



**CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD**  
**(Company Registration No. 199303293Z)**  
**First Quarter Financial Statement For The Period Ended 31 March 2019**

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

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**

	<b>1Q 2019</b>	<b>1Q 2018</b>	<b>Variance</b>	
	<b>US\$'000</b>	<b>US\$'000</b>	<b>+ / -</b>	<b>%</b>
Revenue (Note 1)	3,717,892	4,102,474		-9.37%
Cost of sales	(3,706,273)	(4,089,265)		-9.37%
<b>Gross Profit</b>	11,619	13,209		-12.04%
Other operating income (Note 2)	2,332	1,343		73.64%
Administrative expenses	(3,222)	(3,878)		-16.92%
Other operating expenses	(1,972)	(2,219)		-11.13%
Finance costs	(409)	(941)		-56.54%
<b>Operating Profit</b>	8,348	7,514		11.10%
Share of results of associates (net of tax) (Note 3)	19,123	20,965		-8.79%
<b>Profit before tax</b>	27,471	28,479		-3.54%
Tax expense (Note 4)	(1,136)	(1,574)		-27.83%
<b>Profit for the period</b>	26,335	26,905		-2.12%
<b>Attributable to:</b>				
Equity holders of the Company	26,335	26,905		-2.12%

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**

	<b>1Q 2019</b>	<b>1Q 2018</b>	<b>Variance</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>+ / - %</b>
<b>PROFIT FOR THE PERIOD</b>	26,335	26,905	-2.12%
<b>Other comprehensive income/(loss):</b>			
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Translation differences relating to financial statements of foreign associates (Note (a))	3,318	7,912	-58.06%
<b>Other comprehensive income for the period, net of tax</b>	3,318	7,912	-58.06%
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	29,653	34,817	-14.83%
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	29,653	34,817	-14.83%

Note (a): For the three months ended 31 March 2019, RMB appreciated by approximately 1.93% (2018: 3.27%) against the US Dollar compared to at end of December 2018 giving rise to the translation gain on RMB foreign associates. Korean Won depreciated by approximately 2.22% against the US Dollar compared to end of December 2018 but remained constant against 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):

	<b>1Q 2019</b>	<b>1Q 2018</b>	<b>Var</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>+ / - %</b>
Depreciation of property, plant and equipment	(193)	(162)	19.14%
Depreciation of right-of-use assets	(2,501)	-	NM
Amortisation of intangible assets	(64)	(56)	14.29%
Property, plant and equipment written off	-	(4)	NM
Bank interest income	2,476	1,395	77.49%
Interest expense	(21)	(651)	-96.77%
Interest expense - lease liabilities	(163)	-	NM
Net foreign exchange loss	(144)	(52)	176.92%
Allowance for doubtful debts	(1,904)	(1,571)	21.20%

**Note 1: Revenue**

	<b>1Q 2019</b>	<b>1Q 2018</b>	<b>Var</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>+ / - %</b>
Revenue from middle distillates	2,757,222	2,679,196	2.91%
Revenue from other oil products	960,670	1,423,278	-32.50%
	3,717,892	4,102,474	-9.37%

**Note 2: Other operating income**

	<b>1Q 2019</b>	<b>1Q 2018</b>	<b>Var</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>+ / - %</b>
Bank interest income	2,476	1,395	77.49%
Net foreign exchange loss	(144)	(52)	176.92%
	2,332	1,343	73.64%

**Note 3: Share of results of associates**

	<b>1Q 2019</b>	<b>1Q 2018</b>	<b>Var</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>+ / - %</b>
Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd (“Pudong”)	17,212	18,895	-8.91%
Other associates	1,911	2,070	-7.68%
	19,123	20,965	-8.79%

**Note 4: Tax expense**

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

NM denotes “not meaningful”

