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statement by directors

for the financial year ended 31 december 2010

In the opinion of the directors of Chemoil Energy Limited (the "Company"), the balance sheet of the Company and the consolidated financial statements of Chemoil Energy Limited and its subsidiaries (the "Group") as set out on pages 53 to 119 are drawn up so as to present fairly, in all material respects, the financial position of the Company and of the Group at 31 December 2010, and of the financial performance and cash flows of the Group for the year then ended in accordance with International Financial Reporting Standards.

The board of directors authorised the financial statements for issue on 18 March 2011.

On behalf of the directors



Clyde Michael Bandy
Chairman



Peter Michael Meade
Lead Independent Director

independent auditors' report

to the members of chemoil energy limited

Report on the Financial Statements

We have audited the accompanying financial statements of Chemoil Energy Limited (the "Company") and its subsidiaries (the "Group") set out on pages 53 to 119, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

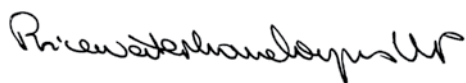
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying balance sheet of the Company and the consolidated financial statements of the Group present fairly, in all material respects, the financial position of the Company and of the Group as at 31 December 2010, and the financial performance and cash flows of the Group for the year then ended in accordance with International Financial Reporting Standards.



PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 18 March 2011

balance sheets

as at 31 december 2010

(In US\$'000, unless otherwise stated)

	Note	Group		Company	
		2010	2009	2010	2009
ASSETS					
Current assets					
Cash and cash equivalents	4	56,204	70,379	846	787
Derivative financial instruments	5	8,268	206	-	-
Financial assets at fair value through profit or loss	6	1,039	1,026	1,039	1,026
Prepaid income tax		1,095	-	-	-
Other current assets	7	16,286	50,952	153	181
Trade and other receivables	8	638,040	582,662	87,287	110,438
Inventories	9	192,439	359,377	-	-
		913,371	1,064,602	89,325	112,432
Non-current assets					
Trade and other receivables	8	5,164	7,448	-	-
Other non-current assets	10	2,056	2,996	-	-
Investments in associates	11	38,333	42,314	13,513	14,691
Investments in joint ventures	12	34,211	28,316	16,127	16,462
Investments in subsidiaries	13	-	-	211,921	211,921
Intangible assets	14	15,795	17,174	-	-
Property, plant and equipment	15	232,328	232,787	-	13
Deferred income tax assets	16	10,449	9,009	-	-
		338,336	340,044	241,561	243,087
Total assets		1,251,707	1,404,646	330,886	355,519
LIABILITIES					
Current liabilities					
Trade and other payables	17	431,241	326,735	56,203	62,580
Derivative financial instruments	5	13,718	26,142	3,139	3,231
Current income tax liabilities		466	5,624	-	-
Borrowings	18	345,966	557,416	66,144	80,208
Provisions for other liabilities and charges	19	3,414	5,334	-	-
		794,805	921,251	125,486	146,019
Non-current liabilities					
Borrowings	18	138,265	165,238	36,595	36,875
Derivative financial instruments	5	4,648	3,986	4,077	3,686
Deferred income tax liabilities	16	7,349	4,542	-	-
Provisions for other liabilities and charges	19	6,470	5,466	-	-
		156,732	179,232	40,672	40,561
Total liabilities		951,537	1,100,483	166,158	186,580
NET ASSETS		300,170	304,163	164,728	168,939
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	20	2	2	2	2
Share premium	20	85,816	85,816	85,816	85,816
Treasury shares	20	(2,504)	(1,230)	-	-
Merger reserve	21	3,529	3,529	-	-
Other reserves	22	9,003	(570)	569	750
Retained earnings	23	200,273	209,763	78,341	82,371
		296,119	297,310	164,728	168,939
Non-controlling interests		4,051	6,853	-	-
Total equity		300,170	304,163	164,728	168,939

The accompanying notes form an integral part of these financial statements

consolidated income statement

for the financial year ended 31 december 2010

(In US\$'000, unless otherwise stated)

	Note	2010	2009
Revenue	25	7,295,537	5,750,246
Other gains/(losses) – net	25	7,632	(137,817)
		7,303,169	5,612,429
Expenses			
- Inventories recognised as an expense		7,031,478	5,283,122
- Barging and pipelines costs		69,670	67,352
- Chartering and other shipping related expenses		16,647	23,741
- Rentals for office premises, storage tanks and motor vehicles		37,282	36,638
- Demurrage costs		11,312	11,614
- Employee benefits	26	46,222	48,108
- Marketing and communication expenses		7,375	7,355
- Service and commission expenses		16,418	16,602
- Other expenses		49,327	61,585
- Depreciation and amortisation		16,326	20,176
- Finance expense	28	20,668	21,335
Total expenses		7,322,725	5,597,628
Share of results of associates and joint ventures - net		7,799	11,958
(Loss)/profit before income tax		(11,757)	26,759
Income tax credit/(expense)	29	272	(14,665)
(Loss)/profit for the year		(11,485)	12,094
Attributable to:			
Equity holders of the Company		(9,490)	11,467
Non-controlling interests		(1,995)	627
		(11,485)	12,094
(Loss)/earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)	31		
- Basic		(0.737)	0.890
- Diluted		(0.734)	0.887

