



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD
(Company Registration No. 199303293Z)
Full Year Financial Statement For The Period Ended 31 December 2012

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), 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.

These figures have not been audited:

	Group				Group			
	4Q 2012	4Q 2011	Variance		Jan-Dec 2012	Jan-Dec 2011	Variance	
	US\$'000	US\$'000	+ / -	%	US\$'000	US\$'000	+ / -	%
Revenue (Note 1)	4,406,913	2,144,326	105.52%		14,807,984	9,011,978	64.31%	
Cost of sales	(4,398,334)	(2,136,498)	105.87%		(14,765,234)	(8,972,012)	64.57%	
Gross Profit	8,579	7,828	9.59%		42,750	39,966	6.97%	
Other operating income (Note 2)	631	1,364	-53.74%		800	2,209	-63.78%	
Administrative expenses	(3,625)	(2,513)	44.25%		(13,075)	(7,598)	72.08%	
Other operating expenses	(546)	(5,157)	-89.41%		(2,445)	(6,132)	-60.13%	
Finance costs	(1,768)	(738)	139.57%		(5,644)	(2,757)	104.72%	
Operating Profit	3,271	784	317.22%		22,386	25,688	-12.85%	
Share of results of associates (net of tax) (Note 3)	15,236	5,445	179.82%		43,187	40,232	7.34%	
Profit before income tax	18,507	6,229	197.11%		65,573	65,920	-0.53%	
Tax expense (Note 4)	(354)	(538)	-34.20%		616	(2,519)	NM	
PROFIT FOR THE PERIOD	18,153	5,691	218.98%		66,189	63,401	4.40%	
Attributable to:								
Equity holders of the Company	18,153	5,691	218.98%		66,189	63,401	4.40%	

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

	Group			Group		
	4Q 2012	4Q 2011	Variance	Jan-Dec 2012	Jan-Dec 2011	Variance
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
PROFIT FOR THE PERIOD	18,153	5,691	218.98%	66,189	63,401	4.40%
Other comprehensive income:						
Exchange differences on translation of the financial statements of foreign associates	3,241	1,933	67.67%	3,748	5,837	-35.79%
Other comprehensive income for the period, net of tax	3,241	1,933	67.67%	3,748	5,837	-35.79%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	21,394	7,624	180.61%	69,937	69,238	1.01%
Total comprehensive income attributable to:						
Owners of the parent	21,394	7,624	180.61%	69,937	69,238	1.01%

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

	Group			Group		
	4Q 2012	4Q 2011	Var	Jan-Dec 2012	Jan-Dec 2011	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Depreciation of property, plant and equipment	(201)	(186)	8.06%	(780)	(564)	38.30%
Amortisation of intangible assets	(26)	(17)	52.94%	(104)	(52)	100.00%
Bank interest income	40	99	-59.60%	192	270	-28.89%
Interest expense	(400)	(417)	-4.08%	(1,344)	(1,080)	24.44%
Foreign exchange gain	587	1,265	-53.60%	556	1,939	-71.33%
Provision for doubtful debts	(60)	(4,276)	-98.60%	(833)	(4,276)	-80.52%

Note 1: Revenue

	Group			Group		
	4Q 2012 US\$'000	4Q 2011 US\$'000	Var + / - %	Jan-Dec 2012 US\$'000	Jan-Dec 2011 US\$'000	Var + / - %
Revenue from middle distillates	3,957,953	2,024,931	95.46%	13,106,088	8,630,797	51.85%
Revenue from other oil products	448,960	119,395	276.03%	1,701,896	381,181	346.48%
	4,406,913	2,144,326	105.52%	14,807,984	9,011,978	64.31%

Note 2: Other operating income

	Group			Group		
	4Q 2012 US\$'000	4Q 2011 US\$'000	Var + / - %	Jan-Dec 2012 US\$'000	Jan-Dec 2011 US\$'000	Var + / - %
Bank interest income	40	99	-59.60%	192	270	-28.89%
Foreign exchange gain	587	1,265	-53.60%	556	1,939	-71.33%
Other income	4	-	NM	52	-	NM
	631	1,364	-53.74%	800	2,209	-63.78%

Note 3: Share of results of associates

	Group			Group		
	4Q 2012 US\$'000	4Q 2011 US\$'000	Var + / - %	Jan-Dec 2012 US\$'000	Jan-Dec 2011 US\$'000	Var + / - %
Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("Pudong")	11,958	5,039	137.31%	38,207	37,937	0.71%
China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL")	342	116	194.83%	1,808	1,189	52.06%
China Aviation Oil Xinyuan Petrochemicals Co. Ltd ("Xinyuan")	196	290	-32.41%	633	1,106	-42.77%
Oilhub Korea Yeosu Co., Ltd ("OKYC")	2,740	-	NM	2,539	-	NM
	15,236	5,445	179.82%	43,187	40,232	7.34%

Note 4: Tax expense

Tax expense was mainly attributable to the recognition of deferred tax assets in relation to the Company's tax losses carried forward and provision of tax for income earned by a subsidiary during the year, partially offset by recognition of deferred tax liabilities on the Company's share of undistributed retained earnings from associates. The undistributed retained earnings from associates is subject to withholding tax upon remittance to Singapore in the future. In the current financial period, management assessed that there will be future taxable profits from its Singapore operations to utilise the tax losses, resulting in the recognition of additional deferred tax assets of approximately US\$3.10 million.

