



**CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD**  
**(Company Registration No. 199303293Z)**  
**Third Quarter Financial Statement For The Period Ended 30 September 2019**

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>3Q 2019</b>	<b>3Q 2018</b>	<b>Variance</b>		<b>YTD 3Q 2019</b>	<b>YTD 3Q 2018</b>	<b>Variance</b>	
	<b>US\$'000</b>	<b>US\$'000</b>	<b>+ / -</b>	<b>%</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>+ / -</b>	<b>%</b>
Revenue (Note 1)	5,558,717	6,332,432	-12.22%		15,242,004	16,234,819	-6.12%	
Cost of sales	(5,542,422)	(6,321,357)	-12.32%		(15,197,012)	(16,194,153)	-6.16%	
<b>Gross Profit</b>	<b>16,295</b>	<b>11,075</b>	<b>47.13%</b>		<b>44,992</b>	<b>40,666</b>	<b>10.64%</b>	
Other operating income (Note 2)	976	80	1120.00%		5,200	2,662	95.34%	
Administrative expenses	(4,108)	(3,749)	9.58%		(10,010)	(11,440)	-12.50%	
Other operating expenses	952	(2,109)	NM		(5,599)	(5,726)	-2.22%	
Finance costs	(640)	(2,373)	-73.03%		(1,817)	(4,007)	-54.65%	
<b>Operating Profit</b>	<b>13,475</b>	<b>2,924</b>	<b>360.84%</b>		<b>32,766</b>	<b>22,155</b>	<b>47.89%</b>	
Share of results of associates (net of tax) (Note 3)	12,587	17,497	-28.06%		50,864	57,068	-10.87%	
<b>Profit before tax</b>	<b>26,062</b>	<b>20,421</b>	<b>27.62%</b>		<b>83,630</b>	<b>79,223</b>	<b>5.56%</b>	
Tax expense (Note 4)	(2,204)	(1,493)	47.62%		(4,988)	(4,090)	21.96%	
<b>Profit for the period</b>	<b>23,858</b>	<b>18,928</b>	<b>26.05%</b>		<b>78,642</b>	<b>75,133</b>	<b>4.67%</b>	
<b>Attributable to:</b>								
Equity holders of the Company	23,858	18,928	26.05%		78,642	75,133	4.67%	

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**

	3Q 2019	3Q 2018	Variance		YTD 3Q 2019	YTD 3Q 2018	Variance	
	US\$'000	US\$'000	+ / -	%	US\$'000	US\$'000	+ / -	%
<b>PROFIT FOR THE PERIOD</b>	23,858	18,928	26.05%		78,642	75,133	4.67%	
<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))	(9,126)	(9,588)	-4.82%		(11,341)	(17,048)	-33.48%	
<b>Other comprehensive loss for the period, net of tax</b>	(9,126)	(9,588)	-4.82%		(11,341)	(17,048)	-33.48%	
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	14,732	9,340	57.73%		67,301	58,085	15.87%	
<b>Total comprehensive income attributable to:</b>								
Owners of the Company	14,732	9,340	57.73%		67,301	58,085	15.87%	

Note (a): For the nine months ended 30 September 2019, RMB and Korean Won depreciated by approximately 2.97% and 7.78% respectively against the US Dollar compared to end of December 2018 giving rise to the translation loss on foreign associates. RMB and Korean Won both depreciated by 5.61% and 4.26% respectively against the US Dollar compared to 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):

	3Q 2019	3Q 2018	Var	YTD 3Q 2019	YTD 3Q 2018	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Depreciation of property, plant and equipment	(196)	(178)	10.11%	(581)	(502)	15.74%
Depreciation of right-of-use assets	(2,727)	-	NM	(7,956)	-	NM
Amortisation of intangible assets	(65)	(53)	22.64%	(194)	(167)	16.17%
Property, plant and equipment written off	-	-	-	-	(4)	NM
Bank interest income	1,203	923	30.34%	5,679	3,225	76.09%
Interest expense	(155)	(2,009)	-92.28%	(445)	(2,931)	-84.82%
Interest expense - lease liabilities	(135)	-	NM	(453)	-	NM
Net foreign exchange loss	(228)	(843)	-72.95%	(509)	(563)	-9.59%
Allowance for doubtful debts	2,184	(1,621)	-234.73%	(4,008)	(4,593)	-12.74%

