



**CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD**  
 (Company Registration No. 199303293Z)  
 Half Year Financial Statement For The Period Ended 30 June 2021

**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

**Consolidated Statement of Profit or Loss**

	Note	1H 2021 US\$'000	1H 2020 US\$'000	Variance + / -
Revenue	4	8,683,255	5,373,405	61.60%
Cost of sales		(8,667,553)	(5,350,534)	61.99%
<b>Gross Profit</b>		15,702	22,871	-31.35%
Other operating income		719	3,342	-78.49%
Administrative expenses		(3,742)	(5,019)	-25.44%
Other operating expenses		(1,423)	586	NM
Finance costs		(805)	(477)	68.76%
<b>Operating Profit</b>		10,451	21,303	-50.94%
Share of results of associates (net of tax)		16,098	3,889	313.94%
<b>Profit before tax</b>	5	26,549	25,192	5.39%
Tax expense	6	(2,262)	(1,621)	39.54%
<b>Profit for the period</b>		24,287	23,571	3.04%

Consolidated statement of other comprehensive income

**Consolidated Statement of Other Comprehensive Income**

	<b>1H 2021</b>	<b>1H 2020</b>	<b>Variance</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>+ / -</b>
<b>PROFIT FOR THE PERIOD</b>	24,287	23,571	3.04%
<b>Other comprehensive income/(loss):</b>			
<b>Items that may be reclassified to profit or loss in subsequent periods (net of tax) :</b>			
Currency translation differences on consolidation of foreign entities (net) (note (a))	1,083	(6,783)	NM
<b>Total other comprehensive income for the period</b>	1,083	(6,783)	NM
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	25,370	16,788	51.12%
<b>Profit attributable to:</b>			
Owners of the Company	24,287	23,571	3.04%
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	25,370	16,788	51.12%
<b>Earnings per share for profit for the period attributable to the owners of the Company during the period:</b>			
Basic (USD in cent)	2.82	2.74	2.92%
Diluted (USD in cent)	2.82	2.74	2.92%

Note (a): Compared to the end of December 2020, the RMB appreciated approximately 1% against the US Dollar during the six months ended 30 June 2021 giving rise to the translation gain on foreign associates. Korean Won depreciated by approximately 3.26% against US Dollar in the same period this year. RMB and Korean Won both depreciated by 1.46% and 4.60% 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.

NM denotes “not meaningful”

**B. Condensed interim statements of financial position**

**Statements of Financial Position**

	Note	Group		Company	
		As at 30 Jun 2021 US\$'000	As at 31 Dec 2020 US\$'000	As at 30 Jun 2021 US\$'000	As at 31 Dec 2020 US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		4,060	4,384	3,874	4,173
Intangible assets		397	481	130	214
Subsidiaries		-	-	20,830	20,830
Associates	9	278,854	304,577	278,854	304,577
Financial asset at FVTOCI	10	5,500	5,500	-	-
Trade and other receivables	11	-	-	5,035	5,035
Right-of-use Assets		17,941	4,644	16,357	3,163
Deferred tax assets		848	1,252	848	1,248
		307,600	320,838	325,928	339,240
<b>Current assets</b>					
Inventories		270,188	91,375	221,193	75,063
Trade and other receivables	11	1,244,979	1,206,629	1,232,793	1,186,246
Cash and cash equivalents		284,756	269,107	261,854	247,472
		1,799,923	1,567,111	1,715,840	1,508,781
<b>Total assets</b>		<b>2,107,523</b>	<b>1,887,949</b>	<b>2,041,768</b>	<b>1,848,021</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	12	215,573	215,573	215,573	215,573
Reserves		669,920	661,306	662,734	654,877
<b>Total equity</b>		<b>885,493</b>	<b>876,879</b>	<b>878,307</b>	<b>870,450</b>
<b>Non-current liabilities</b>					
Lease liabilities		10,996	512	10,366	198
Deferred tax liabilities		6,136	6,896	6,137	6,896
		17,132	7,408	16,503	7,094
<b>Current liabilities</b>					
Trade and other payables	13	1,192,155	988,874	1,140,731	967,283
Contract liabilities		5,071	10,326	137	137
Lease liabilities		7,078	4,231	6,090	3,057
Current tax liabilities		594	231	-	-
		1,204,898	1,003,662	1,146,958	970,477
<b>Total liabilities</b>		<b>1,222,030</b>	<b>1,011,070</b>	<b>1,163,461</b>	<b>977,571</b>
<b>Total equity and liabilities</b>		<b>2,107,523</b>	<b>1,887,949</b>	<b>2,041,768</b>	<b>1,848,021</b>

