



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD
(Company Registration No. 199303293Z)
Half Year Financial Statement For The Period Ended 30 June 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

	1H 2020	1H 2019	Variance	
	US\$'000	US\$'000	+ / -	%
Revenue (Note 1)	5,373,405	9,683,287		-44.51%
Cost of sales	(5,350,534)	(9,654,590)		-44.58%
Gross Profit	22,871	28,697		-20.30%
Other operating income (Note 2)	3,342	4,224		-20.88%
Administrative expenses	(5,019)	(5,902)		-14.96%
Other operating expenses (Note 3)	586	(6,551)		NM
Finance costs	(477)	(1,177)		-59.47%
Operating Profit	21,303	19,291		10.43%
Share of results of associates (net of tax) (Note 4)	3,889	38,277		-89.84%
Profit before tax	25,192	57,568		-56.24%
Tax expense (Note 5)	(1,621)	(2,784)		-41.77%
Profit for the period	23,571	54,784		-56.97%
Attributable to:				
Equity holders of the Company	23,571	54,784		-56.97%

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

	1H 2020	1H 2019	Variance
	US\$'000	US\$'000	+ / - %
PROFIT FOR THE PERIOD	23,571	54,784	-56.97%
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))	(6,783)	(2,215)	206.23%
Other comprehensive loss for the period, net of tax	(6,783)	(2,215)	206.23%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	16,788	52,569	-68.06%
Total comprehensive income attributable to:			
Owners of the Company	16,788	52,569	-68.06%

Note (a): Compared to the end of December 2019, the RMB and Korean Won depreciated by approximately 1.46% and 7.78% respectively against the US Dollar during the six months ended 30 June 2020 giving rise to the translation loss on foreign associates. RMB and Korean Won both depreciated by 0.17% 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 tax is derived at after crediting / (charging):

	1H 2020	1H 2019	Var
	US\$'000	US\$'000	+ / - %
Depreciation of property, plant and equipment	(377)	(385)	-2.08%
Depreciation of right-of-use assets	(5,515)	(5,229)	5.47%
Amortisation of intangible assets	(106)	(129)	-17.83%
Property, plant and equipment written off	(4)	-	NM
Bank interest income	2,256	4,476	-49.60%
Interest expense	(55)	(290)	-81.03%
Interest expense - lease liabilities	(177)	(318)	-44.34%
Net foreign exchange gain/(loss)	571	(281)	NM
Allowance for doubtful debts	982	(6,228)	NM

Note 1: Revenue

	1H 2020	1H 2019	Var
	US\$'000	US\$'000	+ / - %
Revenue from middle distillates	3,243,505	6,394,771	-49.28%
Revenue from other oil products	2,129,900	3,288,516	-35.23%
	5,373,405	9,683,287	-44.51%

Note 2: Other operating income

	1H 2020	1H 2019	Var
	US\$'000	US\$'000	+ / - %
Bank interest income	2,256	4,476	-49.60%
Net foreign exchange gain/(loss)	571	(281)	NM
Other income	515	29	NM
	3,342	4,224	-20.88%

Note 3: Other operating expenses

Other operating expenses for 1H 2020 was -US\$0.59 million compared to US\$6.55 million for 1H 2019, mainly due to the reversal of expected credit loss provision of US\$0.98 million in 1H 2020 compared to the impairment provision of US\$6.19 million in 1H 2019 as a result of lower receivables at end-June 2020.

Note 4: Share of results of associates

	1H 2020	1H 2019	Var
	US\$'000	US\$'000	+ / - %
Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd	2,134	34,187	-93.76%
Other associates	1,755	4,090	-57.09%
	3,889	38,277	-89.84%

Note 5: 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 whose earnings were impacted by COVID-19 pandemic. 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 the end of the immediately preceding financial year.

