



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD
(Company Registration No. 199303293Z)
Full Year Financial Statement For The Period Ended 31 December 2016

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 2016	4Q 2015	Variance	Jan-Dec 2016	Jan-Dec 2015	Variance
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Revenue (Note 1)	3,275,739	1,983,061	65.19%	11,703,191	8,987,487	30.22%
Cost of sales	(3,265,150)	(1,975,056)	65.32%	(11,659,141)	(8,952,043)	30.24%
Gross Profit	10,589	8,005	32.28%	44,050	35,444	24.28%
Other operating income (Note 2)	459	(42)	NM	1,303	(240)	NM
Administrative expenses	(5,077)	(3,883)	30.75%	(16,279)	(13,594)	19.75%
Other operating expenses (Note 3)	(762)	(1,783)	-57.26%	(2,330)	731	NM
Finance costs	(194)	(196)	-1.02%	(1,249)	(1,040)	20.10%
Operating Profit	5,015	2,101	138.70%	25,495	21,301	19.69%
Share of results of associates (net of tax) (Note 4)	13,327	9,747	36.73%	66,363	42,296	56.90%
Profit before tax	18,342	11,848	54.81%	91,858	63,597	44.44%
Tax expense (Note 5)	(423)	(435)	-2.76%	(2,950)	(2,316)	27.37%
Profit for the period	17,919	11,413	57.01%	88,908	61,281	45.08%
Attributable to:						
Equity holders of the Company	17,919	11,413	57.01%	88,908	61,281	45.08%

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 2016	4Q 2015	Variance		Jan-Dec 2016	Jan-Dec 2015	Variance	
	US\$'000	US\$'000	+ / -	%	US\$'000	US\$'000	+ / -	%
PROFIT FOR THE PERIOD	17,919	11,413	57.01%		88,908	61,281	45.08%	
Other comprehensive income								
Items that are or may be reclassified subsequently to profit or loss:								
Translation differences relating to financial statements of foreign associates (Note (a))	(9,904)	(2,993)	230.91%		(12,613)	(9,389)	34.34%	
Other comprehensive loss for the period, net of tax	(9,904)	(2,993)	230.91%		(12,613)	(9,389)	34.34%	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8,015	8,420	-4.81%		76,295	51,892	47.03%	
Total comprehensive income attributable to:								
Owners of the parent	8,015	8,420	-4.81%		76,295	51,892	47.03%	

On 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.

Note (a): For the twelve months ended 31 December 2016, RMB and Korean Won depreciated by approximately 6.49% (2015: 4.35%) and 2.35% (2015: 7.61%) respectively against US Dollar at end of December 2016 giving rise to the translation loss on foreign associates denominated in RMB and Korean Won to US Dollar.

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

	Group			Group		
	4Q 2016	4Q 2015	Var	Jan-Dec 2016	Jan-Dec 2015	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Depreciation of property, plant and equipment	(163)	(198)	-17.68%	(693)	(827)	-16.20%
Amortisation of intangible assets	(93)	(191)	-51.31%	(513)	(731)	-29.82%
Bank interest income	760	156	387.18%	1,575	375	320.00%
Interest expense	(165)	(94)	75.53%	(313)	(251)	24.70%
Net foreign exchange loss	(360)	(333)	8.11%	(333)	(750)	-55.60%
Allowance for doubtful debts	(620)	(1,512)	-58.99%	(620)	(1,512)	-58.99%
Write back of allowance for doubtful debts	40	-	-	1,180	3,100	-61.94%

Note 1: Revenue

	Group			Group		
	4Q 2016	4Q 2015	Var	Jan-Dec 2016	Jan-Dec 2015	Var
	US\$'000	US\$'000	+ / - %	US\$'000	US\$'000	+ / - %
Revenue from middle distillates	2,233,343	1,387,460	60.97%	7,754,112	7,009,516	10.62%
Revenue from other oil products	1,042,396	595,601	75.02%	3,949,079	1,977,971	99.65%
	3,275,739	1,983,061	65.19%	11,703,191	8,987,487	30.22%

The increase in revenue was primarily due to the increase in trading volume of other oil products.