### C. Condensed interim statements of changes in equity

#### 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 2020</b>	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)
<b>As at 30 June 2020</b>	<b>215,573</b>	<b>584,041</b>	<b>(5,482)</b>	<b>(7,773)</b>	<b>36,562</b>	<b>822,921</b>
<b>As at 1 January 2021</b>	215,573	616,139	(5,482)	13,563	37,086	876,879
Total comprehensive income for the year	-	24,287	-	1,083	-	25,370
Share of associates' accumulated profits transferred to statutory reserve	-	(48)	-	-	48	-
Dividend paid in respect of 2020, representing total transactions with shareholders recognised directly in equity	-	(16,756)	-	-	-	(16,756)
<b>As at 30 June 2021</b>	<b>215,573</b>	<b>623,622</b>	<b>(5,482)</b>	<b>14,646</b>	<b>37,134</b>	<b>885,493</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 2020</b>	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)
<b>As at 30 June 2020</b>	<b>215,573</b>	<b>585,411</b>	<b>(5,482)</b>	<b>(7,758)</b>	<b>36,562</b>	<b>824,306</b>
<b>As at 1 January 2021</b>	215,573	609,694	(5,482)	13,579	37,086	870,450
Total comprehensive income for the year	-	23,530	-	1,083	-	24,613
Share of associates' accumulated profits transferred to statutory reserve	-	(48)	-	-	48	-
Dividend paid in respect of 2020, representing total transactions with shareholders recognised directly in equity	-	(16,756)	-	-	-	(16,756)
<b>As at 30 June 2021</b>	<b>215,573</b>	<b>616,420</b>	<b>(5,482)</b>	<b>14,662</b>	<b>37,134</b>	<b>878,307</b>

#### D. Condensed interim consolidated statement of cash flows

##### Consolidated Statement of Cash Flows

	Note	1H 2021 US\$'000	1H 2020 US\$'000
<b>Cash flows from operating activities</b>			
Profit for the period		24,287	23,571
Adjustments for:-			
Depreciation of property, plant and equipment	5	377	377
Depreciation of right-of-use assets	5	4,734	5,515
Amortisation of intangible assets		89	106
Gain on disposal of property, plant and equipment	5	-	(4)
Allowance (Write back) for impairment loss on doubtful debts	5	1,125	(982)
Fair value (gain) loss on derivative instruments		(18,286)	12,650
Share of results of associates (net of tax)		(16,098)	(3,889)
Interest income	5	(666)	(2,256)
Interest expense	5	9	55
Lease interest expense	5	71	177
Tax expense		2,262	1,621
Unrealised exchange differences		408	(52)
		(1,688)	36,889
Change in inventories		(178,813)	(18,967)
Change in trade and other receivables		(18,111)	367,704
Change in trade and other payables		204,983	(382,569)
Cash from operating activities		6,371	3,057
Tax paid		(13)	(1,020)
<b>Net cash from operating activities</b>		<b>6,358</b>	<b>2,037</b>
<b>Cash flows from investing activities</b>			
Interest received		232	725
Purchase of property, plant and equipment		(52)	(41)
Purchase of intangible assets		(5)	-
Proceeds from disposal of property, plant and equipment		-	6
Dividends received from associates		31,063	59,667
<b>Net cash from investing activities</b>		<b>31,238</b>	<b>60,357</b>
<b>Cash flows from financing activities</b>			
Interest paid		(11)	(55)
Interest paid on lease liabilities		(71)	(177)
Repayment of lease liabilities		(4,701)	(5,461)
Proceeds from loans and borrowings		566,519	46,560
Repayment of loans and borrowings		(566,519)	(46,560)
Dividends paid		(16,756)	(28,826)
<b>Net cash used in financing activities</b>		<b>(21,539)</b>	<b>(34,519)</b>
<b>Net increase in cash and cash equivalents</b>		<b>16,057</b>	<b>27,875</b>
Cash and cash equivalents at beginning of the period		269,107	378,780
Net effect of exchange rate fluctuations on cash held		(408)	52
<b>Cash and cash equivalents at end of the period</b>		<b>284,756</b>	<b>406,707</b>