Statement of Financial Position

	Group		Company	
	As at 30 Jun 2020 US\$'000	As at 31 Dec 2019 US\$'000	As at 30 Jun 2020 US\$'000	As at 31 Dec 2019 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	4,568	4,905	4,334	4,647
Intangible assets	1,430	1,536	249	355
Subsidiaries	-	-	28,578	28,578
Associates	267,710	362,040	267,630	361,312
Financial asset at FVTOCI	5,500	5,500	-	-
Trade and other receivables	-	-	5,035	5,035
Right-of-use Assets	10,078	14,752	8,060	12,694
Deferred tax assets	2,201	3,602	2,197	3,598
	291,487	392,335	316,083	416,219
Current assets				
Inventories	77,643	58,676	60,655	32,687
Trade and other receivables	772,612	898,491	789,092	857,232
Contract assets	-	144,663	-	133,260
Cash and cash equivalents	406,707	378,780	335,891	340,618
	1,256,962	1,480,610	1,185,638	1,363,797
Total assets	1,548,449	1,872,945	1,501,721	1,780,016
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	215,573	215,573	215,573	215,573
Reserves	607,348	619,386	608,733	605,759
Total equity	822,921	834,959	824,306	821,332
Non-current liabilities				
Lease liabilities	1,342	3,916	415	2,894
Deferred tax liabilities	7,291	11,695	7,292	11,695
	8,633	15,611	7,707	14,589
Current liabilities				
Trade and other payables	700,933	864,463	660,737	800,688
Contract liabilities	5,926	144,874	1,137	133,397
Lease liabilities	8,926	10,973	7,834	10,010
Current tax liabilities	1,110	2,065	-	-
	716,895	1,022,375	669,708	944,095
Total liabilities	725,528	1,037,986	677,415	958,684
Total equity and liabilities	1,548,449	1,872,945	1,501,721	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 30 Jun 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 30 Jun 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

	1H 2020	1H 2019
	US\$'000	US\$'000
Cash flows from operating activities		
Profit for the period	23,571	54,784
Adjustments for:-		
Depreciation of property, plant and equipment	377	385
Depreciation of right-of-use assets	5,515	5,229
Amortisation of intangible assets	106	129
Property, plant and equipment written off	(4)	-
Allowance on doubtful debts	(982)	6,228
Fair value loss on derivative instruments	12,650	14,972
Share of results of associates (net of tax)	(3,889)	(38,277)
Interest income	(2,256)	(4,476)
Interest expense	55	290
Lease interest expense	177	318
Tax expense	1,621	2,784
Unrealised exchange differences	(52)	(956)
	36,889	41,410
Change in inventories	(18,967)	42,238
Change in trade and other receivables	367,704	(1,225,258)
Change in trade and other payables	(382,569)	1,023,582
Cash from/(used in) operating activities	3,057	(118,028)
Tax paid	(1,020)	(117)
Net cash from/(used in) operating activities	2,037	(118,145)
Cash flows from investing activities		
Interest received	725	1,514
Purchase of property, plant and equipment	(41)	(46)
Purchase of intangible assets	-	(31)
Proceeds from disposal of property, plant and equipment	6	-
Dividends received from associates	59,667	2,585
Net cash from investing activities	60,357	4,022
Cash flows from financing activities		
Interest paid	(55)	(290)
Interest paid on lease liabilities	(177)	(318)
Repayment of lease liabilities	(5,461)	(5,069)
Proceeds from loans and borrowing	46,560	-
Repayment of loans and borrowing	(46,560)	-
Dividend paid	(28,826)	(28,450)
Net cash used in financing activities	(34,519)	(34,127)
Net increase/(decrease) in cash and cash equivalents	27,875	(148,250)
Cash and cash equivalents at beginning of the period	378,780	357,690
Net effect of exchange rate fluctuations on cash held	52	956
Cash and cash equivalents at end of the period	406,707	210,396

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	-	54,784	-	(2,215)	-	52,569
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	-	(28,450)	-	-	-	(28,450)
As at 30 June 2019	215,573	544,634	(5,482)	2,360	36,178	793,263
As at 1 January 2020	215,573	589,294	(5,482)	(990)	36,564	834,959
Total comprehensive income for the year	-	23,571	-	(6,783)	-	16,788
Share of associates' accumulated profits transferred to statutory reserve	-	2	-	-	(2)	-
Dividend paid in respect of 2019, representing total transactions with shareholders recognised directly in equity	-	(28,826)	-	-	-	(28,826)
As at 30 June 2020	215,573	584,041	(5,482)	(7,773)	36,562	822,921

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	-	54,122	-	(2,214)	-	51,908
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	-	(28,450)	-	-	-	(28,450)
As at 30 June 2019	215,573	560,694	(5,482)	2,430	36,178	809,393
As at 1 January 2020	215,573	575,652	(5,482)	(975)	36,564	821,332
Total comprehensive income for the year	-	38,583	-	(6,783)	-	31,800
Share of associates' accumulated profits transferred to statutory reserve	-	2	-	-	(2)	-
Dividend paid in respect of 2019, representing total transactions with shareholders recognised directly in equity	-	(28,826)	-	-	-	(28,826)
As at 30 June 2020	215,573	585,411	(5,482)	(7,758)	36,562	824,306

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 half year ended 30 June 2020.

