ors

The Company refers to the announcement dated 20 August 2020 in relation to legal proceedings against the Company in the High Court of Singapore (the “Suit”), commenced by BCP-DIFC on 28 July 2020 in relation to a claim under a documentary letter of credit dated 23 January 2020 (the “Export Letter of Credit”) and wishes to provide an update on the developments in the respect of the Suit.

BCP-DIFC filed and served on the Company the Statement of Claim on 27 August 2020. On 10 September 2020, the Company filed a Third Party Notice to Shandong Energy International (Singapore) Pte Ltd (“SEIS”), joining SEIS as a third party to the proceedings commenced by BCP-DIFC against the Company. The Company was informed that on 18 September 2020, SEIS filed a Fourth Party Notice to Golden Base Energy Pte Ltd (“Golden Base”), joining Golden Base as a fourth party to the proceedings commenced by BCP-DIFC against the Company. On 1 October 2020, the Company filed its Defence against the Suit.

On 30 December 2020, BCP served on the Company, the amended Writ of Summons and the amended Statement of Claim (collectively, the “Amended Suit”). The main substantive amendments in the Amended Suit were namely, (i) the addition of BCP-Geneva as a 2nd Plaintiff to the Suit on the basis that BCP-Geneva and BCP-DIFC are the same legal entity under DIFC law, or alternatively, that BCP-Geneva was the agent of BCP-DIFC; (ii) BCP’s new claim of unlawful means conspiracy, premised on materially the same allegations as in the original Statement of Claim; and (iii) to seek a declaration to void, rescind and/or set aside the Export Letter of Credit.

On 29 January 2021, the Company filed its amended Defence refuting the new allegations in the Amended Suit. Notwithstanding the Amended Suit, the Company has been advised that there are good grounds to successfully defend BCP’s claims.

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.

Oil prices have risen since the end of October 2020 due to the possible rollout of multiple COVID-19 vaccines as well as cuts in crude oil production. However, the upsurge of COVID-19 infections in recent months have brought about tougher safe distancing measures or stricter lockdowns being imposed in many parts of the world. Whilst the general consensus is that 2021 will be a better year than 2020 with IMF expecting the global economy to grow 5.5% this year and IATA expecting a rebound in air traffic, this is very much dependent on the speed of the rollout of COVID-19 vaccination programmes which will differ from country to country. Hence the COVID-19 pandemic is expected to continue to create challenging and difficult market conditions in 2021.

As global market conditions are expected to remain challenging, the Group remains cautiously optimistic on its performance for the current financial year as it continues to navigate through this unprecedented period by implementing and executing detailed protocols across the Group's operations to ensure minimal operational disruptions and sustaining business continuity. The Group will stay the course to build on its jet fuel supply and trading network complemented with trading in other oil products. The Group will also continue to focus on long-term profitability by seeking opportunities for expansion through investments in synergetic and strategic oil related assets and businesses.

11 If a decision regarding dividend has been made:—

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Yes

(b) (i) Amount per share cents

Name of dividend	Proposed Final One-tier Tax Exempt Ordinary
Dividend Type	Cash
Net Dividend Amount (Singapore cents per share)	2.58

(ii) Previous corresponding period cents

Name of dividend	Final One-tier Tax Exempt Ordinary
Dividend Type	Cash
Net Dividend Amount (Singapore cents per share)	4.70

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

The Directors have proposed a first and final dividend of S\$0.0258 per ordinary share, tax exempt (one-tier) for approval by shareholders at the forthcoming annual general meeting to be convened. Details on payment of the dividend will be announced in due course.

(d) The date the dividend is payable

To be announced in due course.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Details on the record date 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	
	2020	2019	2020	2019	2020	2019	2020	2019
	US\$'000	US\$'000	\$'000	\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	5,629,604	13,415,367	4,887,351	6,749,442	-	-	10,516,955	20,164,809
Gross profit	44,570	53,429	1,302	5,027	-	-	45,872	58,456
Other administrative/operating expenses	(13,215)	(15,357)	118	(2,451)	(200)	(993)	(13,297)	(18,801)
Depreciation and amortisation	(2,717)	(1,821)	-	-	-	-	(2,717)	(1,821)
Foreign exchange gain/(loss)	1,144	(688)	-	-	-	(2)	1,144	(690)
Interest income	4,604	6,475	-	-	-	-	4,604	6,475
Other income	1,002	30	-	-	-	-	1,002	30
Finance costs	(547)	(249)	(611)	(2,500)	-	-	(1,158)	(2,749)
Share of results of associates (net of tax)	-	-	-	-	24,789	65,532	24,789	65,532
Profit before tax	34,841	41,819	809	76	24,589	64,537	60,239	106,432
Income tax expense	(3,242)	(2,767)	-	-	(804)	(3,835)	(4,046)	(6,602)
Profit after tax	31,599	39,052	809	76	23,785	60,702	56,193	99,830

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	2020	2019	%
	US\$'000	US\$'000	Increase/ (Decrease)
Sales reported for first half year	5,373,405	9,683,287	-44.51%
Operating profit/loss after tax before deducting non-controlling interests reported for first half year	23,571	54,784	-56.97%
Sales reported for second half year	5,143,550	10,660,204	-51.75%
Operating profit/loss after tax before deducting non-controlling interests reported for second half year	32,622	45,046	-27.58%

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 Annual Dividend:

	Latest Full Year US\$'000	Previous Full Year US\$'000
Ordinary - interim dividend	-	-
Ordinary - final dividend	16,828*	28,826
Total:	16,828	28,826

* Estimated based on a total number of issued ordinary shares of 860,183,628 at the end of the financial year at the current SGD:USD exchange rate.

17. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

Aggregate value of interested person transactions entered from 1 January 2020 to 31 December 2020.

	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) 2H 2020 US\$'000	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) 2H 2020 US\$'000	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) YTD 2020 US\$'000	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) YTD 2020 US\$'000
Sales from related corporations	Associates of Controlling Shareholder, China National Aviation Fuel Group Limited	-	406,983	-	1,049,826
Purchases from related corporations		-	298,124	-	407,839
Supply chain services rendered from related corporation		-	4,059	-	8,627
Services rendered from related corporation		191	-	191	-
Transportation revenue earned by associate from related corporations *		-	1,801	-	3,579
Principal deposited with related corporations		-	520,082	-	626,883
Interest income earned from principal deposited with related corporations		-	1,142	-	1,224
Loan to associate		1,219	-	1,219	-

	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) 2H 2020 US\$'000	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) 2H 2020 US\$'000	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) YTD 2020 US\$'000	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) YTD 2020 US\$'000
Sales from related corporation of a corporate shareholder	Associates of Controlling Shareholder, BP Investments Asia Limited	-	114,940	-	407,674
Purchases from related corporation of a corporate shareholder		-	202,156	-	665,276
Services rendered from related corporation of a corporate shareholder		-	-	-	237
Supply chain services rendered from related corporation of a corporate shareholder		-	781	-	1,733

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

18. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

19. 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 2021