NM denotes "not meaningful"

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

Statement of Financial Position

	Group		Company	
	As at 31 Dec 12 US\$'000	As at 31 Dec 11 US\$'000	As at 31 Dec 12 US\$'000	As at 31 Dec 11 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	8,046	8,568	7,992	8,568
Intangible assets (Note 1)	1,975	243	160	243
Subsidiaries (Note 1)	-	-	25,329	-
Associates (Note 2)	248,874	216,686	111,526	81,236
Deferred tax assets	7,093	3,980	7,083	3,980
	265,988	229,477	152,090	94,027
Current assets				
Inventories	18,572	38,213	15,568	38,213
Trade and other receivables	1,284,635	838,506	1,218,242	838,506
Cash and cash equivalents	81,144	88,065	75,290	88,063
	1,384,351	964,784	1,309,100	964,782
Total assets	1,650,339	1,194,261	1,461,190	1,058,809
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	215,573	215,573	215,573	215,573
Retained earnings	213,989	159,884	117,253	62,025
Other components of equity	30,371	25,878	(5,211)	(5,428)
Total equity	459,933	401,335	327,615	272,170
Non-current liabilities				
Deferred tax liabilities	6,194	6,282	-	-
Current liabilities				
Trade and other payables	1,182,183	756,644	1,133,575	756,639
Loans and borrowings	1,666	30,000	-	30,000
Current tax liabilities	363	-	-	-
	1,184,212	786,644	1,133,575	786,639
Total liabilities	1,190,406	792,926	1,133,575	786,639
Total equity and liabilities	1,650,339	1,194,261	1,461,190	1,058,809

Note 1: On 1 March 2012, the Company completed the acquisition of 100% equity interests in China Aviation Oil (Hong Kong) Company Limited (“CAOHK”) and North American Fuel Corporation (“NAFCO”) for a total consideration of US\$15.73 million, giving rise to goodwill of US\$1.82 million above the book value of the net assets of the two subsidiaries. The Company has since injected US\$8.38 million in cash to increase the paid-up share capital of CAOHK on 12 March 2012.

Note 2: The movements since December 2011 were: 1) the Company has completed the acquisition of 26% equity stake in Oilhub Korea Yeosu Co., Ltd (“OKYC”) on 16 April 2012 for a total consideration of US\$30.29 million; 2) Associates Pudong, TSN-PEKCL and Xinyuan had declared a total dividend of US\$45.09 million in 2012 of which US\$43.15 million net of tax have been received and the balance of US\$0.19 million is expected to be received in 2Q 2013; and 3) The share of results from associates for YTD 4Q 2012 was US\$43.19 million and the impact on foreign currency translation reserve was US\$3.75 million.

In accordance with FRS 103, the Company has completed the Purchase Price Allocation (“PPA”) process on the new investments in subsidiaries and associate and the financial impact on the fair value of the net assets acquired is not significant.

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

Amount repayable in one year or less, or on demand

As at 31 Dec 2012		As at 31 Dec 2011	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
0	1,666	0	30,000

Amount repayable after one year

As at 31 Dec 2012		As at 31 Dec 2011	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
0	0	0	0

1(c) A consolidated 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

	4Q 2012	4Q 2011	Jan-Dec 2012	Jan-Dec 2011
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities				
Profit for the period	18,153	5,691	66,189	63,401
Adjustments for items not involving outlay of funds:-				
Depreciation of property, plant and equipment	201	186	780	564
Amortisation of intangible assets	26	17	104	52
Allowance for doubtful debts	60	4,276	847	4,276
Share of results of associates (net of tax)	(15,236)	(5,445)	(43,187)	(40,232)
Interest income	(40)	(99)	(192)	(270)
Interest expense	400	417	1,344	1,080
Tax expense/(credit)	354	538	(616)	2,519
Share-based payment	(77)	54	217	54
Unrealised exchange differences	33	(114)	(125)	(228)
	3,874	5,521	25,361	31,216
Changes in working capital				
Inventories	1,541	120,317	22,762	116,017
Trade and other receivables	(143,869)	(70,653)	(390,693)	(296,393)
Trade and other payables	67,041	40,918	371,600	175,757
Cash generated (used in)/from operations	(71,413)	96,103	29,030	26,597
Tax paid	(2,716)	(978)	(2,732)	(1,095)
Cash flows (used in)/from operating activities	(74,129)	95,125	26,298	25,502
Investing activities				
Interest received	40	91	202	269
Purchase of property, plant and equipment	(12)	(92)	(191)	(410)
Purchase of intangible assets	(21)	(191)	(21)	(191)
Acquisition of subsidiaries, net of cash acquired (note 1)	-	-	(8,725)	-
Acquisition of associate (note 2)	-	-	(28,785)	-
Deposit for acquisition of associate	-	(1,505)	-	(1,505)
Dividends received from associate	43,157	18,451	45,417	20,969
Cash flows from investing activities	43,164	16,754	7,897	19,132
Financing activities				
Interest paid	(424)	(541)	(1,351)	(1,073)
Purchase of treasury shares	-	-	-	(1,576)
Proceeds from loans and bank borrowing	55,845	111,703	286,760	508,887
Repayment of loans and bank borrowing	(86,172)	(242,020)	(315,094)	(509,411)
Dividend paid	-	-	(11,556)	(11,612)
Cash flows used in financing activities	(30,751)	(130,858)	(41,241)	(14,785)
Net (decrease)/increase in cash and cash equivalents	(61,716)	(18,979)	(7,046)	29,849
Cash and cash equivalents at beginning of the period	142,893	106,930	88,065	57,988
Net effect of exchange rate fluctuations on cash held	(33)	114	125	228
Cash and cash equivalents at end of the period	81,144	88,065	81,144	88,065