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

China Aviation Oil (Singapore) Corporation Limited (“CAO”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, CAO Group). 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 three wholly-owned subsidiaries, namely 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”) 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 (“SPIA”), 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”).

### **2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States (US) dollar which is the Company’s functional currency.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment and revenue information

The Group is organised into the following main business segments:

- (a) Middle distillates : Jet fuel and gas oil supply and trading;
- (b) Other oil products: Fuel oil, crude oil and gasoline supply and trading; and
- (c) Investments in oil-related assets: Investments in oil-related assets through the Group's holdings in associates.

These operating segments are reported in a manner consistent with the internal reporting provided to Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

#### 4.1 Reporting segments

	Middle distillates	Other oil products	Investment in oil related assets	Total
1 Jan 2021 to 30 Jun 2021	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	3,879,999	4,803,256	-	8,683,255
Gross profit	13,042	2,660	-	15,702
Other administrative /operating expenses	(4,183)	-	(2)	(4,185)
Depreciation and amortisation	(980)	-	-	(980)
Foreign exchange loss	(151)	-	-	(151)
Interest income	665	1	-	666
Other income	204	-	-	204
Finance costs	(256)	(549)	-	(805)
Share of results of associates (net of tax)	-	-	16,098	16,098
Profit before tax	8,341	2,112	16,096	26,549
Income tax expense	(781)	-	(1,481)	(2,262)
Earning for the interim period	7,560	2,112	14,615	24,287
Segment assets	1,250,320	562,306	294,049	2,106,675
Deferred income tax assets				848
Total assets per statement of financial position	1,250,320	562,306	294,049	2,107,523
Segment liabilities	626,550	588,750	-	1,215,300
Current income tax liabilities				594
Deferred income tax liabilities				6,136
Total liabilities per statement of financial position				1,222,030

	<b>Middle distillates</b>	<b>Other oil products</b>	<b>Investment in oil related assets</b>	<b>Total</b>
<b>1 Jan 2020 to 30 Jun 2020</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Revenue	3,243,505	2,129,900	-	5,373,405
Gross profit	22,292	579	-	22,871
Other administrative /operating expenses	(3,333)	(1)	(199)	(3,533)
Depreciation and amortisation	(900)	-	-	(900)
Foreign exchange gain/(loss)	572	-	(2)	570
Interest income	2,256	-	-	2,256
Other income	516	-	-	516
Finance costs	(157)	(320)	-	(477)
Share of results of associates (net of tax)	-	-	3,889	3,889
Profit before tax	21,246	258	3,688	25,192
Income tax expense	(1,466)	-	(155)	(1,621)
Earning for the interim period	19,780	258	3,533	23,571
Segment assets	967,078	278,222	300,948	1,546,248
Deferred income tax assets				2,201
Total assets per statement of financial position	967,078	278,222	300,948	1,548,449
Segment liabilities	561,168	155,959	-	717,127
Current income tax liabilities				1,110
Deferred income tax liabilities				7,291
Total liabilities per statement of financial position				725,528