Note 2: Other income

	Group			Group		
	4Q 2016 US\$'000	4Q 2015 US\$'000	Var + / - %	Jan-Dec 2016 US\$'000	Jan-Dec 2015 US\$'000	Var + / - %
Bank interest income	760	156	387.18%	1,575	375	320.00%
Net foreign exchange loss	(360)	(333)	8.11%	(333)	(750)	-55.60%
Other income	59	135	-56.30%	61	135	-54.81%
	459	(42)	NM	1,303	(240)	NM

Note 3: Other operating expenses

Included in other operating expenses was the recovery of monies due from MF Global amounting to US\$1.18 million in FY 2016 and US\$3.10 million in FY 2015. Excluding the recovery of bad debts, other operating expenses for FY 2016 and FY 2015 were US\$3.51 million and US\$2.37 million respectively.

Note 4: Share of results of associates

	Group			Group		
	4Q 2016 US\$'000	4Q 2015 US\$'000	Var + / - %	Jan-Dec 2016 US\$'000	Jan-Dec 2015 US\$'000	Var + / - %
Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("Pudong")	13,603	8,064	68.69%	60,638	38,884	55.95%
China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL")	(335)	317	NM	2,178	2,237	-2.64%
China Aviation Oil Xinyuan Petrochemicals Co. Ltd ("Xinyuan")	57	186	-69.35%	312	651	-52.07%
Oilhub Korea Yeosu Co., Ltd ("OKYC")	232	1,442	-83.91%	4,144	1,353	206.28%
CNAF Hong Kong Refuelling Limited ("CNAF HKR")	(230)	(262)	12.21%	(909)	(829)	-9.65%
	13,327	9,747	36.73%	66,363	42,296	56.90%

Note 5: Tax expense

The tax expense 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 by a subsidiary during the period. The undistributed retained earnings from associates incorporated in China is subject to withholding tax.

NM denotes "not meaningful"

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

Statement of Financial Position

	Group		Company	
	As at 31 Dec 16 US\$'000 (unaudited)	As at 31 Dec 15 US\$'000 (audited)	As at 31 Dec 16 US\$'000 (unaudited)	As at 31 Dec 15 US\$'000 (audited)
ASSETS				
Non-current assets				
Property, plant and equipment	5,654	6,214	5,555	6,114
Intangible assets	1,580	1,826	399	645
Subsidiaries	-	-	37,975	37,648
Associates	281,010	265,620	82,625	82,625
Trade and other receivables	-	-	35,480	35,480
Deferred tax assets	7,604	7,604	7,600	7,600
	295,848	281,264	169,634	170,112
Current assets				
Inventories	170,733	56,826	164,809	51,702
Trade and other receivables	590,554	336,922	568,230	306,797
Cash and cash equivalents	287,286	170,505	244,164	144,064
	1,048,573	564,253	977,203	502,563
Total assets	1,344,421	845,517	1,146,837	672,675
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	215,573	215,573	215,573	215,573
Reserves	434,112	377,068	277,331	238,313
Total equity	649,685	592,641	492,904	453,886
Non-current liabilities				
Deferred tax liabilities	6,311	6,164	-	-
Current liabilities				
Trade and other payables	587,810	246,707	553,933	217,713
Loans and borrowings	100,000	-	100,000	1,076
Current tax liabilities	615	5	-	-
	688,425	246,712	653,933	218,789
Total liabilities	694,736	252,876	653,933	218,789
Total equity and liabilities	1,344,421	845,517	1,146,837	672,675

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 2016		As at 31 Dec 2015	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
0	100,000	0	0