Treasury shares

The Company did not make any purchase of its own ordinary shares during the half-year ended 30 June 2020.

As at 30 June 2020, the Company held 6,000,000 ordinary shares (30 June 2019: 6,000,000) which represents 0.69% (30 June 2019: 0.69%) of the total number of issued shares of the Company (excluding treasury shares).

The Company has no subsidiary holdings as at 30 June 2020 and 30 June 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	1H 2020	4Q 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.

	1H 2020		1H 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	2.74	US cents	6.37	US cents
- Weighted average number of shares ('000)		860,184		860,184
(b) On a fully diluted basis	2.74	US cents	6.37	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	
	30 Jun 2020	31 Dec 2019	30 Jun 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)	95.67	97.07	95.83	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 30 June 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:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

PERFORMANCE REVIEW

BACKGROUND

The principal activities of the Group are jet fuel supply and trading, trading of other oil products and investments in oil-related assets. Consequently, income is derived from (i) supply and trading of jet fuel (ii) trading in other oil products and (iii) investments in oil related businesses.

CAO is the largest 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 wholly-owned subsidiaries which include China Aviation Oil (Hong Kong) Company Limited ("CAOHK") located in Hong Kong, North American Fuel Corporation ("NAFCO") located in North America, China Aviation Fuel (Europe) Limited ("CAFEU") and China Aviation Oil (Europe) Limited ("CAO Europe") located in the United Kingdom. As part of the Group's ongoing efforts to streamline its group structure, CAO Europe was placed under members' voluntarily liquidation ("MVL") in the fourth quarter of 2019 and this is expected to be completed in the second half of 2020.

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

1H 2020 v 1H 2019

The Group's net profit decreased by US\$31.21 million (56.97%) to US\$23.57 million for the first half year ended 30 June 2020 ("1H 2020") compared to US\$54.78 million for the first half year ended 30 June 2019

("1H 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 4.25 million tonnes (24.41%) to 13.16 million tonnes for 1H 2020 compared to 17.41 million tonnes for 1H 2019. Volume for middle distillates decreased by 2.69 million tonnes (25.97%) to 7.67 million tonnes from 10.36 million tonnes, of which jet fuel supply and trading volume decreased by 2.29 million tonnes (30.13%) to 5.31 million tonnes for 1H 2020 compared to 7.60 million tonnes for 1H 2019. Trading volume for gas oil decreased by 0.40 million tonnes (14.49%) to 2.36 million tonnes for 1H 2020 from 2.76 million tonnes for 1H 2019. The trading volume of other oil products decreased by 1.56 million tonnes (22.13%) to 5.49 million tonnes for 1H 2020 compared to 7.05 million tonnes for 1H 2019 attributable mainly to lower trading volume for fuel oil.

Total revenue decreased by US\$4,309.88 million (44.51%) to US\$5,373.41 million for 1H 2020 from US\$9,683.29 million for 1H 2019, mainly attributable to the decrease in oil price and volume as a result of the COVID-19 pandemic.

Total gross profit was US\$22.87 million for 1H 2020, a decrease of US\$5.83 million (20.30%) compared to US\$28.70 million for 1H 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\$3.34 million for 1H 2020 compared to US\$4.22 million for 1H 2019, a decrease of US\$0.88 million (20.88%) attributable mainly to lower bank interest income due to a decline in interest rate partially offset by foreign exchange gains and higher other income. Bank interest income was US\$2.26 million for 1H 2020 compared to US\$4.48 million for 1H 2019, a decrease of US\$2.22 million (49.60%) from time deposits placed with banks and financial institutions. Exchange differences improved by US\$0.85 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.

Total expenses decreased by US\$8.72 million (63.98%) to US\$4.91 million for 1H 2020 compared to US\$13.63 million for 1H 2019, mainly attributable to the reversal of provision for expected credit loss ("ECL") of US\$0.98 million in 1H 2020 compared to ECL provision of US\$6.19 million in 1H 2019, a decrease of US\$7.17 million. Staff costs, bank charges and interest expenses also decreased by US\$0.22 million and US\$0.60 million respectively.

The share of profits from associates was US\$3.89 million for 1H 2020 compared to US\$38.28 million for 1H 2019, a decrease of US\$34.39 million (89.84%), mainly attributable to lower contributions from Pudong. Share of results from Pudong was US\$2.14 million for 1H 2020 compared to US\$34.19 million for 1H 2019, a decrease of US\$32.05 million or 93.76%, 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\$1.75 million for 1H 2020 compared to US\$4.09 million for 1H 2019, a decrease of US\$2.34 million or 57.09%, mainly due to lower contribution from TSN-PEKCL owing to lower pipeline transportation revenue.