Note 1: The net cash paid in respect of the acquisition of CAOHK and NAFCO comprised consideration of US\$15.73 million less bank balances of US\$7.01 million in the subsidiaries.

Note 2: Total consideration for the investment in OKYC was US\$30.29 million of which the Company paid a deposit of US\$1.50 million in 2011.

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 capitalization 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	Share option reserve US\$'000	Foreign currency translation reserve US\$'000	Statutory reserve US\$'000	Total equity US\$'000
As at 1 January 2011	215,573	108,435	(3,906)	-	17,303	7,826	345,231
Total comprehensive income for the period	-	63,401	-	-	5,837	-	69,238
Dividend paid in respect of 2010	-	(11,612)	-	-	-	-	(11,612)
Transfer from statutory reserve to retained earnings	-	(340)	-	-	-	340	-
Share-based payment transaction	-	-	-	54	-	-	54
Purchase of treasury shares	-	-	(1,576)	-	-	-	(1,576)
As at 31 December 2011	215,573	159,884	(5,482)	54	23,140	8,166	401,335
As at 1 January 2012	215,573	159,884	(5,482)	54	23,140	8,166	401,335
Total comprehensive income for the period	-	66,189	-	-	3,748	-	69,937
Dividend paid in respect of 2011	-	(11,556)	-	-	-	-	(11,556)
Transfer from retained earnings to statutory reserve	-	(528)	-	-	-	528	-
Share-based payment transaction	-	-	-	217	-	-	217
As at 31 December 2012	215,573	213,989	(5,482)	271	26,888	8,694	459,933

Statement of Changes in Equity

THE COMPANY	Share capital US\$'000	Retained earnings US\$'000	Share option reserve US\$'000	Treasury shares US\$'000	Total equity US\$'000
As at 1 January 2011	215,573	28,480	-	(3,906)	240,147
Total comprehensive income for the period	-	45,157	-	-	45,157
Dividend paid in respect of 2010	-	(11,612)	-	-	(11,612)
Purchase of treasury shares	-	-	-	(1,576)	(1,576)
Share-based payment transaction	-	-	54	-	54
As at 31 December 2011	215,573	62,025	54	(5,482)	272,170
As at 1 January 2012	215,573	62,025	54	(5,482)	272,170
Total comprehensive income for the period	-	66,784	-	-	66,784
Dividend paid in respect of 2011	-	(11,556)	-	-	(11,556)
Share-based payment transaction	-	-	217	-	217
As at 31 December 2012	215,573	117,253	271	(5,482)	327,615

- 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.

Share Capital

There were no movements in the Company's share capital for the year ended 31 December 2012.

Employee share option plans

China Aviation Oil Share Option Scheme of the Company ("**CAO Share Option Scheme**") which was approved by shareholders at an extraordinary general meeting of the Company held on 9 November 2001, expired on 9 November 2011. However, share options granted and outstanding prior to such expiry will continue to be valid and be subject to the terms of the CAO Share Option Scheme (and as amended pursuant to the terms of the CAO Share Option Scheme).

During the year under review, a total of 248,000 share options to take up unissued shares in the Company were cancelled under the CAO Share Option Scheme due to staff resignations. The option period in respect of the Executive Share Options (as defined under the CAO Share Option Scheme) will commence on 9 October 2013 and expires on the date immediately preceding the tenth anniversary of the date of grant i.e. 9 October 2011 ("**Date of Grant**"). Non-Executive Share Options (as defined under the CAO Share Option Scheme) will commence on 9 October 2013 and expires on the date immediately preceding the fifth anniversary of the Date of Grant.

As at 31 December 2012, there were 5,262,000 outstanding share options (31 December 2011: 5,860,000 share options) which, when exercisable, would entitle the holders to subscribe for a total of 5,262,000 ordinary shares (31 December 2011: 5,860,000 ordinary shares) of the Company at a weighted average exercise price of S\$0.91 per share ("**Outstanding Share Options**").

The Outstanding Share Options as at 31 December 2012 constitute approximately 0.73% of the total issued shares of the Company (including treasury shares held by the Company).

Treasury shares

During the quarter ended 31 December 2012, the Company did not make any purchase of its own ordinary shares pursuant to the Share Purchase Mandate renewed at the Extraordinary General Meeting of the Company held on 26 April 2012.

As at 31 December 2012, a total of 6,000,000 ordinary shares (31 December 2011: 6,000,000 ordinary shares) were held by the Company as treasury shares.