Amount repayable after one year

As at 31 Dec 2016		As at 31 Dec 2015	
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 2016	4Q 2015	Jan-Dec 2016	Jan-Dec 2015
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities				
Profit for the period	17,919	11,413	88,908	61,281
Adjustments for items not involving outlay of funds:-				
Depreciation of property, plant and equipment	163	198	693	827
Amortisation of intangible assets	93	191	513	731
Allowance for doubtful debts	620	1,512	620	1,512
Write back of allowance for doubtful debts	(40)	-	(1,180)	(3,100)
Share of results of associates (net of tax)	(13,327)	(9,747)	(66,363)	(42,296)
Bank interest income	(760)	(156)	(1,575)	(375)
Interest expense	165	94	313	251
Tax expense	423	435	2,950	2,316
Exchange differences	155	(182)	396	56
	5,411	3,758	25,275	21,203
Changes in working capital				
Inventories	(34,708)	47,619	(113,907)	(18,728)
Trade and other receivables	339,192	343,883	(252,971)	624,110
Trade and other payables	(361,491)	(396,438)	341,103	(572,241)
Cash (used in)/generated from operations	(51,596)	(1,178)	(500)	54,344
Tax paid	(1,891)	(2,074)	(1,918)	(2,225)
Cash flows (used in)/generated from operating activities	(53,487)	(3,252)	(2,418)	52,119
Investing activities				
Interest received	680	154	1,474	373
Purchase of property, plant and equipment	(105)	(146)	(133)	(251)
Purchase of intangible assets	(149)	-	(267)	(188)
Dividends received from associate	37,834	34,534	38,085	37,238
Cash flows from investing activities	38,260	34,542	39,159	37,172
Financing activities				
Interest paid	(165)	(94)	(313)	(251)
Proceeds from loans and bank borrowing	100,000	20,000	209,713	47,900
Repayment of loans and bank borrowing	(30,000)	(20,000)	(109,713)	(47,900)
Dividend paid	-	-	(19,251)	(12,765)
Cash flows generated from/(used in) financing activities	69,835	(94)	80,436	(13,016)
Net increase in cash and cash equivalents	54,608	31,196	117,177	76,275
Cash and cash equivalents at beginning of the period	232,833	139,127	170,505	94,286
Net effect of exchange rate fluctuations on cash held	(155)	182	(396)	(56)
Cash and cash equivalents at end of the period	287,286	170,505	287,286	170,505

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	Foreign currency translation reserve US\$'000	Statutory reserve US\$'000	Total equity US\$'000
As at 1 January 2015	215,573	300,829	(5,482)	26,627	15,967	553,514
Total comprehensive income for the period	-	61,281	-	(9,389)	-	51,892
Dividend paid in respect of 2014, representing total transactions with shareholders recognised directly in equity	-	(12,765)	-	-	-	(12,765)
Transfer from retained earnings to other reserve	-	(2,857)	-	-	2,857	-
As at 31 December 2015	215,573	346,488	(5,482)	17,238	18,824	592,641
As at 1 January 2016	215,573	346,488	(5,482)	17,238	18,824	592,641
Total comprehensive income for the period	-	88,908	-	(12,613)	-	76,295
Dividend paid in respect of 2015, representing total transactions with shareholders recognised directly in equity	-	(19,251)	-	-	-	(19,251)
Transfer from retained earnings to other reserve	-	(16,567)	-	-	16,567	-
As at 31 December 2016	215,573	399,578	(5,482)	4,625	35,391	649,685

Statement of Changes in Equity

THE COMPANY	Share capital US\$'000	Retained earnings US\$'000	Treasury shares US\$'000	Total equity US\$'000
As at 1 January 2015	215,573	198,502	(5,482)	408,593
Total comprehensive income for the period	-	58,058	-	58,058
Dividend paid in respect of 2014, representing total transactions with shareholders recognised directly in equity	-	(12,765)	-	(12,765)
As at 31 December 2015	215,573	243,795	(5,482)	453,886
As at 1 January 2016	215,573	243,795	(5,482)	453,886
Total comprehensive income for the period	-	58,269	-	58,269
Dividend paid in respect of 2015, representing total transactions with shareholders recognised directly in equity	-	(19,251)	-	(19,251)
As at 31 December 2016	215,573	282,813	(5,482)	492,904

- 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 was no change in the Company's share capital for the quarter ended 31 December 2016.

Treasury shares

During the quarter ended 31 December 2016, the Company did not make any purchase of its own ordinary shares pursuant to the Share Purchase Mandate renewed at the 22nd Annual General Meeting of the Company held on 20 April 2016.