Income tax expense was US\$1.62 million for 1H 2020 compared to US\$2.78 million for 1H 2019, a decrease of US\$1.16 million (41.77%) mainly due to lower deferred tax liabilities recognised on the Company's share of undistributed retained earnings of associates.

Earnings per share was 2.74 US cents for 1H 2020 compared to 6.37 US cents for 1H 2019.

Statement of Financial Position

The Group's current assets stood at US\$1,256.96 million as at 30 June 2020 compared to US\$1,480.61 million as at 31 December 2019. The decrease of US\$223.65 million in current assets resulted mainly from the decrease of US\$270.55 million in trade and other receivables and contract assets, partially offset by the increase of US\$18.97 million in inventories and US\$27.93 million in cash and cash equivalents.

Non-current assets stood at US\$291.49 million as at 30 June 2020 compared to US\$392.34 million as at 31 December 2019. The decrease of US\$100.85 million was mainly attributable to the dividend distribution of US\$91.44 million from Pudong and the reduction of US\$6.78 million in foreign exchange translation differences.

Current liabilities which comprised of trade and other payables, contract liabilities, short term lease liabilities and tax liabilities, decreased by US\$305.48 million to US\$716.90 million as at 30 June 2020 compared to US\$1,022.38 million as at 31 December 2019, mainly attributable to the decrease of US\$302.48 million in trade and other payables and contract liabilities as a result of lower trading volumes and oil prices in June 2020 compared to December 2019.

Non-current liabilities which comprised of lease liabilities and deferred tax liabilities decreased by US\$6.98 million to US\$8.63 million as at 30 June 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\$822.92 million as at 30 June 2020, or 95.67 US cents per share, compared to US\$834.96 million as at 31 December 2019 or 97.07 US cents per share. The decrease in net assets value per share was mainly due to the dividend payout of 4.70 Singapore cents per share in June 2020.

Consolidated Statement of Cash Flows

1H 2020 v 1H 2019

The net cash generated from operating activities in 1H 2020 was US\$2.04 million compared to net cash of US\$118.15 million used in operating activities in 1H 2019, mainly attributable to timely collection from receivables.

Cash flows generated from investing activities were US\$60.36 million in 1H 2020 compared to US\$4.02 million in 1H 2019, mainly attributable to the receipt of dividend of US\$59.67 million from Pudong in 1H 2020.

Cash flows used in financing activities in 1H 2020 were US\$34.52 million compared to US\$34.13 million in 1H 2019, mainly attributable to the higher dividends payout in 1H 2020.

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

Not applicable.

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The COVID-19 pandemic has brought about unprecedented impact on the global aviation industry with air travel demand plummeting to dramatic levels. The drop in demand for jet fuel as a result of lockdown measures had further exacerbated the global oil supply glut resulting in declines in oil prices. Oil prices have since recovered modestly due to massive cuts in crude oil production output. However, concerns over the global economic recovery and geopolitical tensions will continue to increase volatility in oil prices.

Although the ongoing difficult market conditions are expected to have a material adverse impact on the financial performance of CAO for the current financial year, the Group has been managing its businesses by implementing detailed protocols across the Group's operations to ensure minimal operational disruptions

and to sustain business continuity. With a healthy balance sheet and strong liquidity position, 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
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 30 June 2020.

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 2020 to 30 June 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) 1H 2020 US\$'000	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) 1H 2020 US\$'000
Sales from related corporations	Associates of Controlling Shareholder, China National Aviation Fuel Group Limited	-	642,843
Purchases from related corporations		-	109,715
Supply chain services rendered from related corporation		-	4,568
Transportation revenue earned by associate from related corporations *		-	1,778
Principal deposited with related corporations		-	106,801
Interest income earned from principal deposited with related corporations		-	82

	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) 1H 2020 US\$'000	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) 1H 2020 US\$'000
Sales from related corporation of a corporate shareholder	Associates of Controlling Shareholder, BP Investments Asia Limited	-	292,734
Purchases from related corporation of a corporate shareholder		-	463,120
Services rendered from related corporation of a corporate shareholder		-	237
Supply chain services rendered from related corporation of a corporate shareholder		-	952

* 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

14. 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.

BY ORDER OF THE BOARD

Doreen Nah
Company Secretary
30 July 2020