#### 4.2 Disaggregation of Revenue

<b>The Group</b>				
<b>6 months ended 30 June 2021</b>				
	<b>Middle distillates US\$'000</b>	<b>Other oil products US\$'000</b>	<b>Investment in oil related assets US\$'000</b>	<b>Total US\$'000</b>
Sales of goods	3,879,999	4,803,256	-	8,683,255
Timing of revenue recognition:				
At a point in time	3,879,999	4,803,256	-	8,683,255
Total revenue	3,879,999	4,803,256	-	8,683,255
Geographical information:				
People's Republic of China	1,350,484	3,249,457	-	4,599,941
Singapore	179,106	712,842	-	891,948
Hong Kong	259,571	250,277	-	509,848
Other countries	2,090,838	590,680	-	2,681,518
Total revenue	3,879,999	4,803,256	-	8,683,255

<b>The Group</b>				
<b>6 months ended 30 June 2020</b>				
	<b>Middle distillates US\$'000</b>	<b>Other oil products \$'000</b>	<b>Investment in oil related assets US\$'000</b>	<b>Total US\$'000</b>
Sales of goods	3,243,505	2,129,900	-	5,373,405
Timing of revenue recognition:				
At a point in time	3,243,505	2,129,900	-	5,373,405
Total revenue	3,243,505	2,129,900	-	5,373,405
Geographical information:				
People's Republic of China	1,225,969	1,720,250	-	2,946,219
Singapore	592,074	53,561	-	645,635
United States of America	277,392	-	-	277,392
Other countries	1,148,070	356,089	-	1,504,159
Total revenue	3,243,505	2,129,900	-	5,373,405

Revenue contribution from a single region is disclosed separately when it exceeds 5% of the Group's revenue respectively.

## 5. Profit before taxation

### 5.1 Significant items

<b>The Group</b>		
	<b>1H 2021</b>	<b>1H 2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Income</b>		
Bank interest income	666	2,256
Net foreign exchange (loss)/gain	(151)	571
<b>Expenses</b>		
Depreciation of property, plant and equipment	(377)	(377)
Depreciation of right-of-use assets	(4,734)	(5,515)
Amortisation of intangible assets	(89)	(106)
Gain on disposal property, plant and equipment	-	4
Interest expense	(9)	(55)
Interest expense - lease liabilities	(71)	(177)
(Allowance) Write back for impairment loss on doubtful debts	(1,125)	982

### 5.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

## 6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>1H 2021</b>	<b>1H2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Current income tax expense	378	42
Utilisation of previously unused tax losses	400	1,401
Withholding tax expense	1,484	178
Total tax expense	2,262	1,621

## 7. Dividends

There is no interim dividend declared or paid for the financial period ended 30 June 2021 and 30 June 2020.

## 8. Net Asset Value

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2021</b>	<b>31 Dec 2020</b>	<b>30 Jun 2021</b>	<b>31 Dec 2020</b>
Net asset value per ordinary share (US cents)	102.94	101.94	102.11	101.19
Number of ordinary shares issued ('000)	860,184	860,184	860,184	860,184

## 9. Associates

	Group		Company	
	30 Jun 2021 US\$'000	31 Dec 2020 US\$'000	30 Jun 2021 US\$'000	31 Dec 2020 US\$'000
Investment in associates	278,854	304,577	278,854	304,577

The Group has one (2020: one) associate that is material and four (2020: four) other associates that are individually immaterial to the Group. All are equity accounted. The followings are details of the material associates of the Group and the Company:

	<b>Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd (“SPIA”)</b>
Nature of business	Exclusive supplier of jet fuel at Shanghai Pudong International Airport
Principal place of business/Country of incorporation	People’s Republic of China
Ownership interest/Voting rights held	33% (2020: 33%)

## 10. Financial assets at fair value through other comprehensive income

	30 Jun 2021 US\$'000	31 Dec 2020 US\$'000
Investment in equity instrument designated as at FVTOCI - unquoted equity shares	5,500	5,500

The investment in equity instrument is not held for trading. Instead, it is held for medium to long-term strategic purposes. Accordingly, management has elected to designate this investment in equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in this investment’s fair value in profit or loss would not be consistent with the Group’s strategy of holding this investment for long-term purposes and realising its performance potential in the long run.