As at 31 December 2016, a total of 6,000,000 ordinary shares (31 December 2015: 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 2016	4Q 2015	YTD 4Q 2016	YTD 4Q 2015
Issued ordinary shares				
Balance at beginning/end of period	866,183,628	866,183,628	866,183,628	866,183,628
Treasury shares				
Balance at beginning	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)
Additions during the period	-	-	-	-
Balance at end of period	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)
Total	860,183,628	860,183,628	860,183,628	860,183,628

- 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 Financial Reporting Standards ("FRS") 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 2015.

- 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 FRS and INT-FRS that are relevant to its operations and effective for annual periods beginning after 1 January 2016. 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 2016	4Q 2015	YTD 4Q 2016	YTD 4Q 2015
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	2.08 US cents	1.33 US cents	10.34 US cents	7.12 US cents
- Weighted average number of shares ('000)	860,184	860,184	860,184	860,184
(b) On a fully diluted basis	2.08 US cents	1.33 US cents	10.34 US cents	7.12 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 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 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Net asset value per ordinary share based on issued share capital at the end of the period reported on (US cents)	75.53	68.90	57.30	52.77
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 31 December 2016 and 31 December 2015 (excluding treasury shares).

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

PERFORMANCE REVIEW

BACKGROUND

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

CAO is the largest physical jet fuel trader in the Asia Pacific region and the sole supplier of imported jet fuel to the civil aviation industry of the People's Republic of China ("PRC"). CAO also engages in trading of jet fuel and other oil products. The Company has wholly-owned subsidiaries located in Hong Kong, North America, United Kingdom, and Singapore; viz. China Aviation Oil (Hong Kong) Company Limited ("CAOHK"), North American Fuel Corporation ("NAFCO"), China Aviation Oil (Europe) Limited ("CAO Europe") and CAOT Pte Ltd ("CAOT") respectively.

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") and CNAF Hong Kong Refuelling Limited ("CNAF HKR").

Consolidated Statement of Comprehensive Income

4th Qtr 2016 v 4th Qtr 2015

Total supply and trading volume for middle distillates and other oil products increased 2.62 million tonnes (46.41%) to 8.25 million tonnes for the fourth quarter ended 31 December 2016 ("4Q 2016") compared to 5.63 million tonnes for the fourth quarter ended 31 December 2015 ("4Q 2015"). Volume for middle distillates increased 1.84 million tonnes from 2.98 million tonnes to 4.82 million tonnes, of which, jet fuel supply and trading volume increased 1.30 million tonnes (47.07%) to 4.07 million tonnes for 4Q 2016 compared to 2.77 million tonnes for 4Q 2015. Trading volume of other oil products increased 0.78 million tonnes (29.20%) to 3.43 million tonnes for 4Q 2016 compared to 2.65 million tonnes for 4Q 2015 attributable mainly to the expansion of trading in crude oil to China and fuel oil to Middle East market.

Total revenue increased by US\$1,292.68 million (65.19%) to US\$3,275.74 million for 4Q 2016 from US\$1,983.06 million for 4Q 2015, primarily due to the increase in trading volume.

Total gross profit was US\$10.59 million for 4Q 2016, an increase of US\$2.58 million (32.28%) compared to US\$8.01 million for 4Q 2015 mainly due to higher profits from trading and optimisation activities.

Other operating income was US\$0.46 million for 4Q 2016 compared to a negative income of US\$0.04 million for 4Q 2015, mainly attributable to higher interest income after offsetting foreign exchange loss in both quarters. Bank interest income which was derived from time deposits placed with banks was US\$0.76 million for 4Q 2016 compared to US\$0.16 million for 4Q 2015.

Total expenses increased by US\$0.17 million (2.92%) to US\$6.03 million for 4Q 2016 compared to US\$5.86 million for 4Q 2015. The increase in expenses was mainly due to expenses incurred for business development partially offset by lower allowance for doubtful debts.

The share of profits from associates was US\$13.33 million for 4Q 2016 compared to US\$9.75 million for 4Q 2015, an increase of 36.73% mainly due to higher profit contributions from Pudong. The share of profits from Pudong was US\$13.60 million for 4Q 2016 compared to US\$8.06 million for 4Q 2015, increased by 68.69% mainly attributable to higher gross profit as a result of higher refuelling volume and higher profit margin due to the rebound in oil price in 4Q 2016 partially offset by higher operating expenses.

