

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.

GROUP	Apr-Jun 2004	Apr-Jun 2003	inc/(decr)	Jan-Jun 2004	Jan-Jun 2003	inc/(decr)
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	741,901	567,893	174,008	1,325,865	1,208,316	117,549
Cost of Revenue	(731,995)	(561,437)	170,558	(1,300,772)	(1,188,226)	112,546
<b>Gross Profit</b>	<b>9,906</b>	<b>6,456</b>	3,450	<b>25,093</b>	<b>20,090</b>	5,003
Other Income	4,024	3,381	643	4,428	7,426	(2,998)
Distribution costs	(125)	(69)	56	(308)	(136)	172
Administration costs	(277)	(247)	30	(436)	(374)	62
Other operating costs	(6,020)	(4,356)	1,664	(12,244)	(9,041)	3,203
<b>Profit from operating activities</b>	<b>7,508</b>	<b>5,165</b>	2,343	<b>16,533</b>	<b>17,965</b>	(1,432)
Finance costs	(1,040)	(544)	496	(2,273)	(1,012)	1,261
Share of result of associated companies	12,871	8,685	4,186	24,044	18,053	5,991
<b>Profit Before Taxation</b>	<b>19,339</b>	<b>13,306</b>	6,033	<b>38,304</b>	<b>35,006</b>	3,298
Taxation	(2,605)	(2,046)	559	(5,373)	(5,614)	(241)
Minority Interest	1	0	1	1	0	1
<b>Net Profit After Tax</b>	<b>16,735</b>	<b>11,260</b>	5,475	<b>32,932</b>	<b>29,392</b>	3,540

**Note 1:**

Profit from operating activities is derived after charging the following items:-

Interest on borrowing	423	320	103	607	503	104
Depreciation and amortization	607	798	(191)	1,205	1,597	(392)
FX loss/(gain)	(1,531)	(808)	723	(1,710)	87	1,797

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

	Group			Company		
	As at	As at	incr/(decr)	As at	As at	incr/(decr)
	30-Jun-04	31-Dec-03		30-Jun-04	31-Dec-03	
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Non Current Asset</b>						
Fixed Assets	17,514	17,844	(330)	17,237	17,553	(316)
Subsidiary company	0	0	0	8,769	722	8,047
Associated company	81,888	91,206	(9,318)	60,827	60,827	0
Investment	110,638	110,251	387	110,638	110,251	387
	<u>210,040</u>	<u>219,301</u>	<u>(9,261)</u>	<u>197,471</u>	<u>189,353</u>	<u>8,118</u>
<b>Current Assets</b>						
Inventory	1	4,232	(4,231)	0	4,172	(4,172)
Trade Debtors	174,089	220,793	(46,704)	173,797	220,618	(46,821)
Other Debtors, deposits and prepayment	18,152	15,674	2,478	18,005	15,359	2,646
Amount due from Holding Company	76,894	31,051	45,843	76,894	31,051	45,843
Amount due from Related Company	68,264	37,740	30,524	68,264	37,682	30,582
Fixed deposits	95,005	57,764	37,241	94,845	57,733	37,112
Cash and bank balances	241,059	10,989	230,070	230,172	10,785	219,387
	<u>673,464</u>	<u>378,243</u>	<u>295,221</u>	<u>661,977</u>	<u>377,400</u>	<u>284,577</u>
<b>Current Liabilities</b>						
Trade Creditors	243,250	248,761	(5,511)	243,139	248,590	(5,451)
Accrued staff costs	6,009	7,154	(1,145)	5,965	7,127	(1,162)
Other creditors and accruals	3,388	3,659	(271)	3,214	3,427	(213)
Amount due to Related Company	75,935	78,246	(2,311)	75,935	78,246	(2,311)
Amount due to Subsidiary Company	0	0	0	0	340	(340)
Amount due to Holding Company	18,144	0	18,144	18,144	0	18,144
Bank Loan	40,764	0	40,764	40,764	0	40,764
Trust receipt payables	26,243	29,640	(3,397)	26,243	29,640	(3,397)
Provision for taxation	2,655	4,760	(2,105)	2,653	4,757	(2,104)
	<u>416,388</u>	<u>372,220</u>	<u>44,168</u>	<u>416,057</u>	<u>372,127</u>	<u>43,930</u>
Net Current Asset/(Liability)	257,076	6,023	251,053	245,920	5,273	240,647
<b>Non Current Liabilities</b>						
Bank Loan	(230,996)	0	(230,996)	(230,996)	0	(230,996)
Deferred tax	(82)	(82)	0	(82)	(82)	0
	<u>(231,078)</u>	<u>(82)</u>	<u>(230,996)</u>	<u>(231,078)</u>	<u>(82)</u>	<u>(230,996)</u>
<b>Total Net Assets</b>	<b><u>236,038</u></b>	<b><u>225,242</u></b>	<b>10,796</b>	<b><u>212,313</u></b>	<b><u>194,544</u></b>	<b>17,769</b>
<b>Capital and reserves</b>						
Share capital	48,384	34,560	13,824	48,384	34,560	13,824
Share premium	50,153	63,977	(13,824)	50,153	63,977	(13,824)
Accumulated profits	135,447	102,513	32,934	113,776	71,815	41,961
Dividend reserve	0	24,192	(24,192)	0	24,192	(24,192)
	<u>233,984</u>	<u>225,242</u>	<u>8,742</u>	<u>212,313</u>	<u>194,544</u>	<u>17,769</u>
Minority Interest	2,054	0	2,054	0	0	0
<b>Equity and Minority Interest</b>	<b><u>236,038</u></b>	<b><u>225,242</u></b>	<b>10,796</b>	<b><u>212,313</u></b>	<b><u>194,544</u></b>	<b>17,769</b>