No investment in equity instrument measured at FVTOCI has been disposed of during the current reporting period.

## 11. Trade and other receivables

	Group		Company	
	30 June 2021 US\$'000	31 Dec 2020 US\$'000	30 June 2021 US\$'000	31 Dec 2020 US\$'000
Trade receivables	944,444	1,006,503	891,832	967,912
Other receivables	31,277	30,872	19,101	23,112
Amounts due from:				
- subsidiary (trade)	-	-	50,342	48,112
- related corporations (trade)	76,068	69,131	24,752	36,121
- related corporation of a corporate shareholder (trade)	119,774	-	119,774	-
- holding company (non-trade)	2	2	2	2
- subsidiaries (non-trade)	-	-	89,805	37,841
Dividends receivable from associate	9,695	-	9,695	-
Loan to subsidiaries	-	-	5,035	5,035
	1,181,260	1,106,508	1,210,338	1,118,135
Allowance for impairment loss on doubtful debts - trade receivables	(9,257)	(8,132)	(8,842)	(7,915)
Loans and receivables	1,172,003	1,098,376	1,201,496	1,110,220
Derivative financial assets - oil commodity derivatives	38,540	27,873	36,332	27,216
	1,210,543	1,126,249	1,237,828	1,137,436
Prepayments	34,436	80,380	-	53,845
	1,244,979	1,206,629	1,237,828	1,191,281
Current	1,244,979	1,206,629	1,232,793	1,186,246
Non-current	-	-	5,035	5,035
	1,244,979	1,206,629	1,237,828	1,191,281

## 12. Share capital

The Group and the Company				
	30 Jun 2021		31 Dec 2020	
	Number of shares	Amount	Number of shares	Amount
	'000	US\$'000	US\$'000	US\$'000
<b>Beginning of interim period</b>	866,184	215,573	866,184	215,573
<b>Treasury shares</b>				
Balance at beginning of interim period	(6,000)	(5,482)	(6,000)	(5,482)
Additions during the period	-	-	-	-
Balance at end of interim period	(6,000)	(5,482)	(6,000)	(5,482)
<b>End of interim period</b>	860,184	210,091	860,184	210,091

There are no sales, transfers, cancellation and use of treasury shares from 1 January 2021 to 30 June 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

### 13. Trade and other payables

	Group		Company	
	30 Jun 2021 US\$'000	31 Dec 2020 US\$'000	30 Jun 2021 US\$'000	31 Dec 2020 US\$'000
Trade payables	929,418	888,671	846,144	853,893
Other payables and accruals	25,964	38,687	24,723	36,845
Advance receipts from customers	-	210	-	-
Amounts due to:				
- immediate and ultimate holding Company (non-trade)	10,123	10,121	-	-
- subsidiary (trade)	-	-	61,689	35,070
- related corporation (trade)	89,952	554	89,952	-
- related corporation of a corporate shareholder (trade)	103,083	8,584	85,933	-
Derivative financial liabilities:				
- oil commodity derivatives	33,615	42,047	32,290	41,475
	1,192,155	988,874	1,140,731	967,283

### 14. Borrowings

Amount repayable in one year or less, or on demand

	The Group and the Company	
	30 Jun 2021 US\$'000	31 Dec 2020 US\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	-	-
Unsecured	-	-
<u>Amount repayable after one year</u>		
Secured	-	-
Unsecured	-	-

### 15. Fair value measurement

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

At the reporting date, the carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost approximate their fair values because of the short period to maturity.