**Note 1: Revenue**

	3Q 2019	3Q 2018	Var	YTD 3Q 2019	YTD 3Q 2018	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Revenue from middle distillates	3,699,232	3,580,019	3.33%	10,094,003	9,376,765	7.65%
Revenue from other oil products	1,859,485	2,752,413	-32.44%	5,148,001	6,858,054	-24.93%
	5,558,717	6,332,432	-12.22%	15,242,004	16,234,819	-6.12%

**Note 2: Other operating income**

	3Q 2019	3Q 2018	Var	YTD 3Q 2019	YTD 3Q 2018	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Bank interest income	1,203	923	30.34%	5,679	3,225	76.09%
Net foreign exchange loss	(228)	(843)	-72.95%	(509)	(563)	-9.59%
Other income	1	-	NM	30	-	NM
	976	80	1120.00%	5,200	2,662	95.34%

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

	3Q 2019	3Q 2018	Var	YTD 3Q 2019	YTD 3Q 2018	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd (“Pudong”)	11,290	16,486	-31.52%	45,477	51,057	-10.93%
Other associates	1,297	1,011	28.29%	5,387	6,011	-10.38%
	12,587	17,497	-28.06%	50,864	57,068	-10.87%

**Note 4: 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 incorporated in China is subject to withholding tax. The increase in tax expense was mainly attributable to higher income tax provision.

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**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Sep 2019 US\$'000</b>	<b>As at 31 Dec 2018 US\$'000</b>	<b>As at 30 Sep 2019 US\$'000</b>	<b>As at 31 Dec 2018 US\$'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5,036	5,246	4,799	4,964
Intangible assets	1,557	1,662	376	481
Subsidiaries	-	-	66,411	66,411
Associates	347,096	311,449	340,334	304,076
Trade and other receivables	-	-	5,035	5,035
Right-of-use Assets*	17,370	-	15,202	-
Deferred tax assets	3,404	4,504	3,400	4,500
	374,463	322,861	435,557	385,467
<b>Current assets</b>				
Inventories	87,296	110,768	52,460	92,536
Trade and other receivables	1,711,303	862,249	1,655,408	842,999
Cash and cash equivalents	194,747	357,690	164,661	334,747
	1,993,346	1,330,707	1,872,529	1,270,282
<b>Total assets</b>	2,367,809	1,653,568	2,308,086	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	592,422	553,571	607,670	570,362
<b>Total equity</b>	807,995	769,144	823,243	785,935
<b>Non-current liabilities</b>				
Lease liabilities*	5,931	-	4,650	-
Deferred tax liabilities	11,017	8,051	11,017	8,051
	16,948	8,051	15,667	8,051
<b>Current liabilities</b>				
Trade and other payables	1,500,197	875,540	1,446,671	861,554
Contract liabilities	29,480	-	11,551	-
Lease liabilities*	11,637	-	10,745	-
Loans and borrowings	-	-	209	209
Current tax liabilities	1,552	833	-	-
	1,542,866	876,373	1,469,176	861,763
<b>Total liabilities</b>	1,559,814	884,424	1,484,843	869,814
<b>Total equity and liabilities</b>	2,367,809	1,653,568	2,308,086	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 30 Sep 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 30 Sep 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**