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

**Amount repayable in one year or less, or on demand**

As at 30/06/2004		As at 30/06/2003	
Secured	Unsecured	Secured	Unsecured
0	67,007	0	29,640

**Amount repayable after one year**

As at 30/06/2004		As at 30/06/2003	
Secured	Unsecured	Secured	Unsecured
0	230,996	0	0

**Details of any collateral**

NA

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

	Group			
	Apr to Jun 04 S\$'000	Apr to Jun 03 S\$'000	Jan to Jun 04 S\$'000	Jan to Jun 03 S\$'000
<b>Cash flow from operating activities</b>				
Profit before taxation	19,339	13,306	38,304	35,006
Adjustments for:				
Depreciation of fixed assets	239	178	468	357
Amortization of Goodwill	368	620	737	1,240
Interest expenses	423	320	607	503
Interest income	(268)	(273)	(488)	(427)
Dividend Income	(2,224)	(2,296)	(2,224)	(6,977)
Share of profit of associated company	(12,871)	(8,685)	(24,044)	(18,053)
<b>Operating profit before reinvestment in working capital</b>	5,006	3,170	13,360	11,649
(Increase)/decrease in Inventory	16	(7,677)	4,231	2,871
(Increase)/decrease in trade debtors	(93,133)	54,126	46,704	25,745
(Increase)/decrease in other debtors, deposits and prepayments	(3,620)	8,057	(2,478)	(3,285)
(Increase)/decrease in amount due from related company	(30,187)	0	(30,524)	(8)
(Increase)/decrease in amount due from Holding Company	(45,836)	0	(45,843)	0
Increase/(decrease) in amount due to Holding Company	18,144	(79,055)	18,144	(79,055)
Increase/(decrease) in amount due to Related Company	(2,311)	78,246	(2,311)	78,246
Increase/(decrease) in trade creditors	113,156	(41,325)	(5,511)	7,054
Increase/(decrease) in other creditors and accruals	16,467	(19,135)	(271)	(9,664)
Increase/(decrease) in accrued staff costs	196	1,511	(1,145)	1,893
Increase/(decrease) in trust receipt payables	(4,605)	0	(3,397)	(25,757)
<b>Cash generated from operations</b>	(26,707)	(2,082)	(9,041)	9,689
Income tax paid	(3,824)	(2,348)	(3,832)	(3,077)
Interest received	268	273	488	427
Interest paid	(423)	(320)	(607)	(503)
<b>Net cash from operating activities</b>	(30,686)	(4,477)	(12,992)	6,536
<b>Cash flow from investing activities</b>				
Purchase of fixed assets	(48)	(166)	(139)	(166)
Expenses incurred in investment in SPIA	0	65	0	(63)
Acquisition of subsidiary, net of cash acquired	2,058	0	2,058	0
Additions in other investment	(387)	(148)	(387)	(148)
Dividend Received	31,203	2,296	31,203	6,977
<b>Net cash used in investing activities</b>	32,826	2,047	32,735	6,600
<b>Cash flow from financing activities</b>				
Bank Loan	271,760	0	271,760	0
Dividend paid on ordinary shares	(24,192)	(1,440)	(24,192)	(1,440)
Net cash generated from financing activities	247,568	(1,440)	247,568	(1,440)
<b>Net increase in cash and cash equivalents</b>	249,708	(3,870)	267,311	11,696
Cash and cash equivalents at beginning of period	86,356	68,473	68,753	52,907
<b>Cash and cash equivalent at end of period</b>	<b>336,064</b>	<b>64,603</b>	<b>336,064</b>	<b>64,603</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.