The accompanying notes form an integral part of these financial statements

consolidated statement of comprehensive income

for the financial year ended 31 december 2010

(In US\$'000, unless otherwise stated)

	Note	2010	2009
(Loss)/profit for the year		(11,485)	12,094
Other comprehensive income:			
Cash flow hedges	22	257	3,631
Currency translation differences	22	7,204	3,978
Other comprehensive income for the year		<u>7,461</u>	<u>7,609</u>
Total comprehensive (loss)/income for the year		<u>(4,024)</u>	<u>19,703</u>
Attributable to:			
Equity holders of the Company		(1,222)	18,725
Non-controlling interests		(2,802)	978
		<u>(4,024)</u>	<u>19,703</u>

The accompanying notes form an integral part of these financial statements

consolidated statement of changes in equity

for the financial year ended 31 december 2010

(In US\$'000, unless otherwise stated)

	Note	Attributable to equity holders of the Company							Non-controlling interests	Total equity
		Share capital	Treasury shares held by trust (i)	Merger reserve	Share premium	Other reserves	Retained earnings	Total		
Balance at 1 January 2010		2	(1,230)	3,529	85,816	(570)	209,763	297,310	6,853	304,163
Purchase of treasury shares		-	(1,327)	-	-	-	-	(1,327)	-	(1,327)
Employee share option scheme:										
- Value of services rendered	22	-	-	-	-	1,319	-	1,319	-	1,319
- Treasury shares re-issued		-	53	-	-	(14)	-	39	-	39
Total comprehensive income/(loss) for the year		-	-	-	-	8,268	(9,490)	(1,222)	(2,802)	(4,024)
Balance at 31 December 2010		2	(2,504)	3,529	85,816	9,003	200,273	296,119	4,051	300,170
Balance at 1 January 2009		2	-	3,529	85,816	(8,725)	204,759	285,381	5,897	291,278
Purchase of treasury shares		-	(1,282)	-	-	-	-	(1,282)	-	(1,282)
Employee share option scheme:										
- Value of services rendered	22	-	-	-	-	851	-	851	-	851
- Treasury shares re-issued		-	52	-	-	46	-	98	-	98
Dividends relating to 2008	32	-	-	-	-	-	(6,463)	(6,463)	-	(6,463)
Acquisition of a subsidiary	4	-	-	-	-	-	-	-	(22)	(22)
Total comprehensive income for the year		-	-	-	-	7,258	11,467	18,725	978	19,703
Balance at 31 December 2009		2	(1,230)	3,529	85,816	(570)	209,763	297,310	6,853	304,163

Note:

(i) Amicorp Trustee (Singapore) Limited is the trustee of a trust established to purchase and hold the Company's shares from the open market for delivery to employees under the share option plan. Such shares are designated as treasury shares.

The accompanying notes form an integral part of these financial statements

consolidated statement of cash flows

for the financial year ended 31 december 2010

(In US\$'000, unless otherwise stated)

	Note	2010	2009
Cash flows from operating activities			
(Loss)/profit for the year		(11,485)	12,094
Adjustments for:			
Income tax (credit)/expense		(272)	14,665
Share option expense	26	1,319	851
Depreciation and amortisation		16,326	20,176
Net loss on disposal of property, plant and equipment	25	2,916	34
Gain on disposal of subsidiary	25	-	(13,397)
Fair value gains on financial assets at fair value through profit or loss	25	(13)	(358)
Unrealised translation (gains)/losses		(3,997)	27
Share of results of associates and joint ventures		(7,799)	(11,958)
Interest income	25	(1,054)	(454)
Finance expense	28	20,668	21,335
		16,609	43,015
Changes in working capital, net of effects of acquisitions and disposals of subsidiaries			
Derivative financial instruments		(19,567)	57,997
Other assets		35,147	(28,297)
Trade and other receivables		(52,130)	(337,064)
Inventories		166,938	(236,483)
Trade and other payables		104,507	129,829
Provisions for other liabilities and charges		(916)	1,754
Cash generated from/(used in) operations		250,588	(369,249)
Income tax paid		(4,613)	(5,270)
Net cash generated from/(used in) operating activities		245,975	(374,519)
Cash flows from investing activities			
Purchases of property, plant and equipment		(5,499)	(4,789)
Proceeds from disposal of property, plant and equipment		3,022	266
Purchases of intangible assets		(1,258)	(1,434)
Proceeds from disposal of a subsidiary, net of cash disposed of		-	3,304
Proceeds from partial disposal of a joint venture		123	-
Additional investment in an associate	11	(251)	-
Investments in joint ventures	12	(454)	(5,017)
Acquisition of a subsidiary, net of cash received	4	-	(4,137)
Other receivables		(964)	(3,293)
Interest received		1,054	454
Dividends received from associates		1,897	2,276
Dividends received from joint ventures		2,560	63
Net cash generated from/(used in) investing activities		230	(12,307)
Cash flows from financing activities			
Proceeds from borrowings		123,211	421,010
Repayment of borrowings		(285,246)	(126,703)
Purchase of treasury shares		(1,327)	(1,282)
Proceeds from re-issue of treasury shares		39	98
Interest paid		(20,668)	(21,335)
Bank balances and deposits pledged with banks for bank loans		(11,796)	(10,579)
Dividends paid to shareholders	32	-	(6,463)
Net cash (used in)/generated from financing activities		(195,787)	254,746
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of financial period		(82,461)	49,619
Cash and cash equivalents at end of financial period	4	(32,043)	(82,461)