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	4Q 2012	4Q 2011	Jan-Dec 2012	Jan-Dec 2011
Issued ordinary shares				
Balance at beginning/end of period	722,820,537	722,820,537	722,820,537	722,820,537
Treasury shares				
Balance at beginning of period	(6,000,000)	(6,000,000)	(6,000,000)	(4,668,000)
Additions during the period	-	-	-	(1,332,000)
Balance at end of period	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)
Total	716,820,537	716,820,537	716,820,537	716,820,537

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 as disclosed 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 2011.

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 Financial Reporting Standards (FRS) and Interpretations to FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning after 1 January 2012. The adoption of the new and revised FRS 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.

	4Q 2012	4Q 2011	Jan-Dec 2012	Jan-Dec 2011
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	2.53 US cents	0.79 US cents	9.23 US cents	8.84 US cents
- Weighted average number of shares ('000)	716,821	716,862	716,821	716,938
(b) On a fully diluted basis	2.51 US cents	0.79 US cents	9.16 US cents	8.83 US cents
- Adjusted weighted average number of shares ('000)	722,168	720,260	722,411	717,805

- 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	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Net asset value per ordinary share based on issued share capital at the end of the period reported on (US cents)	64.16	55.99	45.70	37.97
Number of ordinary shares issued ('000)	716,821	716,821	716,821	716,821

Net asset value per ordinary share is determined based on net asset value attributable to owners of the Company and the number of shares in issue of the Company as at 31 December 2012 and 31 December 2011 (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 China Aviation Oil (Singapore) Corporation Ltd (“CAO” or the “Company”) 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.

We are the largest physical jet fuel trader in Asia Pacific and the sole importer of jet fuel into the People's Republic of China's ("PRC"). In addition, we engage in international trading of jet fuel and other oil products and own 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") and China Aviation Oil Xinyuan Petrochemicals Co. Ltd ("Xinyuan").

On 1 March 2012, the Company completed the acquisition of 100% equity interests in China Aviation Oil (Hong Kong) Company Limited ("CAOHK") and North American Fuel Corporation ("NAFCO") for a total consideration of US\$15.73 million. CAO and its wholly-owned subsidiaries supply jet fuel to airports outside the PRC, including Singapore, Dubai, Bangkok, Hanoi, Los Angeles, Anchorage, Amsterdam, Frankfurt, London and Auckland, as well as Hong Kong and Taipei.

On 16 April 2012, the Company also completed the acquisition of 26% equity stake in Oilhub Korea Yeosu Co., Ltd ("OKYC") for a total consideration of US\$30.29 million. OKYC is currently constructing an oil storage terminal with a capacity of 1.3 million m³ and it is expected to be completed by early 2013 and in full operation in the first quarter of 2013.

Consolidated Statement of Comprehensive Income

4th Qtr 2012 v 4th Qtr 2011

The total supply and trading volume for jet fuel and other oil products for the fourth quarter ended 31 December 2012 ("4Q 2012") was 4.36 million tonnes, doubled the total volume of 2.18 million tonnes for the fourth quarter ended 31 December 2011 ("4Q 2011"). The volume of jet fuel supply and trading increased by 0.73 million tonnes (37.63%) to 2.67 million tonnes for 4Q 2012 compared to 1.94 million tonnes for 4Q 2011. The increase of 0.73 million tonnes was with the consolidation of 0.54 million tonnes from CAOHK and NAFCO. The trading volume of other oil products, gasoil, fuel oil and petrochemicals increased by 1.45 million tonnes (604.17%) to 1.69 million tonnes for 4Q 2012 compared to 0.24 million tonnes for 4Q 2011. In particular, Petrochemicals has achieved record volume.

Total revenue increased by US\$2,262.58 million (105.52%) to US\$4,406.91 million for 4Q 2012 from US\$2,144.33 million for 4Q 2011. This was mainly attributable to higher jet fuel prices in 4Q 2012, which averaged US\$129.80 per barrel (bbl) compared to an average of US\$125.81 per bbl in 4Q 2011 coupled with higher trading volume resulted from trading activities and the consolidation of sales revenue of CAOHK and NAFCO.

Gross profit derived from jet fuel supply and trading and trading of other oil products was US\$8.58 million for 4Q 2012, an increase of 9.59% compared to US\$7.83 million for 4Q 2011. This was mainly due to higher profits resulted from volume of jet fuel supplied to customers as well as the contributions from CAOHK and NAFCO.

Other operating income was US\$0.63 million for 4Q 2012 compared to US\$1.36 million for 4Q 2011. This was mainly due to lower foreign exchange gain of approximately US\$0.68 million derived from the conversion of Renminbi to US Dollar for the receipts of dividends denominated in Renminbi from associates for the two quarters in comparison.

Total expenses comprising administrative expenses, other operating expenses and finance costs decreased by US\$2.47 million (29.37%) to US\$5.94 million for 4Q 2012 compared to US\$8.41 million for 4Q 2011, mainly due to the provision of doubtful debts for amount due from MF Global following the bankruptcy proceedings of its holding company in 4Q 2011. Excluding the doubtful debts provision and the reversal of an over-provision in staff costs in 4Q 2011, total expenses would have increased by 22.36% mainly due to: (i) higher staff costs due to increase in headcount averaging 85 in 4Q 2012 which includes the headcounts from CAOHK and NAFCO, compared to average headcount of 55 in 4Q 2011; and (ii) higher finance costs for committed revolving credit facility and bank charges for the issuance of Letter of Credits in support of trading activities.