Share of results from OKYC was US\$0.23 million for 4Q 2016 compared to US\$1.44 million for 4Q 2015, mainly due to mark-to-market ("MTM") loss from its cross currency interest rate swap contracts ("CRS") in 4Q 2016 compared to MTM gain in 4Q 2015. The oil tank storage facilities was operating at full capacity for both quarters

and contribution from the leasing of storage tanks was relatively higher at US\$0.91 million for 4Q 2016 compared to US\$0.87 million for 4Q 2015.

Share of results from TSN-PEKCL was negative US\$0.34 million for 4Q 2016 compared to share of profits of US\$0.32 million for 4Q 2015, mainly due to higher operating expenses in 4Q 2016. The share of results in Xinyuan decreased by US\$0.13 million (69.35%) to US\$0.06 million for 4Q 2016 compared to US\$0.19 million for 4Q 2015, mainly due to higher operating expenses.

The share of loss from CNAF HKR was slightly lower at US\$0.23 million for 4Q 2016 compared to US\$0.26 million for 4Q 2015. The administrative expenses incurred in 4Q 2016 exceeded the revenue generated from its refuelling volume as CNAF HKR develops its business since it started operation on 1 August 2015.

Income tax expense was slightly lower at US\$0.42 million for 4Q 2016 compared to US\$0.44 million for 4Q 2015, mainly attributable to lower deferred tax liabilities on the Company's share of undistributed retained earnings from associates.

The Group's net profit for 4Q 2016 was US\$17.92 million compared to US\$11.41 million for 4Q 2015, an increase of US\$6.51 million (57.01%), mainly due to the increase in gross profit and higher share of results from associates. Earnings per share was 2.08 US cents for 4Q 2016 compared to 1.33 US cents for 4Q 2015.

4th Qtr 2016 v 3rd Qtr 2016

Total supply and trading volume for middle distillates and other oil products decreased by 2.42 million tonnes (22.68%) to 8.25 million tonnes for 4Q 2016 compared to 10.67 million tonnes for the third quarter ended 30 September 2016 ("3Q 2016"), mainly due to lower trading volume in other oil products.

Consequently, total revenue decreased by US\$664.12 million (16.86%) to US\$3,275.74 million for 4Q 2016 from US\$3,939.86 million for 3Q 2016.

Gross profit derived from jet fuel supply and trading of middle distillates and other oil products was slightly higher at US\$10.59 million for 4Q 2016 compared to US\$10.38 million for 3Q 2016 mainly attributable to higher optimisation gains from jet fuel trading.

Other operating income was US\$0.46 million for 4Q 2016 compared to US\$0.39 million for 3Q 2016, mainly due to higher bank interest income.

Total expenses was slightly lower at US\$6.03 million for 4Q 2016 compared to US\$6.38 million for 3Q 2016, mainly due to lower professional fees.

The share of profits from associates was US\$13.33 million for 4Q 2016 compared to US\$19.49 million for 3Q 2016, a decrease of US\$6.16 million (31.61%) mainly attributable to lower share of profits from Pudong and OKYC and share of loss from TSN-PEKCL.

The share of profits from Pudong was US\$13.60 million for 4Q 2016 compared to US\$17.43 million for 3Q 2016, decreased by 21.97% mainly attributable to lower gross profit as a result of lower refuelling volume and higher operating expenses.

Share of results from OKYC was US\$0.23 million for 4Q 2016 compared to US\$1.41 million for 3Q 2016, mainly due to mark-to-market ("MTM") loss from its cross currency interest rate swap contracts ("CRS") in 4Q 2016 compared to MTM gain in 3Q 2016.

Share of results from TSN-PEKCL was negative US\$0.34 million for 4Q 2016 compared to share of profits of US\$0.71 million for 3Q 2016, mainly due to higher operating expenses in 4Q 2016.

Income tax expense was US\$0.42 million for 4Q 2016 compared to US\$0.66 million for 3Q 2016, a decrease of 36.36% mainly due to the recognition of lower deferred tax liabilities in tandem with the Company's share of undistributed retained earnings from associates.