<b>Group</b>	<b>Level 1 US\$'000</b>	<b>Level 2 US\$'000</b>	<b>Level 3 US\$'000</b>	<b>Total US\$'000</b>
<b>30 Jun 2021</b>				
Financial assets at FVTOCI*	-	-	5,500	5,500
Derivative financial assets	-	38,540	-	38,540
Derivative financial liabilities	-	(33,615)	-	(33,615)
	-	4,925	5,500	10,425
<b>31 Dec 2020</b>				
Financial assets at FVTOCI*	-	-	5,500	5,500
Derivative financial assets	-	27,873	-	27,873
Derivative financial liabilities	-	(42,047)	-	(42,047)
	-	(14,174)	5,500	(8,674)

<b>Company</b>	<b>Level 1 US\$'000</b>	<b>Level 2 US\$'000</b>	<b>Level 3 US\$'000</b>	<b>Total US\$'000</b>
<b>30 Jun 2021</b>				
Derivative financial assets	-	36,332	-	36,332
Derivative financial liabilities	-	(32,290)	-	(32,290)
	-	4,042	-	4,042
<b>31 Dec 2020</b>				
Derivative financial assets	-	27,216	-	27,216
Derivative financial liabilities	-	(41,475)	-	(41,475)
	-	(14,259)	-	(14,259)

\* There was no movement to the Level 3 fair value measurement of the financial asset during the financial year.

## 16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## OTHER INFORMATION

### 1. Review

The condensed interim consolidated statement of financial position of China Aviation Oil (Singapore) Corporation Limited and its subsidiaries as at 30 June 2021 and the related interim consolidated profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### Interim Consolidated Statement of Comprehensive Income

##### 1H 2021 v 1H 2020

The Group's net profit increased by US\$0.72 million (3.04%) to US\$24.29 million for the first half year ended 30 June 2021 ("1H 2021") compared to US\$23.57 million for the first half year ended 30 June 2020 ("1H 2020"), mainly attributable to the increase in share of results from associates partially offset by the decrease in gross profit.

The total supply and trading volume increased by 4.58 million tonnes (34.80%) to 17.74 million tonnes for 1H 2021 compared to 13.16 million tonnes for 1H 2020. The trading volume of other oil products increased by 4.87 million tonnes (88.71%) to 10.36 million tonnes for 1H 2021 compared to 5.49 million tonnes for 1H 2020 attributable mainly to higher trading volume for crude oil. Volume for middle distillates decreased by 0.29 million tonnes (3.78%) to 7.38 million tonnes from 7.67 million tonnes, of which jet fuel supply and trading volume decreased by 0.65 million tonnes (12.24%) to 4.66 million tonnes for 1H 2021 compared to 5.31 million tonnes for 1H 2020. Trading volume for gas oil increased by 0.36 million tonnes (15.25%) to 2.72 million tonnes for 1H 2021 from 2.36 million tonnes for 1H 2020.

Total revenue increased by US\$3,309.85 million (61.60%) to US\$8,683.26 million for 1H 2021 from US\$5,373.41 million for 1H 2020, mainly attributable to the increase in oil price and volume.

Total gross profit was US\$15.70 million for 1H 2021, a decrease of US\$7.17 million (31.35%) compared to US\$22.87 million for 1H 2020 mainly due to lower gains derived from trading and optimisation activities. In addition, jet fuel supply business has not fully recovered due to COVID-19 pandemic.

Other operating income was US\$0.72 million for 1H 2021 compared to US\$3.34 million for 1H 2020, a decrease of US\$2.62 million (78.49%) attributable mainly to lower bank interest income due to a decline in interest rates and lower average fixed deposits. Bank interest income was US\$0.67 million for 1H 2021 compared to US\$2.26 million for 1H 2020, a decrease of US\$1.59 million (70.48%) from fixed deposits placed with banks and financial institutions. Exchange differences decreased by US\$0.72 million and other income which mainly comprised of wage support and property tax rebates from Singapore Government pertaining to COVID-19 pandemic decreased by US\$0.31 million.