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

**Statement of Financial Position**

	Group		Company	
	As at 31 Mar 2019 US\$'000	As at 31 Dec 2018 US\$'000	As at 31 Mar 2019 US\$'000	As at 31 Dec 2018 US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5,059	5,246	4,797	4,964
Intangible assets	1,598	1,662	417	481
Subsidiaries	-	-	66,411	66,411
Associates	331,167	311,449	324,020	304,076
Trade and other receivables	-	-	5,035	5,035
Right-of-use Assets*	21,851	-	19,243	-
Deferred tax assets	4,504	4,504	4,500	4,500
	364,179	322,861	424,423	385,467
<b>Current assets</b>				
Inventories	115,340	110,768	57,214	92,536
Trade and other receivables	1,267,496	862,249	1,287,821	842,999
Cash and cash equivalents	379,213	357,690	324,565	334,747
	1,762,049	1,330,707	1,669,600	1,270,282
<b>Total assets</b>	2,126,228	1,653,568	2,094,023	1,655,749
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	215,573	215,573	215,573	215,573
Reserves	583,224	553,571	601,385	570,362
<b>Total equity</b>	798,797	769,144	816,958	785,935
<b>Non-current liabilities</b>				
Lease liabilities*	11,620	-	9,752	-
Deferred tax liabilities	8,796	8,051	8,796	8,051
	20,416	8,051	18,548	8,051
<b>Current liabilities</b>				
Trade and other payables	1,232,076	875,540	1,199,078	861,554
Contract liabilities	63,583	-	49,634	-
Lease liabilities*	10,337	-	9,596	-
Loans and borrowings	-	-	209	209
Current tax liabilities	1,019	833	-	-
	1,307,015	876,373	1,258,517	861,763
<b>Total liabilities</b>	1,327,431	884,424	1,277,065	869,814
<b>Total equity and liabilities</b>	2,126,228	1,653,568	2,094,023	1,655,749

\* The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 *Leases* for the financial year beginning on or after 1 January 2019. SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of right-of-use assets and a lease liability at commencement of all leases, except for short-term leases and leases of low value assets.

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

<b>As at 31 Mar 2019</b>		<b>As at 31 Dec 2018</b>	
<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>	<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>
0	0	0	0

Amount repayable after one year

<b>As at 31 Mar 2019</b>		<b>As at 31 Dec 2018</b>	
<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>	<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>
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**

	<b>1Q 2019</b>	<b>1Q 2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities</b>		
Profit for the period	26,335	26,905
Adjustments for:-		
Depreciation of property, plant and equipment	193	162
Depreciation of Right-of-use assets	2,501	-
Amortisation of intangible assets	64	56
Property, plant and equipment written off	-	4
Allowance on doubtful debts	1,904	1,571
Fair value loss/(gain) on derivative instruments	9,600	(6,243)
Share of results of associates (net of tax)	(19,123)	(20,965)
Interest income	(2,476)	(1,395)
Interest expense	-	651
Lease interest expense	163	-
Tax expense	1,136	1,574
Unrealised exchange differences	32	(9)
	20,329	2,311
Change in inventories	(4,573)	111,117
Change in trade and other receivables	(407,015)	(309,970)
Change in trade and other payables	414,572	188,121
Cash from/(used in) operating activities	23,313	(8,421)
Tax paid	(68)	(180)
<b>Net cash from/(used in) operating activities</b>	<b>23,245</b>	<b>(8,601)</b>
<b>Cash flows from investing activities</b>		
Interest received	875	814
Purchase of property, plant and equipment	(6)	(42)
Purchase of intangible assets	-	(24)
<b>Net cash from investing activities</b>	<b>869</b>	<b>748</b>
<b>Cash flows from financing activities</b>		
Interest paid	-	(651)
Interest paid on lease liabilities	(163)	-
Repayment of lease liabilities	(2,396)	-
Proceeds from loans and borrowing	-	25,000
Repayment of loans and borrowing	-	(120,000)
<b>Net cash used in financing activities</b>	<b>(2,559)</b>	<b>(95,651)</b>
<b>Net increase in cash and cash equivalents</b>	<b>21,555</b>	<b>(103,504)</b>
Cash and cash equivalents at beginning of the period	357,690	300,042
Net effect of exchange rate fluctuations on cash held	(32)	9
<b>Cash and cash equivalents at end of the period</b>	<b>379,213</b>	<b>196,547</b>