	3Q 2019 US\$'000	3Q 2018 US\$'000	YTD 3Q 2019 US\$'000	YTD 3Q 2018 US\$'000
<b>Cash flows from operating activities</b>				
Profit for the period	23,858	18,928	78,642	75,133
Adjustments for:-				
Depreciation of property, plant and equipment	196	178	581	502
Depreciation of right-of-use assets	2,727	-	7,956	-
Amortisation of intangible assets	65	53	194	167
Property, plant and equipment written off	-	-	-	4
Allowance on doubtful debts	(2,184)	1,621	4,008	4,593
Fair value loss/(gain) on derivative instruments	(4,461)	36,511	10,511	26,165
Share of results of associates (net of tax)	(12,587)	(17,497)	(50,864)	(57,068)
Interest income	(1,203)	(923)	(5,679)	(3,225)
Interest expense	155	2,009	445	2,931
Lease interest expense	135	-	453	-
Tax expense	2,204	1,493	4,988	4,090
Unrealised exchange differences	62	(343)	(894)	(326)
	8,967	42,030	50,341	52,966
Change in inventories	(18,766)	(43,278)	23,472	45,048
Change in trade and other receivables	417,023	(446,021)	(808,235)	(901,870)
Change in trade and other payables	(420,665)	477,707	602,953	902,160
Cash (used in)/from operating activities	(13,441)	30,438	(131,469)	98,304
Tax paid	(66)	(31)	(183)	(230)
<b>Net cash (used in)/from operating activities</b>	<b>(13,507)</b>	<b>30,407</b>	<b>(131,652)</b>	<b>98,074</b>
<b>Cash flows from investing activities</b>				
Interest received	243	172	1,757	1,227
Purchase of property, plant and equipment	(324)	(324)	(370)	(487)
Purchase of intangible assets	(59)	(26)	(90)	(131)
Acquisition of subsidiaries, net of cash acquired	-	-	-	(11,965)
Dividends received from associates	1,039	4,771	3,624	4,771
<b>Net cash from/(used in) investing activities</b>	<b>899</b>	<b>4,593</b>	<b>4,921</b>	<b>(6,585)</b>
<b>Cash flows from financing activities</b>				
Interest paid	(155)	(1,799)	(445)	(2,721)
Interest paid on lease liabilities	(135)	-	(453)	-
Repayment of lease liabilities	(2,689)	-	(7,758)	-
Proceeds from loans and borrowing	-	-	-	25,000
Repayment of loans and borrowing	-	-	-	(145,000)
Dividend paid	-	-	(28,450)	(29,148)
<b>Net cash used in financing activities</b>	<b>(2,979)</b>	<b>(1,799)</b>	<b>(37,106)</b>	<b>(151,869)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(15,587)</b>	<b>33,201</b>	<b>(163,837)</b>	<b>(60,380)</b>
Cash and cash equivalents at beginning of the period	210,396	206,444	357,690	300,042
Net effect of exchange rate fluctuations on cash held	(62)	343	894	326
<b>Cash and cash equivalents at end of the period</b>	<b>194,747</b>	<b>239,988</b>	<b>194,747</b>	<b>239,988</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	-	78,642	-	(11,341)	-	67,301
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)
<b>As at 30 September 2019</b>	<b>215,573</b>	<b>568,492</b>	<b>(5,482)</b>	<b>(6,766)</b>	<b>36,178</b>	<b>807,995</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	-	77,098	-	(11,340)	-	65,758
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)
<b>As at 30 September 2019</b>	<b>215,573</b>	<b>583,670</b>	<b>(5,482)</b>	<b>(6,696)</b>	<b>36,178</b>	<b>823,243</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 30 September 2019.

### Treasury shares

The Company did not make any purchase of its own ordinary shares during the quarter ended 30 September 2019.

As at 30 September 2019, the Company held 6,000,000 ordinary shares (30 September 2018: 6,000,000) which represents 0.69% (30 September 2018: 0.69%) of the total number of issued shares of the Company (excluding treasury shares).

The Company has no subsidiary holdings as at 30 September 2019 and 30 September 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>3Q 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>	<b>860,183,628</b>	<b>860,183,628</b>

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.

	3Q 2019		3Q 2018		YTD 3Q 2019		YTD 3Q 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	2.77	US cents	2.20	US cents	9.14	US cents	8.73	US cents
- Weighted average number of shares ('000)	860,184		860,184		860,184		860,184	
(b) On a fully diluted basis	2.77	US cents	2.20	US cents	9.14	US cents	8.73	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	
	30 Sep 2019	31 Dec 2018	30 Sep 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)	93.93	89.42	95.71	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 30 September 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 the trading of jet fuel and other oil products. The Company has wholly-owned subsidiaries viz. 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") and China Aviation Oil (Europe) Limited ("CAO Europe") 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

#### 3rd Qtr 2019 v 3rd Qtr 2018

Total supply and trading volume decreased by 0.10 million tonnes (0.96%) to 10.37 million tonnes for the third quarter ended 30 September 2019 ("3Q 2019") compared to 10.47 million tonnes for the third quarter ended 30 September 2018 ("3Q 2018"). Trading volume for other oil products decreased by 1.10 million tonnes (-20.64%) to 4.23 million tonnes for 3Q 2019 compared to 5.33 million tonnes for 3Q 2018 attributable mainly to the decrease in trading volume for fuel oil. Volume for middle distillates increased 1.00 million tonnes (19.46%) to 6.14 million tonnes from 5.14 million tonnes, of which, the volume of jet fuel supply and trading increased by 0.33 million tonnes (8.27%) to 4.32 million tonnes for 3Q 2019 compared to 3.99 million tonnes for 3Q 2018. Trading volume for gasoil increased by 0.67 million tonnes (58.26%) to 1.82 million tonnes for 3Q 2019 from 1.15 million tonnes for 3Q 2018.