The share of profits from associates was US\$15.24 million for 4Q 2012 compared to US\$5.45 million for 4Q 2011, an increase of 179.82%. The share of profits from Pudong was US\$11.96 million for 4Q 2012 compared to US\$5.04 million for 4Q 2011, increased by 137.31% mainly attributable to higher sales revenue derived from higher

refuelling volume, lower operating expenses and finance costs as well as higher other operating income due to the recognition of stocktake variance.

Share of results from OKYC which the Group commenced equity accounting on 1 May 2012 was US\$2.74 million for 4Q 2012, attributable mainly to the recognition of the mark-to-market (“MTM”) gain from its foreign currency swap contracts denominated in Korea Won against US Dollar.

Share of profits from TSN-PEKCL was US\$0.34 million for 4Q 2012, an increase of US\$0.22 million (194.83%) compared to US\$0.12 million for 4Q 2011, attributable to higher revenue from increase in jet fuel transportation volume and pipeline transportation service fee. The share of results in Xinyuan decreased by US\$0.09 million (32.41%) to US\$0.20 million for 4Q 2012 compared to US\$0.29 million for 4Q 2011, mainly due to lower sales volume and lower rental income of its oil storage tanks.

Tax expense was US\$0.35 million for 4Q 2012, decreased by US\$0.19 million (34.20%) compared to US\$0.54 million for 4Q 2011. Tax expense of US\$0.35 million in 4Q 2012 was mainly attributable to the recognition of deferred tax liabilities on the Company’s share of undistributed retained earnings from associates and provision of income tax of the subsidiary partially offset by the recognition of deferred tax assets in relation to the Company’s tax losses carried forward. Tax expense of US\$0.54 million in 4Q 2011 comprised mainly the recognition of deferred tax liabilities on the Company’s share of undistributed retained earnings from associates. The undistributed retained earnings from associates is subject to withholding tax in China.

The Group’s net profit for 4Q 2012 was US\$18.15 million compared to US\$5.69 million for 4Q 2011, increase of US\$12.46 million (218.98%), mainly due to lower operating expenses in 4Q 2012 as 4Q 2011 financial results included a one-off provision for doubtful debts relating to monies placed with the now defunct MF Global Singapore, and higher contribution from share of results of associates. Earnings per share was 2.53 US cents for 4Q 2012 compared to 0.79 US cents for 4Q 2011.

4th Qtr 2012 v 3rd Qtr 2012

The total supply and trading volume for jet fuel and other oil products increased by 0.48 million tonnes (12.37%) to 4.36 million tonnes for 4Q 2012 compared to 3.88 million tonnes for the third quarter ended 30 September 2012 (“3Q 2012”), mainly due to higher trading volume of other oil products.

Total revenue increased by US\$622.40 million (16.45%) to US\$4,406.91 million for 4Q 2012 from US\$3,784.51 million for 3Q 2012. This was mainly attributable to higher jet fuel prices in 4Q 2012, which averaged US\$129.80 per barrel (bbl) compared to an average of US\$122.00 per bbl in 3Q 2012 coupled with higher trading volume of trading in other oil products.

Gross profit derived from supply and trading of jet fuel and trading of other oil products was US\$8.58 million for 4Q 2012, a decrease of 18.21% compared to US\$10.49 million for 3Q 2012. This was mainly due to lower gains from oil trading activities.

Other operating income was US\$0.63 million for 4Q 2012 compared to US\$0.11 million for 3Q 2012, an increase of 472.73% owing to higher foreign exchange gain from the conversion of the Renminbi to US Dollar.

Total expenses decreased by US\$0.67 million (10.14%) to US\$5.94 million for 4Q 2012, compared to US\$6.61 million for 3Q 2012, mainly due to the provision of doubtful debts in 3Q 2012.

The share of profits from associates was US\$15.24 million for 4Q 2012 compared to US\$7.20 million for 3Q 2012, an increase of 111.67%. The share of profits in Pudong was US\$11.96 million for 4Q 2012 compared to US\$6.62 million for 3Q 2012, increased by 80.67% mainly due to higher sales revenue derived from higher average jet fuel prices, lower operating expenses and finance costs as well as higher other operating income due to the recognition of stocktake variance.

Share of profits from OKYC was US\$2.74 million for 4Q 2012 compared to share of losses of US\$0.22 million for 3Q 2012, attributable mainly to the recognition of the MTM gain from its foreign currency swap contracts denominated in Korea Won against the US Dollar.

The share of results in TSN-PEKCL was US\$0.34 million for 4Q 2012 compared to US\$0.63 million for 3Q 2012, a decrease of US\$0.29 million (46.03%), attributable to lower jet fuel transportation volume. The share of results in Xinyuan increased by US\$0.02 million (11.11%) to US\$0.20 million for 4Q 2012 compared to US\$0.18 million for 3Q 2012.