The Group's net profit for 4Q 2016 was US\$17.92 million compared to US\$23.22 million for 3Q 2016, a decrease of US\$5.30 million (22.83%) mainly due to the extremely strong contributions from associates in 3Q 2016. Earnings per share was 2.08 US cents for 4Q 2016 compared to 2.70 US cents for 3Q 2016.

FY 2016 v FY 2015

Total supply and trading volume for middle distillates and other oil products increased by 12.40 million tonnes (61.54%) to 32.55 million tonnes for the financial year ended 31 December 2016 ("FY 2016") compared to 20.15 million tonnes for the financial year ended 31 December 2015 ("FY 2015"). Volume for middle distillates increased 5.47 million tonnes (41.79%) to 18.56 million tonnes from 13.09 million tonnes, of which, the volume of jet fuel supply and trading increased by 3.09 million tonnes (26.03%) to 14.96 million tonnes for FY 2016 compared to 11.87 million tonnes for FY 2015. The trading volume of other oil products increased by 6.93 million tonnes (98.16%) to 13.99 million tonnes for FY 2016 compared to 7.06 million tonnes for FY 2015 attributable mainly to the expansion of trading in crude oil to China and fuel oil to Middle East market respectively.

Total revenue increased by US\$2,715.70 million (30.22%) to US\$11,703.19 million for FY 2016 from US\$8,987.49 million for FY 2015. This was mainly attributable to the increase in trading volume. Please see breakdown under Note 1 on page 2.

Gross profit derived from jet fuel supply and trading of middle distillates and other oil products was US\$44.05 million for FY 2016, an increase of US\$8.61 million (24.28%) compared to US\$35.44 million for FY 2015 mainly attributable to the increase in jet fuel volume supplied to China, higher premium allocated to the Company for Jet supply into China and higher gains from trading and optimisation activities.

Other operating income was US\$1.30 million for FY 2016 compared to a negative of US\$0.24 million for FY 2015 mainly due to higher bank interest income and lower foreign exchange loss. Bank interest income which was derived from time deposits placed with banks was US\$1.57 million for FY 2016 compared to US\$0.38 million for FY 2015.

Total expenses increased by US\$5.96 million (42.83%) to US\$19.86 million for FY 2016 compared to US\$13.90 million for FY 2015. Excluding the recovery of monies due from MF Global amounting to US\$1.18 million in FY 2016 and US\$3.10 million in FY 2015, total expenses increased by US\$4.03 million (23.73%) mainly attributable to higher professional fees incurred for business development, higher information technology expenses and credit insurance premium.

The share of profits from associates was US\$66.36 million for FY 2016 compared to US\$42.30 million for FY 2015, an increase of US\$24.06 million or 56.90%, mainly attributable to higher share of profits from Pudong and OKYC. The profit contribution from Pudong was US\$60.64 million for FY 2016 compared to US\$38.88 million for FY 2015, an increase of US\$21.76 million (55.95%) mainly attributable to higher gross profit as a result of higher refuelling volume and the oil price rebound in FY 2016 which also led to the increase in inventory valuation. Operational efficiency had also contributed to the increase in refuelling gross profit derived from the domestic and international flights.

The share of profit from OKYC was US\$4.14 million for FY 2016 compared to US\$1.35 million for FY 2015, an increase of US\$2.79 million or 206.28%, attributable mainly to higher operating profit from its tank storage leasing activities and lower MTM loss from its CRS contracts. The CRS contracts are due to fully mature in March 2017.

Share of profits from TSN-PEKCL was slightly lower at US\$2.18 million for FY2016 compared to US\$2.24 million for FY 2015 impacted by weaker RMB against US Dollar in FY 2016 despite higher profits generated from increased pipeline transportation volume.

The share of results in Xinyuan decreased by US\$0.34 million (52.07%) to US\$0.31 million for FY 2016 compared to US\$0.65 million for FY 2015, mainly due to the decline in gross profit resulted from lower sales volume and higher operating expenses.