Total revenue decreased by US\$773.71 million (12.22%) to US\$5,558.72 million for 3Q 2019 from US\$6,332.43 million for 3Q 2018, attributable primarily to lower oil prices.

Total gross profit was US\$16.30 million for 3Q 2019, an increase of US\$5.22 million (47.13%) compared to US\$11.08 million for 3Q 2018 mainly due to higher jet supply volume and higher profits from trading and optimisation activities.

Other operating income increased by US\$0.90 million (1,120%) to US\$0.98 million for 3Q 2019 compared to US\$0.08 million for 3Q 2018, mainly attributable to higher interest income and lower foreign exchange loss. Interest income which was derived from time deposits placed with banks was US\$1.20 million for 3Q 2019 compared to US\$0.92 million for 3Q 2018, an increase of US\$0.28 million (30.34%).

Total expenses decreased by US\$4.43 million (53.83%) to US\$3.80 million for 3Q 2019 compared to US\$8.23 million for 3Q 2018, mainly attributable to i) the reversal of provision for expected credit loss (“ECL”) of US\$2.18 million in 3Q 2019 compared to ECL provision of US\$1.62 million in 3Q 2018; and ii) improve working capital management resulting in lower interest expenses incurred on discounting Letters of Credit.

The share of profits from associates was US\$12.59 million for 3Q 2019 compared to US\$17.50 million for 3Q 2018, a decrease of US\$4.91 million (28.06%) mainly due to lower profit contributions from Pudong. The share of profits from Pudong was US\$11.29 million for 3Q 2019 compared to US\$16.49 million for 3Q 2018, decreased by US\$5.20 million (31.52%) mainly due to lower revenue and foreign exchange changes. Share of profits from other associates increased by US\$0.29 million (28.29%) to US\$1.30 million for 3Q 2019 compared to US\$1.01 million for 3Q 2018 mainly due to higher contribution from OKYC.

Income tax expense was US\$2.20 million for 3Q 2019 compared to US\$1.49 million for 3Q 2018, an increase of US\$0.71 million (47.62%) mainly due to higher income tax provision.

The Group’s net profit for 3Q 2019 increased by US\$4.93 million (26.05%) to US\$23.86 million compared to US\$18.93 million for 3Q 2018, mainly attributable to higher gross profit and lower operating expenses, partially offset by lower share of results from associates. Earnings per share was 2.77 US cents for 3Q 2019 compared to 2.20 US cents for 3Q 2018.

### ***3rd Qtr 2019 v 2nd Qtr 2019***

Total supply and trading volume decreased by 0.26 million tonnes (2.45%) to 10.37 million tonnes for 3Q 2019 compared to 10.63 million tonnes for the second quarter ended 30 June 2019 (“2Q 2019”). Trading volume of other oil products decreased by 0.68 million tonnes (13.85%) to 4.23 million tonnes for 3Q 2019 compared to 4.91 million tonnes for 2Q 2019 attributable mainly to lower trading volume for crude oil and fuel oil. Volume for middle distillates increased 0.42 million tonnes (7.34%) to 6.14 million tonnes from 5.72 million tonnes, of which, supply and trading volume for jet fuel increased by 0.26 million tonnes (6.40%) to 4.32 million tonnes for 3Q 2019 from 4.06 million tonnes for 2Q 2019. The volume of gasoil increased by 0.16 million tonnes (9.64%) to 1.82 million tonnes for 3Q 2019 compared to 1.66 million tonnes for 2Q 2019.

Total revenue decreased by US\$406.68 million (6.82%) to US\$5,558.72 million for 3Q 2019 from US\$5,965.40 million for 2Q 2019, primarily due to lower oil prices.

Total gross profit was US\$16.30 million for 3Q 2019, a decrease of US\$0.78 million (4.57%) compared to US\$17.08 million for 2Q 2019 mainly due to slightly lower profits from trading and optimisation activities.

Other operating income decreased by US\$0.91 million (48.41%) to US\$0.98 million for 3Q 2019 compared to US\$1.89 million for 2Q 2019, mainly attributable to lower interest income.

Total expenses decreased by US\$4.23 million (52.71%) to US\$3.80 million for 3Q 2019 compared to US\$8.03 million for 2Q 2019, mainly attributable to the reversal for ECL of US\$2.18 million in 3Q 2019 compared to ECL provision of US\$1.90 million in 2Q 2019.