	Group				Company			
	Apr to Jun 04 S\$'000	Apr to Jun 03 S\$'000	Jan-Jun 04 S\$'000	Jan-Jun 03 S\$'000	Apr to Jun 04 S\$'000	Apr to Jun 03 S\$'000	Jan-Jun 04 S\$'000	Jan-Jun 03 S\$'000
<b>Issued Share Capital</b>								
Balance at beginning of period	34,560	28,800	34,560	28,800	34,560	28,800	34,560	28,800
Bonus issue of ordinary shares	13,824	5,760	13,824	5,760	13,824	5,760	13,824	5,760
Balance at end of period	48,384	34,560	48,384	34,560	48,384	34,560	48,384	34,560
<b>Share Premium</b>								
Balance at beginning of period	63,977	69,737	63,977	69,737	63,977	69,737	63,977	69,737
Amount capitalised for issue of bonus shares	(13,824)	(5,760)	(13,824)	(5,760)	(13,824)	(5,760)	(13,824)	(5,760)
Balance at end of period	50,153	63,977	50,153	63,977	50,153	63,977	50,153	63,977
<b>Accumulated Profits</b>								
Balance at beginning of period	118,712	90,567	102,515	72,435	78,794	66,847	71,815	56,045
Profit for the period	16,735	11,260	32,932	29,392	34,982	4,499	41,961	15,301
Balance at end of period	135,447	101,827	135,447	101,827	113,776	71,346	113,776	71,346
<b>Dividend Reserve</b>								
Balance at beginning of period	24,192	5,760	24,192	5,760	24,192	5,760	24,192	5,760
Final dividends paid	(24,192)	(5,760)	(24,192)	(5,760)	(24,192)	(5,760)	(24,192)	(5,760)
Balance at end of period	0	0	0	0	0	0	0	0
<b>Total Equity</b>	<b>233,984</b>	<b>200,364</b>	<b>233,984</b>	<b>200,364</b>	<b>212,313</b>	<b>169,883</b>	<b>212,313</b>	<b>169,883</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 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.

**Number of Shares Amount (\$'000)**

Ordinary Shares as at  
1 Jan 2004 - 691,199,999 34,560

Bonus Shares -  
2 for every 5 276,479,993 13,824

Balance as at 30 June 2004 967,679,992 48,384

During the financial period ended 30 June 2004, the Company issued 276,479,993 Bonus Shares on the basis of two (2) Bonus Shares for every five (5) existing Shares held as at Book Closure Date, 10 May 2004. The Bonus Issue was effected by capitalising S\$13,824K from the share premium account of the Company and applied it in making payment in full for the Bonus Shares which were allotted and issued to Shareholders.