Income tax expense was US\$0.35 million for 4Q 2012 compared to a credit of US\$2.03 million for 3Q 2012. The tax credit in 3Q 2012 was mainly attributable to the recognition of deferred tax assets in relation to the Company's tax losses carried forward, partially offset by the recognition of deferred tax liabilities on the Company's share of undistributed retained earnings from associates.

The Group's net profit for 4Q 2012 was US\$18.15 million compared to US\$13.23 million for 3Q 2012, an increase of US\$4.92 million (37.19%), mainly due to higher share of profits from associates. Earnings per share was 2.53 US cents for 4Q 2012 compared to 1.85 US cents for 3Q 2012.

FY 2012 v FY 2011

The total supply and trading volume for jet fuel and other oil products increased by 5.67 million tonnes (62.04%) to 14.81 million tonnes for the financial year ended 31 December 2012 ("FY 2012") compared to 9.14 million tonnes for the financial year ended 31 December 2011 ("FY 2011"). The volume of jet fuel supply and trading increased by 2.16 million tonnes (25.81%) achieving record volume exceeding 10 million tonnes, to 10.53 million tonnes for FY 2012 compared to 8.37 million tonnes for FY 2011. The increase of 2.16 million tonnes was with the consolidation of 2.18 million tonnes from CAOHK and NAFCO. The trading volume of other oil products increased by 3.51 million tonnes (455.84%) to 4.28 million tonnes for FY 2012 compared to 0.77 million tonnes for FY 2011.

Total revenue increased by US\$5,796.00 million (64.31%) to US\$14,807.98 million for FY 2012 from US\$9,011.98 million for FY 2011. This was mainly attributable to higher volume of jet fuel supply and trading owing to the consolidation of contributions from CAOHK and NAFCO and trading of other oil products. This increase in total revenue was also partly attributable to higher jet fuel prices which averaged at US\$127.24 per bbl for FY 2012 compared to an average price of US\$125.45 per bbl for FY 2011. Please see breakdown under note 1 on page 3.

Gross profit derived from jet fuel supply and trading and trading of other oil products was US\$42.75 million for FY 2012, an increase of 6.97% compared to US\$39.97 million for FY 2011. This was mainly due to higher gains from oil trading activities and the consolidation of contribution from CAOHK.

Other operating income was US\$0.80 million for FY 2012 compared to US\$2.21 million for FY 2011, a decrease of 63.78%. This was mainly due to lower foreign exchange gain of approximately US\$1.38 million, a decrease of 71.33%, attributable to the conversion of Renminbi to US Dollar for the receipts of dividends denominated in Renminbi from associates for the two years in comparison and lower revaluation difference resulting from the strengthening of the Singapore dollar against the US Dollar.

The reduction in other operating income was also due to lower bank interest income. Bank interest income of US\$0.19 million for FY 2012, which was derived from time deposits placed with banks, was lower by US\$0.08 million (28.89%) compared to US\$0.27 million for FY 2011 mainly due to lower time deposits placed with banks.

Total expenses were US\$21.16 million for FY 2012, increased by 28.32% compared to US\$16.49 million for FY 2011. The increase in expenses was mainly attributable to higher staff costs due to increase in headcount which averaged 79 in FY 2012 and includes the headcounts from CAOHK and NAFCO, compared to average headcount of 55 in FY 2011, increase in finance cost for committed revolving credit facility and bank charges for the issuance of Letters of Credit as a result of increased business activities. Lower expenses in FY 2011 were also partly due to the reversal of an over-provision in staff costs.

The share of profits from associates was US\$43.19 million for FY 2012 compared to US\$40.23 million for FY 2011, an increase of 7.34%, mainly attributable to the share of results of US\$2.54 million from OKYC resulting from the recognition of the MTM gain from its foreign currency swap contracts denominated in Korea Won against the US Dollar.

The share of profits in Pudong was US\$38.21 million for FY 2012 compared to US\$37.94 million for FY 2011, an increase of 0.71%. This was mainly attributable to lower operating expenses and finance costs as well as higher other operating income due to the recognition of stocktake variance, offset the decrease in sales revenue due to lower fuel prices in mid-2012 despite higher refuelling volume.

Share of profits from TSN-PEKCL was US\$1.81 million for FY 2012 compared to US\$1.19 million for FY 2011, an increase of 52.06%, attributable to higher revenue from increase in jet fuel transportation volume and pipeline transportation service fee. The share of results in Xinyuan decreased by US\$0.48 million (42.77%) to US\$0.63 million for FY 2012 compared to US\$1.11 million for FY 2011, mainly due to lower sales volume and lower rental income of oil storage tanks.

The credit of US\$0.62 million in tax expenses was mainly attributable to the recognition of deferred tax assets in relation to the Company's tax losses carried forward, partially offset by the recognition of deferred tax liabilities on the Company's share of undistributed retained earnings from its associates and the provision of tax for income earned by a subsidiary in 2012. The undistributed retained earnings from associates is subject to withholding tax. Income tax expense of US\$2.52 million for FY 2011 comprised mainly the recognition of deferred tax liabilities on the Company's share of undistributed retained earnings from associates.