The share of profits from associates was US\$12.59 million for 3Q 2019 compared to US\$19.16 million for 2Q 2019, a decrease of US\$6.57 million (34.29%) mainly due to lower profit contributions from Pudong.

Income tax expense was US\$2.20 million for 3Q 2019 compared to US\$1.65 million for 2Q 2019, an increase of US\$0.55 million (33.33%) mainly due to the higher income tax provision.

The Group's net profit for 3Q 2019 was US\$23.86 million compared to US\$28.45 million for 2Q 2019, a decrease of US\$4.59 million (16.14%) attributable mainly to lower share of results from associates. Earnings per share was 2.77 US cents for 3Q 2019 compared to 3.31 US cents for 2Q 2019.

#### ***YTD 3Q 2019 v YTD3Q 2018***

The total supply and trading volume decreased by 0.25 million tonnes (0.89%) to 27.78 million tonnes for the nine months ended 30 September 2019 ("YTD 3Q 2019") compared to 28.03 million tonnes for the nine months ended 30 September 2018 ("YTD 3Q 2018"). The trading volume for other oil products decreased by 2.79 million tonnes (19.83%) to 11.28 million tonnes for YTD 3Q 2019 compared to 14.07 million tonnes for YTD 3Q 2018 attributable mainly to lower trading volume for fuel oil. Volume for middle distillates increased 2.54 million tonnes (18.19%) to 16.50 million tonnes from 13.96 million tonnes, of which jet fuel supply and trading volume increased by 1.19 million tonnes (11.09%) to 11.92 million tonnes for YTD 3Q 2019 compared to 10.73 million tonnes for YTD 3Q 2018. Trading volume for gasoil increased by 1.35 million tonnes (41.80%) to 4.58 million tonnes for YTD 3Q 2019 from 3.23 million tonnes for YTD 3Q 2018.

Total revenue decreased by US\$992.82 million (6.12%) to US\$15,242.00 million for YTD 3Q 2019 from US\$16,234.82 million for YTD 3Q 2018, mainly attributable to the decrease in oil prices.

Total gross profit was US\$44.99 million for YTD 3Q 2019, an increase of US\$4.32 million (10.64%) compared to US\$40.67 million for YTD 3Q 2018, mainly due to higher jet supply volume and higher gains derived from trading and optimisation activities.

Other operating income was higher at US\$5.20 million for YTD 3Q 2019 compared to US\$2.66 million for YTD 3Q 2018, an increase of US\$2.54 million (95.34%) attributable mainly to higher interest income in YTD 3Q 2019. Bank interest income was US\$5.68 million for YTD 3Q 2019 compared to US\$3.23 million for YTD 3Q 2018, an increase of US\$2.45 million (76.09%) derived from time deposits placed with banks and financial institutions.

Total expenses decreased by US\$3.74 million (17.70%) to US\$17.43 million for YTD 3Q 2019 compared to US\$21.17 million for YTD 3Q 2018 mainly attributable to the decrease in staff costs and interest expense.

The share of profits from associates was US\$50.86 million for YTD 3Q 2019 compared to US\$57.07 million for YTD 3Q 2018, a decrease of US\$6.21 million (10.87%) mainly attributable to lower profit contribution from Pudong. The share of profits in Pudong was US\$45.48 million for YTD 3Q 2019 compared to US\$51.06 million for YTD 3Q 2018, a decrease of US\$5.58 million (10.93%) mainly due to lower revenue and foreign exchange changes. Share of profits from the other associates decreased US\$0.63 million (10.38%) to US\$5.39 million for YTD 3Q 2019, compared to US\$6.01 million for YTD 3Q 2018.

Income tax expense was US\$4.99 million for YTD 3Q 2019 compared to US\$4.09 million for YTD 3Q 2018, an increase of US\$0.90 million (21.96%) due mainly to higher income tax provision.

The Group's net profit increased by US\$3.51 million (4.67%) to US\$78.64 million for YTD 3Q 2019 compared to US\$75.13 million for YTD 3Q 2018, mainly attributable to the increase in gross profit and lower operating expenses, partially offset by lower share of results from associates. Earnings per share was 9.14 US cents for YTD 3Q 2019 compared to 8.73 US cents for YTD 3Q 2018.

#### **Statement of Financial Position**

The Group's current assets stood at US\$1,993.35 million as at 30 September 2019 compared to US\$1,330.71 million as at 31 December 2018. The increase of US\$662.64 million in current assets resulted mainly from the increase of US\$849.05 million in trade and other receivables, the decrease of US\$23.47 million in inventories and US\$162.94 million in cash and cash equivalents.