Total expenses increased by US\$1.06 million (21.59%) to US\$5.97 million for 1H 2021 compared to US\$4.91 million for 1H 2020, mainly attributable to the increase in provision for expected credit loss ("ECL") of US\$1.13 million in 1H 2021 compared to the reversal of ECL provision of US\$0.98 million in 1H 2020, an increase of US\$2.11 million partially offset by the decrease in staff costs.

Share of profits from associates was US\$16.10 million for 1H 2021 compared to US\$3.89 million for 1H 2020, an increase of US\$12.21 million (313.94%), mainly attributable to higher contributions from SPIA. Share of results from SPIA was US\$14.61 million for 1H 2021 compared to US\$2.13 million for 1H 2020, an increase of US\$12.48 million or 584.77%, mainly due to higher revenue and profits as a result of higher refuelling volume and oil prices. Share of results from other associates was US\$1.49 million for 1H 2021 compared to US\$1.76 million for 1H 2020, a decrease of US\$0.27 million or 15.34%, mainly due to lower contribution from OKYC.

Income tax expense was US\$2.26 million for 1H 2021 compared to US\$1.62 million for 1H 2020, an increase of US\$0.64 million (39.54%) mainly due to higher deferred tax liabilities recognised on the Company's share of undistributed retained earnings of associates.

Earnings per share was 2.82 US cents for 1H 2021 compared to 2.74 US cents for 1H 2020.

### **Interim Consolidated Statements of Financial Position**

The Group's current assets stood at US\$1,799.92 million as at 30 June 2021 compared to US\$1,567.11 million as at 31 December 2020. The increase of US\$232.81 million in current assets resulted from the increase of US\$178.81 million in inventories, US\$38.35 million in trade and other receivable and US\$15.65 million in cash and cash equivalents.

Non-current assets stood at US\$307.60 million as at 30 June 2021 compared to US\$320.84 million as at 31 December 2020. The decrease of US\$13.24 million was mainly attributable to the dividend distribution of US\$42.90 million from SPIA partially offset by the share of results of US\$16.10 million and the increase in right-of-use assets of US\$13.30 million.

Current liabilities which comprised of trade and other payables, contract liabilities, short term lease liabilities and tax liabilities, increased by US\$201.24 million to US\$1,204.90 million as at 30 June 2021 compared to US\$1,003.66 million as at 31 December 2020, mainly attributable to the increase of US\$198.03 million in trade and other payables and contract liabilities as a result of higher trading volumes and oil prices in June 2021 compared to December 2020.

Non-current liabilities which comprised of lease liabilities and deferred tax liabilities increased by US\$9.72 million to US\$17.13 million as at 30 June 2021 compared to US\$7.41 million as at 31 December 2020, mainly due to the increase in lease liabilities.

The Group's net assets stood at US\$885.49 million as at 30 June 2021, or 102.94 US cents per share, compared to US\$876.88 million as at 31 December 2020 or 101.94 US cents per share.

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

#### ***IH 2021 v IH 2020***

Net cash generated from operating activities in 1H 2021 was US\$6.36 million compared to US\$2.04 million in 1H 2020, mainly attributable to net cash inflow from trade receivables and payables.

Net cash generated from investing activities were US\$31.24 million in 1H 2021 compared to US\$60.36 million in 1H 2020, a decrease of US\$29.12 million mainly attributable to the lower receipt of dividend from SPIA in 1H 2021.

Net cash used in financing activities in 1H 2021 were US\$21.54 million compared to US\$34.52 million in 1H 2020, a decrease of US\$12.98 million mainly attributable to lower dividends payout in 1H 2021.

### **Litigation- (1) Banque De Commerce Et De Placements S.A. DIFC Branch ("BCP-DIFC"), (2) Banque De Commerce Et De Placement SA ("BCP-Geneva") v China Aviation Oil (Singapore) Corporation Ltd & 2 Ors (Suit No. HC/S 675/2020 ("the "Suit"))**

The Company refers to its last update in relation to the amended Writ of Summons ("Writ of Summons-Amendment No. 1") and the amended Statement of Claim ("Statement of Claim-Amendment No.1") served on the Company by BCP-DIFC (as First Plaintiff) and BCP-Geneva (as Second Plaintiff), on 30 December 2020 and the amended Defence filed by the Company on 29 January 2021.