The share of loss of US\$0.91 million from CNAF HKR in FY 2016 was mainly due to operation loss as revenue generated from its refuelling volume was insufficient to offset the administrative expense and finance costs. The share of loss of US\$0.83 million from CNAF HKR in FY 2015 was mainly due to pre-operating expenses and operation loss.

Income tax expense was US\$2.95 million for FY 2016 compared to US\$2.32 million for FY 2015, an increase of 27.37% due mainly to higher provision of income tax by a subsidiary and higher deferred tax liabilities on the Company's share of undistributed retained earnings from associates.

The Group's net profit for FY 2016 was US\$88.91 million compared to US\$61.28 million for FY 2015, an increase of US\$27.63 million (45.08%), mainly attributable to the increase in gross profit and higher share of results from associates. Earnings per share was 10.34 US cents for FY 2016 compared to 7.12 US cents for FY 2015.

Statement of Financial Position

The Group's current assets stood at US\$1,048.57 million as at 31 December 2016 compared to US\$564.25 million as at 31 December 2015. The increase of US\$484.32 million in current assets resulted mainly from:

- (i) an increase of US\$113.91 million in inventories held for trading;
- (ii) an increase of US\$253.63 million in trade and other receivables to US\$590.55 million as at 31 December 2016 from US\$336.92 million as at 31 December 2015 as a result of higher working capital requirements in trade financing; and
- (iii) an increase of US\$116.78 million in cash and cash equivalents.

Non-current assets stood at US\$295.85 million as at 31 December 2016, compared to US\$281.26 million as at 31 December 2015. The increase of US\$15.58 million was mainly attributable to the share of profits in associates of US\$66.36 million partially offset by the decrease in foreign currency translation reserve of US\$12.61 million and dividend declared of US\$38.09 million which was received in FY 2016.

Current liabilities comprised trade and other payables, bank borrowings and tax payables, increased by US\$441.72 million to US\$688.43 million as at 31 December 2016 compared to US\$246.71 million as at 31 December 2015, mainly due to higher working capital requirements in trade financing.

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

The Group's net assets stood at US\$649.69 million as at 31 December 2016, or 75.53 US cents per share, compared to US\$592.64 million as at 31 December 2015 or 68.90 US cents per share.

Consolidated Statement of Cash Flows

4Q 2016 v 4Q 2015

The net cash used in operating activities was US\$53.49 million in 4Q 2016 compared to US\$3.25 million in 4Q 2015, attributable mainly to the increase in inventories at end December 2016.

Cash flows generated from investing activities amounted to US\$38.26 million in 4Q 2016 compared to US\$34.54 million in 4Q 2015, mainly attributable to higher bank interest income and dividend income received from associates.

Cash flows generated from financing activities in 4Q 2016 was US\$69.84 million attributable mainly to the net proceeds from bank borrowings compared to cash flows used in financing activities of US\$0.09 million in 4Q 2015 which was incurred for the payment of interest expense.

FY 2016 v FY 2015

The net cash used in operating activities was US\$2.42 million in FY 2016 compared to cash flows generated from operating activities of US\$52.12 million in FY 2015 mainly due to the increase in inventories at end December 2016.

Cash flows generated from investing activities amounted to US\$39.16 million in FY 2016 compared to US\$37.17 million in FY 2015, mainly attributable to higher bank interest income and dividend income received from associates.

Cash flows generated from financing activities in FY 2016 was US\$80.44 million attributable mainly to the net proceeds from bank borrowings after offsetting payment for dividend and interest expense compared to cash flows used in financing activities of US\$13.02 million in FY 2015 which was incurred for the payment of interest expense and dividend.

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

Not applicable.

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

The agreement reached by OPEC members as well as several non-OPEC oil producers in late 2016 to cut output, has given the oil price substantial support in early 2017. However, as to whether targeted cuts could actually be achieved and supply and demand regained equilibrium is yet uncertain. Coupled with other factors that can influence oil price such as, the strength of the U.S. dollar, economic growth, changing geopolitical landscape, increasing trade protectionism and the rise in populism have further heighten market uncertainty; would probably set the tone for a sustained period of oil market volatility.

Notwithstanding the uncertainties in the global oil markets, CAO continues to benefit from the robust growth in China's civil aviation industry and the global aviation industry. CAO stands in good stead to further expand its aviation marketing business outside of China and diversify its trading business activities through building a global jet fuel supply and trading network as well as trading in other oil products.