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

The figures have not been audited or reviewed by the auditors.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited statements as at 31 December 2003.

**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.**

Not Applicable

**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.**

Earnings Per Share	2Q 2004	2Q 2003
Earnings per ordinary share for the period after deducting any provision for preference dividends:-		
(i) Based on the weighted average number of ordinary shares in issue; and	1.7 cents	1.2 cents
(ii) On a fully diluted basis	1.7 cents	1.2 cents
Weighted average number of shares ('000)	<b>967,680</b>	<b>967,680</b>

**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	
	6/30/2004	12/31/2003	6/30/2004	12/31/2003
<b>Net Asset Value</b>				
per ordinary share based on issued share capital as at the end of the period reported on	24.4 cents	32.6 cents	21.9 cents	28.1 cents
Number of Ordinary Shares issued ('000)	967,680	691,200	967,680	691,200

**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.

The Group achieved an increase in net profit after tax of 48.6% to S\$16.7 million for the 2Q 2004 compared to the same period last year.

Turnover was S\$741.9 million, an improvement of 30.6% over 2003. With the volatility of the market, together with tight risk management procedures, the Group improved gross trading margin from 1.1% in 2003 to 1.3% in 2004.

Contributions from investments were from the equity accounting of Shanghai Pudong (SPIA) and dividend from Compania Logistica de Hidrocarburos (CLH). SPIA contributions before tax increased by 48.2% compared to the 2003, whilst CLH dividend matched that of 2003.

A new subsidiary, Xinyuan, was set up to buy over the assets of Shuidong Tank Terminal in June 2004. As at the end of second quarter 2004, the outstanding balance in respect of SPIA's acquisition was settled in full.

Operating expenses increased by 43.1% due to increases in travel and financing costs.

The Group drew down the syndicated loan of US\$160 million in June.

The Company has been awarded the Global Trader Programme 5% tax incentive for a period of 5 years from 1 January 2004. This supercedes the previous award which granted a concessionary tax rate of 10%.

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

No variance from previous statement.

## 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 3rd quarter 2004 initial bulk purchase contract was for 630,000 metric tonnes. This is a new record for tendered volume on a quarterly basis, representing growth of some 16% over the 3rd quarter 2003.

The acquisition of Fortune Aviation Holdings is progressing well, and in-principle approval has been given by SGX on the listing and quotation of the new shares to be issued for the acquisition, subject to the final approval by Chinese Authorities.

The New Guangzhou Baiyun International Airport commenced operations on 5 Aug 2004 and has become the largest airport in China. Its passenger capacity is expected to reach 25 million in 2005, five years ahead of the original plan.

According to an article in Lianhe Zaobao dated 11 August 2004 on the new airport "*Beyond White Cloud is Bluesky*", the total jet fuel consumption at Guangzhou Baiyun airport is expected to increase 46% compared to 2003, to reach 650,000 metric tonnes in 2004 and 850,000 metric tonnes in 2005. Bluesky, the exclusive supplier of aviation fuel to 15 airports in Southern China including the Guangzhou Baiyun airport, is expected to benefit directly from the switch to the new airport, with profits for 2004 and 2005 from Bluesky's operations at this airport alone projected to grow by 22% and 23% to RMB121 million and RMB149 million respectively. In addition to future contribution from associated company Bluesky, the significant increases in demand for jet fuel at the new Guangzhou airport will also boost CAO's jet fuel procurement operations.

## 11. Dividend

### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

### (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

### (c) Date payable

Not Applicable.

### (d) Books closure date

Not Applicable.

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

No dividend has been declared/recommended.

## PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

Not Applicable.

## 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.**

Not Applicable.

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year ()	Previous Full Year ()
Ordinary		
Preference	0	0
Total:		

**BY ORDER OF THE BOARD**

Adrian Chang  
Company Secretary  
12 August 2004