Non-current assets stood at US\$374.46 million as at 30 September 2019, compared to US\$322.86 million as at 31 December 2018. The increase of US\$51.60 million was mainly attributable to the share of profits in associates of US\$50.86 million and the increase in right-of-use assets of US\$17.37 million following the adoption of SFRS(I) 16 – *Leases*, partially offset by the reduction of US\$11.34 million in foreign exchange translation reserve and US\$3.62 million dividend received from associates.

Current liabilities which comprised trade and other payables, contract liabilities, short term leased liabilities and tax payables, increased by US\$666.50 million to US\$1,542.87 million as at 30 September 2019 compared to US\$876.37 million as at 31 December 2018, attributable mainly to the increase of US\$654.14 million in trade and other payables and contract liabilities as a result of higher monthly trading volume and oil prices in September 2019 compared to in December 2018. Short term leased liabilities as a result of adopting SFRS(I) 16, was US\$11.64 million as at 30 September 2019.

Non-current liabilities which comprised of leased liabilities and deferred tax liabilities increased by US\$8.90 million to US\$16.95 million as at 30 September 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\$5.93 million as at 30 September 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\$808.00 million as at 30 September 2019, or 93.93 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**

##### ***3Q 2019 v 3Q 2018***

The net cash used in operating activities was US\$13.51 million in 3Q 2019 compared to net cash generated from operating activities of US\$30.41 million in 3Q 2018, attributable mainly to higher working capital requirements for trading activities.

Cash flows generated from investing activities amounted to US\$0.90 million in 3Q 2019 compared to US\$4.59 million in 3Q 2018, mainly attributable to lower receipt of dividends from associates.

Cash flows used in financing activities in 3Q 2019 was US\$2.98 million compared to US\$1.80 million in 3Q 2018 attributable mainly to the repayment of lease liabilities in 3Q 2019.

##### ***YTD 3Q 2019 v YTD 3Q 2018***

The net cash used in operating activities was US\$131.65 million in YTD 3Q 2019 compared to net cash generated from operating activities of US\$98.07 million in YTD 3Q 2018, attributable mainly to higher working capital requirements for trading activities.

Cash flows generated from investing activities was US\$4.92 million in YTD 3Q 2019, mainly attributable to interest income and the receipt of dividend from associates. Cash flows used in investing activities amounted to US\$6.59 million in YTD 3Q 2018 mainly attributable to the acquisition of CAFEU in 2Q 2018.

Cash flows used in financing activities in YTD 3Q 2019 was US\$37.11 million compared to US\$151.87 million in YTD 3Q 2018 attributable mainly to the repayment of bank borrowings and dividends payout.

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.

Brent crude prices averaged around US\$60 per barrel in the third quarter of 2019. The attack at the Saudi oil production facility on 14 September had briefly boosted oil prices. However, Brent crude prices resumed its downward trajectory after 18 September, closing around US\$59 per barrel by mid October 2019. Concerns over ongoing trade tensions and uncertainties in global economic and geopolitical outlook further exacerbated the volatility in oil prices and freight costs.

Notwithstanding the continuing global economic headwinds, CAO 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 seek opportunities for expansion through investments in synergetic and strategic oil related assets and businesses and will remain focused on pursuing its long term strategy to ensure steady and sustainable growth and 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 30 September 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 30 September 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)	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>3Q 2019 US\$'000</b>	<b>3Q 2019 US\$'000</b>	<b>YTD 3Q 2019 US\$'000</b>	<b>YTD 3Q 2019 US\$'000</b>
Sales revenue from related Corporations	0	974,370	0	2,880,361
Sale revenue from related corporation of a corporate shareholder	0	299,073	0	439,364
Purchases from related corporation	0	281,005	0	2,211,674
Purchase from related corporation of a corporate shareholder <sup>^</sup>	0	275,116	0	598,898
Services rendered from related corporation of a corporate shareholder	0	0	0	241
Supply chain services rendered from related corporation	0	2,676	0	7,928
Supply chain services rendered from related corporation of a corporate shareholder	0	730	0	730
Transportation revenue earned by associate from related corporations	0	2,252	0	6,997
Principal deposited with related corporations	0	4,360	0	31,683
Interest earned on principal deposited with related corporations	0	108	0	703

<sup>^</sup> Amount for the quarter included an adjustment of US\$ 66,497,200 reflecting transactions that were not included in previous quarter's reporting.

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  
1 November 2019