The accompanying notes form an integral part of these financial statements

notes to the financial statements

for the financial year ended 31 december 2010

(In US\$'000, unless otherwise stated)

1. General information

Chemoil Energy Limited (the "Company") and its subsidiaries (together the "Group") are mainly global traders in marine fuel products. The Group operates in major ports such as Long Beach, Houston, New Orleans, New York, Panama, Rotterdam, Fujairah and Singapore.

The Company is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is 12/F, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong.

The Company is listed on the main board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

These financial statements were authorised for issue by the Board of Directors of the Company on 18 March 2011.

2. Summary of significant accounting policies

2.1 Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). They have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The acquisition of the entire equity interest in Chemoil Corporation by the Company on 31 August 2006 was accounted for using the "pooling-of-interest" method as the Company and Chemoil Corporation were under the common control of the same controlling shareholders before and after the acquisition (Note 2.15).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

New and amended standards effective in 2010

On 1 January 2010, the Group adopted the new or amended IFRS that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS.

The adoption of these new or amended IFRS had no material effect on the amounts reported for the current or prior financial periods. The Group has adopted the following new standards and amendments to standards which are relevant to its operations:

- IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures'. These changes are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. The revised standard does not have an impact on the current period as there were no acquisitions in 2010.

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

- IAS 27 (revised) 'Consolidated and separate financial statements' (effective 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. IAS 27 (revised) has had no impact on the current period, as none of the non-controlling interests has a deficit balance; there have been no transactions whereby an interest in an entity is retained after the loss of control of that entity, and there have been no transactions with non-controlling interests.
- IFRIC 17 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation was published in November 2008. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.
- IAS 1 (amendment) 'Presentation of financial statements' (effective 1 January 2010). The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.
- IAS 7 (amendment), 'Statement of cash flows' (effective 1 January 2010). The amendment clarifies that only expenditures that result in a recognised asset in the balance sheet are eligible for classification as investing activities.
- IAS 36 (amendment) 'Impairment of assets' (effective 1 January 2010). The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8, 'Operating segments' (that is, before the aggregation of segments with similar economic characteristics).
- IAS 38 (amendment), 'Intangible assets' (effective 1 January 2010). The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives.
- IFRS 2 (amendments) 'Group cash-settled share-based payment transactions' (effective 1 January 2010). In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation.
- IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations' (effective 1 January 2010). The amendment clarifies that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

notes to the financial statements

for the financial year ended 31 december 2010

(In US\$'000, unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition of subsidiaries under the common control of the Company's shareholders have been consolidated using the "pooling of interests" method as explained in Note 2.1.

The acquisition of subsidiaries not under the common control of the Company's shareholders is accounted using the acquisition method of accounting. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (see Note 2.6). If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2. Summary of significant accounting policies (continued)

2.2 Consolidation (continued)

(c) Associates and joint ventures

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between and including 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss (see Note 2.7).

The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. The Group's interests in joint ventures are accounted for using equity method of accounting, net of any accumulated impairment loss (see Note 2.7), and are initially recognised at cost.

The Group's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with policies adopted by the Group.