On 1 March 2021, BCP DIFC and BCP Geneva filed and served their Reply on the Company.

The Company filed and served the Third Party Statement of Claim (Amendment No. 1) on Shandong Energy International (Singapore) Pte Ltd ("SEIS") on 2 March 2021. SEIS filed and served its amended Third Party Defence on 17 March 2021. On 31 March 2021, the Company filed and served its Third Party Reply on SEIS.

Separately, SEIS commenced proceedings against the Fourth Party, Golden Base Energy Pte Ltd ("GBE") and GBE had separately filed an application seeking leave of Court to add the Fifth Party, Zenrock Commodities Trading Pte Ltd (In Liquidation) ("Zenrock") to the proceedings on the basis that Zenrock had sold the cargo concerned in the Suit to GBE, who had then on-sold the cargo to SEIS.

Meanwhile, the Court suggested all parties to the Suit, the Third Party Proceedings and the Fourth Party Proceedings to consider whether or not they were each prepared to refer the subject dispute to mediation.



In May 2021, all parties to the Suit, the Third Party Proceedings and the Fourth Party Proceedings had agreed to an all-parties mediation to resolve all proceedings in the Suit on a global basis. The all-parties mediation is proposed to be held in October 2021 before a sole mediator to be conducted under the auspices of the Singapore International Mediation Centre.

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

Not applicable.

**4. 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.**

Supported by higher oil demand as the global economy geared up for recovery from the COVID-19 pandemic, oil prices had risen steadily in 1H 2021 with crude oil prices averaging US\$73 a barrel in June 2021, its highest levels since May 2019.

However, the emergence of COVID-19 virus variants and resurgence of infections in many parts of the world in recent months have led governments to reintroduce travel restrictions. Coupled with unequal access to vaccines in many countries and the uneven pace of vaccination rollouts in different parts of the world, the COVID-19 pandemic continued to have a severe impact on the pace of recovery of the global aviation industry leading IATA to lower its forecast for total air passenger numbers in 2021 to be 52% lower than they were in 2019, as pandemic restrictions continued to hinder travel.

While market conditions are expected to remain challenging, the Group remains cautiously optimistic on its performance for the current financial year as it continues to navigate through this unprecedented period by implementing and executing detailed protocols across the Group's operations to strengthen operational resilience ensuring minimal disruptions to sustain business continuity. 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.

**5. Dividend information**

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? No

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

5c. Date Payable

Not Applicable.

5d. Books Closure Date

Not Applicable.

5e. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

Not Applicable.

## 6. Interested person transactions

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).

Aggregate value of interested person transactions entered from 1 January 2021 to 30 June 2021.

	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 2021 US\$'000	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) 1H 2021 US\$'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) YTD 1H 2021 US\$'000	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) YTD 1H 2021 US\$'000
Sales from related corporations	Associates of Controlling Shareholder, China National Aviation Fuel Group Limited	-	595,544	-	595,544
Purchases from related corporations		-	164,502	-	164,502
Supply chain services rendered from related corporation		-	1,355	-	1,355
Transportation revenue earned by associate from related corporations *		-	1,926	-	1,926
Principal deposited with related corporations		-	364,189	-	364,189

Nature of IPT transactions	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 2021  US\$'000	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) 1H 2021  US\$'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) YTD 1H 2021  US\$'000	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) YTD 1H 2021  US\$'000
Sales from related corporation of a corporate shareholder	Associates of Controlling Shareholder, BP Investments Asia Limited	-	118,333	-	118,333
Purchases from related corporation of a corporate shareholder		-	229,692	-	229,692
Supply chain services rendered from related corporation of a corporate shareholder		-	4,173	-	4,173

\* 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

**7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

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 2021