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**

<b>THE GROUP</b>	<b>Share capital US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Treasury shares US\$'000</b>	<b>Foreign currency translation reserve US\$'000</b>	<b>Statutory reserve US\$'000</b>	<b>Total equity US\$'000</b>
<b>As at 1 January 2018</b>	215,573	454,311	(5,482)	20,868	35,457	720,727
Total comprehensive income for the year	-	93,858	-	(16,293)	-	77,565
Share of associates' accumulated profits transferred to statutory reserve	-	(355)	-	-	355	-
Dividend paid in respect of 2017, representing total transactions with shareholders recognised directly in equity	-	(29,148)	-	-	-	(29,148)
<b>As at 31 December 2018</b>	<b>215,573</b>	<b>518,666</b>	<b>(5,482)</b>	<b>4,575</b>	<b>35,812</b>	<b>769,144</b>
<b>As at 1 January 2019</b>	215,573	518,666	(5,482)	4,575	35,812	769,144
Total comprehensive income for the year	-	26,335	-	3,318	-	29,653
Share of associates' accumulated profits transferred to statutory reserve	-	(366)	-	-	366	-
Dividend paid in respect of 2018, representing total transactions with shareholders recognised directly in equity	-	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>215,573</b>	<b>544,635</b>	<b>(5,482)</b>	<b>7,893</b>	<b>36,178</b>	<b>798,797</b>

**Statement of Changes in Equity**

<b>THE COMPANY</b>	<b>Share capital US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Treasury shares US\$'000</b>	<b>Foreign Currency translation reserve US\$'000</b>	<b>Statutory reserve US\$'000</b>	<b>Total equity US\$'000</b>
<b>As at 1 January 2018</b>	215,573	457,330	(5,482)	20,869	35,457	723,747
Total comprehensive income for the year	-	107,561	-	(16,225)	-	91,336
Share of associates' accumulated profits transferred to statutory reserve	-	(355)	-	-	355	-
Dividend paid in respect of 2017, representing total transactions with shareholders recognised directly in equity	-	(29,148)	-	-	-	(29,148)
<b>As at 31 December 2018</b>	<b>215,573</b>	<b>535,388</b>	<b>(5,482)</b>	<b>4,644</b>	<b>35,812</b>	<b>785,935</b>
<b>As at 1 January 2019</b>	215,573	535,388	(5,482)	4,644	35,812	785,935
Total comprehensive income for the year	-	27,705	-	3,318	-	31,023
Share of associates' accumulated profits transferred to statutory reserve	-	(366)	-	-	366	-
Dividend paid in respect of 2018, representing total transactions with shareholders recognised directly in equity	-	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>215,573</b>	<b>562,727</b>	<b>(5,482)</b>	<b>7,962</b>	<b>36,178</b>	<b>816,958</b>

- 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 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 for the quarter ended 31 March 2019.

### Treasury shares

The Company did not make any purchase of its own ordinary shares during the quarter ended 31 March 2019.

As at 31 March 2019, the Company held 6,000,000 ordinary shares (31 March 2018: 6,000,000) which represents 0.69% (31 March 2018: 0.69%) of the total number of issued shares of the Company (excluding treasury shares).

The Company has no subsidiary holdings as at 31 March 2019 and 31 March 2018.

- 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.

<b>Number of Shares</b>	<b>1Q 2019</b>	<b>4Q 2018</b>
<b>Issued ordinary shares</b>		
<b>Balance at beginning/end of period</b>	866,183,628	866,183,628
<b>Treasury shares</b>		
Balance at beginning	(6,000,000)	(6,000,000)
Additions during the period	-	-
<b>Balance at end of period</b>	(6,000,000)	(6,000,000)
<b>Total</b>	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 2018.

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 2019. 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.