The Group's net profit for FY 2012 was US\$66.19 million compared to US\$63.40 million for FY 2011, an increase of US\$2.79 million (4.40%), mainly due to higher gross profit resulting from higher gains from oil trading activities and higher share of profits from associates. Earnings per share was 9.23 US cents for FY 2012 compared to 8.84 US cents for FY 2011.

Statement of Financial Position

The Group's current assets stood at US\$1,384.35 million as at 31 December 2012 compared to US\$964.78 million as at 31 December 2011. The increase of US\$419.57 million in current assets resulted mainly from:

- (i) a decrease of US\$19.64 million in inventories, due to trading activities;
- (ii) an increase of US\$446.13 million in trade and other receivables to US\$1,284.64 million as at 31 December 2012 from US\$838.51 million as at 31 December 2011 due to higher sales revenue in December 2012 compared to December 2011, the trade receivables in CAOHK and NAFCO; and
- (iii) a decrease of US\$6.92 million in cash and cash equivalents which was mainly attributable to the cash outflow of US\$41.24 million from financing activities, partially offset by the aggregate of US\$34.19 million generated from operating and investing activities.

Non-current assets stood at US\$265.99 million as at 31 December 2012, compared to US\$229.48 million as at 31 December 2011. The increase of US\$36.51 million was mainly attributable to the acquisition of associate of US\$30.29 million, share of profits in associates of US\$43.19 million for FY 2012, the goodwill of US\$1.82 million arising from the acquisition of CAOHK and NAFCO on 1 March 2012, the recognition of additional deferred tax asset of US\$3.10 million and the impact on foreign currency translation reserve of US\$3.75 million offset by the dividends of US\$45.09 million declared by associates.

Current liabilities made up of trade and other payables, bank borrowings and tax payables, increased by US\$397.57 million to US\$1,184.21 million as at 31 December 2012 compared to US\$786.64 million as at 31 December 2011. This was mainly due to the higher cost of procurement in December 2012 owing to increase in volume compared to December 2011 and the trade payables in CAOHK and NAFCO arising from group consolidation.

Non-current liabilities were attributable to the recognition of deferred tax liabilities on the Company's share of undistributed retained earnings from associates. The undistributed retained earnings from associates is subject to withholding tax upon remittance to Singapore in the future.

The Group's net assets stood at US\$459.93 million as at 31 December 2012, or 64.16 US cents per share, compared to US\$401.34 million as at 31 December 2011 or 55.99 US cents per share. The increase in the Group's net assets per share was primarily due to an increase in retained earnings as a result of the net profits generated for FY 2012 less the dividend payout in May 2012.

Consolidated Statement of Cash Flows 4Q 2012 v 4Q 2011

The net cash used in operating activities was US\$74.13 million in 4Q 2012 compared to cash generated from operating activities of US\$95.13 million in 4Q 2011. This was mainly due to increased working capital requirements in support of trading activities in the current quarter and higher taxes paid, partly offset by higher operating profit.

Cash flows generated from investing activities amounted to US\$43.16 million in 4Q 2012, compared to US\$16.75 million in 4Q 2011, mainly attributable to the dividend income received from associates.

Cash flows used in financing activities in 4Q 2012 was US\$30.75 million, compared to US\$130.86 million in 4Q 2011, mainly due to lower repayments on bank borrowings in 4Q 2012.

FY 2012 v FY 2011

Net cash generated from operating activities was US\$26.30 million in FY 2012 compared to US\$25.50 million in FY 2011. This was mainly due to higher operating profit and decreased working capital requirement in the current period.

Cash flows generated from investing activities amounted to US\$7.90 million in FY 2012 compared to US\$19.13 million in FY 2011. Cash flows generated from investing activities for FY 2012 comprised the dividend of US\$45.42 million received from associate and interest receipts of US\$0.20 million from time deposits placed with banks partially offset by the cash of US\$28.79 million used in acquisition of associate, US\$8.72 million used in acquisition of subsidiaries and US\$0.21 million used in the purchase of property, plant and equipment and intangible assets. The cash generated from investing activities in FY 2011 was due to dividend of US\$20.97 million received from associates and interest receipts of US\$0.27 million from time deposits placed with banks partially offset by the cash of US\$0.60 million used in the purchase of property, plant and equipment and intangibles assets and the US\$1.50 million deposit placed for acquisition of associate.

Cash flows used in financing activities of US\$41.24 million in FY 2012 was attributable to the aggregate of US\$315.09 million used in repayment of bank borrowings, US\$11.56 million used in dividend payout of two Singapore cents per share and US\$1.35 million used in payment of bank interest partially offset by the proceeds of US\$286.76 million from bank borrowings. Cash flows used in financing activities of US\$14.79 million in FY 2011 was mainly attributable to the US\$509.41 million used in repayment of bank borrowings, US\$11.61 million used in dividend payout, US\$1.58 million used for the purchase of treasury shares and US\$1.07 million used for payment of bank interest partially offset by the proceeds of US\$508.89 million from bank borrowings.