CAO will continue to seek opportunities to further propel its investments in synergetic and strategic oil-related assets and synergetic businesses.

The Group will also continue its focus on pursuing its long term strategy to ensure steady and sustainable growth and the development of its businesses.

- 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)	4.50

(b) Corresponding period of the immediately preceding financial year

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

Name of dividend	Final One-tier Tax Exempt Ordinary
Dividend Type	Cash
Net Dividend Amount (Singapore cents per share)	3

(c) **Date payable**

The Directors have proposed a first and final dividend of S\$0.045 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		Investment in oil related assets		Total	
	2016 US\$'000	2015 US\$'000	2016 \$'000	2015 \$'000	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
Revenue	7,754,112	7,009,516	3,949,079	1,977,971	-	-	11,703,191	8,987,487
Gross profit	41,652	36,890	2,398	(1,446)	-	-	44,050	35,444
Operating expenses	(14,225)	(9,045)	(804)	(2,082)	(3,580)	(1,736)	(18,609)	(12,863)
Segment results	27,427	27,845	1,594	(3,528)	(3,580)	(1,736)	25,441	22,581
Other operating income	1,303	(240)	-	-	-	-	1,303	(240)
Finance costs	(1,002)	(729)	(247)	(311)	-	-	(1,249)	(1,040)
Share of results of associates (net of tax)	-	-	-	-	66,363	42,296	66,363	42,296
Profit before taxation	27,728	26,876	1,347	(3,839)	62,783	40,560	91,858	63,597
Income tax expense	(634)	(353)	-	-	(2,316)	(1,963)	(2,950)	(2,316)
Profit after taxation	27,094	26,523	1,347	(3,839)	60,467	38,597	88,908	61,281

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)
	2016 US\$'000	2015 US\$'000	
Sales reported for first half year	4,487,588	4,605,001	-2.55%
Profit after tax before deducting minority interests reported for first half year	47,770	32,141	48.63%
Sales reported for second half year	7,215,603	4,382,486	64.65%
Profit after tax before deducting minority interests reported for second half year	41,138	29,140	41.17%

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 2016 will be S\$0.045 per ordinary share (2015: S\$0.03 per ordinary share).

	Latest Full Year US\$'000	Previous Full Year US\$'000
Ordinary – interim dividend	-	-
Ordinary – final dividend	26,747*	19,251
Total:	26,747	19,251

* Estimated based on a total number of issued ordinary shares of 860,183,628 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 2016 to 31 December 2016.

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)
	4Q 2016 US\$'000	4Q 2016 US\$'000	FY 2016 US\$'000	FY 2016 US\$'000
Sales revenue from related Corporations*	0	575,341	0	2,195,029
Purchases from related corporations*	0	450,594	0	1,428,192
Purchases from related corporation of a corporate shareholder*	0	69,982	0	348,619
Purchase from associate	0	26	0	111
Services rendered from related corporation of a corporate shareholder	0	122	0	493
Supply chain services rendered from related corporation*	0	1,410	0	4,077
Interest income earned from related corporations	0	73	0	327
Interest income earned from principal deposited with related corporations	0	251	0	294
Transportation revenue earned by associate from related corporations	0	2,100	0	9,866
Loan granted to related corporation	0	2,945	0	7,649
Loan granted to associate	0	2,690	0	6,290
Principal deposited with interested person	0	246,870	0	256,715

* The disclosure of Interested Party Transactions has been changed in 4Q 2016 to include the full estimated value of contracts instead of transaction value. Hence, one-time adjustments of \$200,589,829 for Sales Revenue from Related Corporations and \$35,552,771 for Purchases from Related Corporation of a Corporate Shareholder were made in FY 2016 to account for those contracts entered into in 3Q 2016 but deliveries made in 4Q 2016.

The reported IPT based on estimated contract values will not be adjusted with variances between estimated contract values and the actual transaction values. However, the actual transactional values upon delivery fulfilment, will be reported under the section of “Notes to the Financial Statements – Related Parties”

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
23 February 2017