	1Q 2019		1Q 2018	
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	3.06	US cents	3.13	US cents
- Weighted average number of shares ('000)	860,184		860,184	
(b) On a fully diluted basis	3.06	US cents	3.13	US cents
- Adjusted weighted average number of shares ('000)	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 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
Net asset value per ordinary share based on issued share capital at the end of the period reported on (US cents)	92.86	89.42	94.97	91.37
Number of ordinary shares issued ('000)	860,184	860,184	860,184	860,184

Net asset value per ordinary share is determined based on net asset value attributable to owners of the Company and the number of shares in issue of the Company as at 31 March 2019 and 31 December 2018 (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 trading of jet fuel and other oil products. The Company has wholly-owned subsidiaries located in Hong Kong, North America and United Kingdom; viz. China Aviation Oil (Hong Kong) Company Limited ("CAOHK"), North American Fuel Corporation ("NAFCO"), China Aviation Oil (Europe) Limited ("CAO Europe") and China Aviation Fuel (Europe) Limited ("CAFEU") respectively.

In addition, CAO Group owns investments in strategic oil-related businesses, which include Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("Pudong"), China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL"), 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

#### *1st Qtr 2019 v 1st Qtr 2018*

Total supply and trading volume decreased by 0.81 million tonnes (10.74%) to 6.78 million tonnes for the first quarter ended 31 March 2019 ("1Q 2019") compared to 7.59 million tonnes for the first quarter ended 31 March 2018 ("1Q 2018"). Volume for middle distillates increased 0.37 million tonnes (8.67%) to 4.64 million tonnes from 4.27 million tonnes, of which, the volume of jet fuel supply and trading increased by 0.20 million tonnes (5.99%) to 3.54 million tonnes for 1Q 2019 compared to 3.34 million tonnes for 1Q 2018. Trading volume for gas oil increased by 0.17 million tonnes (18.28%) to 1.10 million tonnes for 1Q 2019 from 0.93 million tonnes for 1Q 2018. Trading volume of other oil products decreased by 1.18 million tonnes (35.54%) to 2.14 million tonnes for 1Q 2019 compared to 3.32 million tonnes for 1Q 2018 attributable mainly to lower trading volume for fuel oil.

Total revenue decreased by US\$384.58 million (9.37%) to US\$3,717.89 million for 1Q 2019 from US\$4,102.47 million for 1Q 2018, primarily due to lower oil prices and decrease in trading volume.

Total gross profit was US\$11.62 million for 1Q 2019, a decrease of US\$1.59 million (12.04%) compared to US\$13.21 million for 1Q 2018 mainly due to lower profits from trading and optimisation activities.

Other operating income increased by US\$0.99 million (73.64%) to US\$2.33 million for 1Q 2019 compared to US\$1.34 million for 1Q 2018, mainly attributable to higher interest income partially offset by higher foreign exchange loss. Interest income which was derived from time deposits placed with banks was US\$2.48 million for 1Q 2019 compared to US\$1.40 million for 1Q 2018, an increase of US\$1.08 million (77.49%).

Total expenses decreased by US\$1.44 million (20.39%) to US\$5.60 million for 1Q 2019 compared to US\$7.04 million for 1Q 2018. The decrease in expenses was mainly due to lower staff costs, professional fees for business development and interest expense relating to short-term bank borrowings drawdown for working capital purposes.

The share of profits from associates was US\$19.12 million for 1Q 2019 compared to US\$20.97 million for 1Q 2018, a decrease of US\$1.85 million (8.79%) mainly due to lower profit contributions from Pudong. The share of profits from Pudong was US\$17.21 million for 1Q 2019 compared to US\$18.90 million for 1Q 2018, decreased by US\$1.69 million (8.91%) mainly due to lower revenue as average oil price in 1Q 2019 was lower than 1Q 2018. Share of profits from other associates decreased by US\$0.16 million (7.68%) to US\$1.91 million for 1Q 2019 compared to US\$2.07 million for 1Q 2018 mainly attributable to lower profits from OKYC's tank storage leasing activities.