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

In the quarterly results announcement for 3Q 2012, the Company stated the following: “Barring unforeseen circumstances, we are cautiously optimistic that the Group’s profitability will be comparable with last year’s”

Group revenue grew by 64.31% to US\$14.81 billion, achieved on the increase in volume of jet fuel supply and trading, the increase in the volume of trading of other oil products and the integration of CAOHK and NAFCO into Group’s operation since March 2012. Gross profit increased by 6.97%. Although the gross profit from the core business of the Company which is the supply of jet fuel to PRC customers experienced a slight decline due to higher procurement costs in leasing storage facilities in Singapore and shipping costs, trading in jet fuel and other oil products continued to contribute higher gross profit to the Group. Operating profit declined 12.85% year-on-year mainly due to higher administrative expenses and higher finance costs as the Company continued to support trading activities and incurred costs related to business expansion.

Profit contribution from the Group’s key associated company, Pudong, had a slight increase of 0.71% year-on-year. Contribution from associated company was further improved by OKYC with the recognition of the MTM gain from its foreign currency swap contracts denominated in Korea Won against the US Dollar.

The Group’s profitability was comparable with last year’s, achieving net profit of US\$66.19 million for FY2012, an increase of 4.40% compared to last year. Earnings per share rose by 4.40% to 9.23 US cents for FY 2012.

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.

We expect market conditions to continue to be complex and challenging in 2013. China's demand for imported jet fuel is expected to remain stable and this will provide a firm foundation for the Group's expansion plans. Based on the Group's Strategic Plan, CAO will focus on building a global business network to strengthen its core operational capabilities, developing jet supply and trading to other regions and enhancing its trading capabilities. The Group will continue to focus on diversifying its long term sources of profits stream. The Group will also continue to proactively pursue high-quality assets with reasonable returns that are synergetic to its trading activities to strengthen its assets base, laying the foundation for the Company's long term development.

11 Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? Yes

	Proposed Final One-tier Tax Exempt Ordinary
Name of dividend	
Dividend Type	Cash
Net Dividend Amount (Singapore cents per share)	2

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

	Proposed Final One-tier Tax Exempt Ordinary
Name of dividend	
Dividend Type	Cash
Net Dividend Amount (Singapore cents per share)	2

(c) Date payable

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

(d) Book closure date

Details on closure of books will be announced in due course.

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

Not Applicable.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

	Middle distillates		Other oil products		Others		Total	
	2012 US\$'000	2011 US\$'000	2012 \$'000	2011 \$'000	2012 US\$'000	2011 US\$'000	2012 US\$'000	2011 US\$'000
Revenue	13,106,088	8,630,797	1,701,896	381,181	-	-	14,807,984	9,011,978
Gross profit	40,699	38,784	2,051	1,182	-	-	42,750	39,966
Operating expenses	(10,045)	(9,412)	(1,730)	(548)	(3,745)	(3,770)	(15,520)	(13,730)
Segment results	30,654	29,372	321	634	(3,745)	(3,770)	27,230	26,236
Other operating income	800	2,209	-	-	-	-	800	2,209
Finance costs	(3,374)	(2,582)	(2,269)	(174)	(1)	(1)	(5,644)	(2,757)
Share of results of associates (net of tax)	-	-	-	-	43,187	40,232	43,187	40,232
Profit before taxation	28,080	28,999	(1,948)	460	39,441	36,461	65,573	65,920
Income tax expense	2,725	-	-	-	(2,109)	(2,519)	616	(2,519)
Profit after taxation	30,805	28,999	(1,948)	460	37,332	33,942	66,189	63,401

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not Applicable.

15. A breakdown of sales as follows:

	Group		% Increase/ (Decrease)
	2012 US\$'000	2011 US\$'000	
Sales reported for first half year	6,616,565	4,453,521	48.57%
Profit after tax before deducting minority interests reported for first half year	34,809	40,693	-14.46%
Sales reported for second half year	8,191,419	4,558,457	79.70%
Profit after tax before deducting minority interests reported for second half year	31,380	22,708	38.19%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's most latest full year and its previous full year as follows: (a) ordinary, (b) preference and (c) total.

Total distribution paid and proposed in respect of the financial year ended 31 December 2012 will be two Singapore cents per ordinary share (2011: Two Singapore cents per ordinary share).

	Latest Full Year US\$'000	Previous Full Year US\$'000
Ordinary – interim dividend	-	-
Ordinary – final dividend	11,727*	11,556
Total:	11,727	11,556

* Estimated based on share capital of 716,820,537 ordinary shares at the end of the financial year.

17 Interested Person Transactions.

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

Aggregate value of interested person transactions entered from 1 January 2012 to 31 December 2012.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than US\$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 US\$100,000)
	US\$'000	US\$'000
Sales revenue from related Corporations	0	3,468,377
Sales revenue from related corporation of a corporate shareholder	0	1,311,099
Purchases from related Corporations	0	139,518
Purchases from related corporation of a corporate shareholder	0	1,435,882
Loss from trading of derivative financial instrument with related corporation of a corporate shareholder	0	2,983
Supply chain services rendered from related corporation	0	2,967
Supply chain services rendered from related corporation of a corporate shareholder	0	249
Supply chain services provided to related corporation of a corporate shareholder	0	588
Transportation revenue earned by associate from related corporations	0	9,939

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Doreen Nah
Company Secretary
28 February 2013