Income tax expense was US\$1.14 million for 1Q 2019 compared to US\$1.57 million for 1Q 2018, a decrease of US\$0.43 million (27.83%) mainly due to the lower deferred tax liabilities on the Company's share of undistributed retained earnings from associates and lower provision for income tax expense by a subsidiary.

The Group's net profit for 1Q 2019 decreased by US\$0.57 million (2.12%) to US\$26.34 million compared to US\$26.91 million for 1Q 2018. Earnings per share was 3.06 US cents for 1Q 2019 compared to 3.13 US cents for 1Q 2018.

#### ***1st Qtr 2019 v 4th Qtr 2018***

Total supply and trading volume decreased by 0.04 million tonnes (0.59%) to 6.78 million tonnes for 1Q 2019 compared to 6.82 million tonnes for the fourth quarter ended 31 December 2018 ("4Q 2018") mainly due to the decrease in trading volume of other oil products. Trading volume of other oil products decreased by 0.42 million tonnes (16.41%) to 2.14 million tonnes for 1Q 2019 compared to 2.56 million tonnes for 4Q 2018 due to lower trading volume for crude and fuel oil. Volume for middle distillates increased 0.38 million tonnes (8.92%) to 4.64 million tonnes from 4.26 million tonnes, of which, trading volume for gas oil increased by 0.37 million tonnes (50.68%) to 1.10 million tonnes for 1Q 2019 compared to 0.73 million tonnes for 4Q 2018.

Total revenue decreased by US\$659.25 million (15.06%) to US\$3,717.89 million for 1Q 2019 from US\$4,377.14 million for 4Q 2018, primarily due to lower average oil prices in 1Q 2019 compared to 4Q 2018.

Total gross profit was US\$11.62 million for 1Q 2019, an increase of US\$2.29 million (24.56%) compared to US\$9.33 million for 4Q 2018 mainly due to higher profits from trading and optimisation activities.

Other operating income increased by US\$1.01 million (77.20%) to US\$2.33 million for 1Q 2019 compared to US\$1.32 million for 4Q 2018, mainly attributable to higher interest income partially offset by higher foreign exchange loss. Interest income which was derived from time deposits placed with banks was US\$2.48 million for 1Q 2019 compared to US\$1.33 million for 4Q 2018, an increase of US\$1.15 million (86.47%).

Total expenses increased by US\$1.23 million (28.24%) to US\$5.60 million for 1Q 2019 compared to US\$4.37 million for 4Q 2018 attributable mainly to the reversal of expected credit loss provision in 4Q 2018 as a result of lower receivables at end December 2018.

The share of profits from associates was US\$19.12 million for 1Q 2019 compared to US\$15.04 million for 4Q 2018, an increase of US\$4.08 million (27.14%) mainly due to higher profit contributions from Pudong. The share of profits from Pudong was US\$17.21 million for 1Q 2019 compared to US\$14.15 million for 4Q 2018, increased by US\$3.06 million (21.63%) attributable mainly to lower operating expenses in 1Q 2019. Share of profits from other associates increased by US\$1.02 million (114.61%) to US\$1.91 million for 1Q 2019 compared to US\$0.89 million for 4Q 2018 mainly attributable to higher contribution from TSN-PEKCL as its pipeline transportation volume increased.

Income tax expense was US\$1.14 million for 1Q 2019 compared to US\$2.59 million for 4Q 2018, a decrease of US\$1.45 million (55.98%) mainly due to the decline of deferred tax assets in 4Q 2018 as a result of the utilization of unabsorbed tax losses to offset profits.

The Group's net profit for 1Q 2019 was US\$26.34 million compared to US\$18.73 million for 4Q 2018, an increase of US\$7.61 million (40.64%) attributable mainly to higher gross profit and the share of results from associates. Earnings per share was 3.06 US cents for 1Q 2019 compared to 2.18 US cents for 4Q 2018.

### **Statement of Financial Position**

The Group's current assets stood at US\$1,762.05 million as at 31 March 2019 compared to US\$1,330.71 million as at 31 December 2018. The increase of US\$431.34 million in current assets resulted mainly from the increase of US\$405.25 million in trade and other receivables, the increase of US\$4.57 million in inventories as well as an increase of US\$21.52 million in cash and cash equivalents.

Non-current assets stood at US\$364.18 million as at 31 March 2019, compared to US\$322.86 million as at 31 December 2018. The increase of US\$41.32 million was mainly attributable to the share of profits in associates of US\$19.12 million and the increase in right-of-use assets of US\$21.85 million following the adoption of SFRS(I) 16 - *Leases*.

Current liabilities which comprised trade and other payables, contract liabilities, short term leased liabilities and tax payables, increased by US\$430.65 million to US\$1,307.02 million as at 31 March 2019 compared to US\$876.37 million as at 31 December 2018, attributable mainly to the increase of US\$420.12 million in trade and other payables and contract liabilities as a result of higher monthly trading volume and oil prices in March 2019 compared to in December 2018. Short term leased liabilities as a result of adopting SFRS(I) 16, was US\$10.34 million as at 31 March 2019.

Non-current liabilities which comprised of leased liabilities and deferred tax liabilities increased by US\$12.37 million to US\$20.42 million as at 31 March 2019 compared to US\$8.05 million as at 31 December 2018. The increase was mainly due to the recognition of leased liabilities of US\$11.62 million as at 31 March 2019. 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\$798.80 million as at 31 March 2019, or 92.86 US cents per share, compared to US\$769.14 million as at 31 December 2018 or 89.42 US cents per share.

### **Consolidated Statement of Cash Flows**

#### ***1Q 2019 v 1Q 2018***

The net cash generated from operating activities was US\$23.25 million in 1Q 2019 compared to cash flows used in operating activities of US\$8.60 million in 1Q 2018, attributable mainly to lower working capital requirements for trading activities and improvement in net cash inflow from receivables and payables.

Cash flows generated from investing activities amounted to US\$0.87 million in 1Q 2019 compared to US\$0.75 million in 1Q 2018, mainly attributable to higher bank interest income.

Cash flows used in financing activities in 1Q 2019 was US\$2.56 million compared to US\$95.65 million in 1Q 2018 attributable mainly to the repayment of bank borrowings in 1Q 2018.

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 been moving upwards towards the end of 2018 and Brent crude price reached US\$72 per barrel in early April 2019. Positive signs from the World's two largest economies trying to resolve their trade dispute and production cuts from OPEC drove the gains in oil benchmarks.

Notwithstanding the rise in oil prices, uncertainties still exist in the oil markets and global economic and geopolitical outlook. CAO will nevertheless persist in its global expansion of jet fuel supply and trading network complemented with trading in other oil products. The Group will also continue to seek opportunities for expansion through investments, and remain focused on pursuing its long term strategy to ensure steady and sustainable growth as well as the development of its businesses.

11 If a decision regarding dividend has been made:—

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

No.

(b) (i) Amount per share ..... cents

(ii) Previous corresponding period ..... cents

Not applicable.

(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).

Not applicable.

(d) The date the dividend is payable

Not Applicable.

(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.

Not Applicable.

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

No interim dividend has been declared for the period ended 31 March 2019.

13. 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 2019 to 31 March 2019.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	<b>1Q 2019 US\$'000</b>	<b>1Q 2019 US\$'000</b>
Sales revenue from related corporations	-	923,199
Purchases from related corporation	-	981,534
Purchases from related corporation of a corporate shareholder	-	43,949
Services rendered from related corporation of a corporate shareholder	-	241
Supply chain services rendered from related corporation	-	3,299
Transportation revenue earned by associate from related corporations	-	2,438
Principal deposited with related corporations	-	25,625
Interest earned on principal deposited with related corporations	-	341

BY ORDER OF THE BOARD

Doreen Nah  
Company Secretary  
25 April 2019