Dilution gains and losses arising in investments in associates and joint ventures are recognised in the income statement.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided for the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer who makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollar ('US\$'), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of fair value gain or loss.

notes to the financial statements

for the financial year ended 31 december 2010

(In US\$'000, unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.4 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

Freehold land is initially recognised at cost and subsequently stated at cost less accumulated impairment losses (Note 2.7). Other property, plant and equipment are initially recognised at cost and subsequently stated at historical cost less accumulated depreciation and accumulated impairment losses (Note 2.7). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Freehold land and construction work in progress are not depreciated. Depreciation on other items of property, plant and equipment are calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and improvements	5 - 30 years
Office and computer equipment, furniture and fittings	3 - 5 years
Equipment and terminals	15 years
Vessels	5 - 30 years
Motor vehicles	10 years

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

The assets' residual values, useful lives, and depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

2. Summary of significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains/(losses) – net' in the income statement.

2.6 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'Intangible assets'. Goodwill on acquisitions of associates and joint ventures is included in 'Investments in associates' and 'Investments in joint ventures' and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(b) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- (i) it is technically feasible to complete the software product so that it will be available for use;
- (ii) management intends to complete the software product and use or sell it;
- (iii) there is an ability to use or sell the software product;
- (iv) it can be demonstrated how the software product will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- (vi) the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed three years.

notes to the financial statements

for the financial year ended 31 december 2010

(In US\$'000, unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.6 Intangible assets (continued)

(c) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relationships have a finite useful life and are at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over three to five years, which is the expected life of the customer relationships.

(d) Licenses

Separately acquired licenses are shown at historical cost. Licenses acquired in a business combination are recognised at fair value at the acquisition date. Licenses have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licenses over their estimated useful lives of 10 years.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'Trade and other receivables' (Note 2.12) and 'Cash and cash equivalents' (Note 2.13) in the balance sheet.

2. Summary of significant accounting policies (continued)

2.8 Financial assets (continued)

(b) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the income statement. Any amount in the fair value reserve relating to that asset is transferred to the income statement.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) Subsequent measurement

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the income statement within 'Other gains/(losses) – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

(e) Determination of fair value

The fair values of quoted financial assets are based on current bid prices.

(f) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

notes to the financial statements

for the financial year ended 31 december 2010

(In US\$'000, unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.8 Financial assets (continued)

Loans and receivables (continued)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the income statement.

The allowance for impairment loss account is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

2.9 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to the income statement over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intragroup transactions are eliminated on consolidation.

2.10 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at fair value on the date the contract is entered into and is subsequently remeasured at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. Trading derivatives are presented as a current asset or liability.

2. Summary of significant accounting policies (continued)

2.10 Derivative financial instruments and hedging activities (continued)

(a) Cash flow hedge

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income and transferred to the income statement when the interest expense on the borrowings is recognised in the income statement within "Finance expenses". The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in the income statement within "Other gains/(losses) - net".

(b) Derivatives that do not qualify for hedge accounting

The Group also uses derivative instruments for risk management purposes. Although these derivatives are linked to the inventory or underlying transactions, they do not meet the criteria for hedge accounting as defined by the International Accounting Standard ("IAS") 39 "Financial Instruments: Recognition and measurement" and thus do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised immediately in the income statement within 'Other gains/(losses) – net'.

2.11 Inventories

Inventories are stated at fair value less costs to sell, with changes in fair value less costs to sell recognised in the income statement in the period of change.

2.12 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less allowance for impairment.

2.13 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts and bank balances and deposits pledged with banks for bank loans. Bank overdrafts are presented as current borrowings on the balance sheet.

2.14 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

notes to the financial statements

for the financial year ended 31 december 2010

(In US\$'000, unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.14 Share capital and treasury shares (continued)

When any group company purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or re-issued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or re-issued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or re-issue, net of any directly attributable incremental transaction costs and related income tax, is included in equity attributable to the Company's equity holders.

2.15 Merger reserve

In applying the pooling of interests method (Note 2.1), the consolidated income statement and consolidated cash flow statement include the results of operations and cash flows of the companies comprising the Group as at 31 August 2006 as if the structure of the Group had been in existence prior to that date. The assets and liabilities are brought into the consolidated balance sheets at their existing carrying amounts. Any difference between the amount recorded as share capital issued and the amount for the share capital acquired are adjusted against equity. Expenditure incurred in relation to a uniting of interests is recognised as an expense in the period incurred.

2.16 Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use. The amount of borrowing cost capitalised in an asset is the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings.

2. Summary of significant accounting policies (continued)

2.17 Borrowings (continued)

Other borrowing costs are recognised on a time-proportion basis in the income statement using the effective interest method.

2.18 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority or either the taxable entity or different taxable entities where there is an intention to settle the balances in a net basis.

2.19 Employee benefits

(i) Defined benefit plans

The Group operates various pension schemes, including defined benefit plans. These defined benefit plans provide defined pension benefits to employees on or after retirement, the amount of which depends on one or more factors such as age, salary and years of service.

notes to the financial statements

for the financial year ended 31 december 2010

(In US\$'000, unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.19 Employee benefits (continued)

(i) Defined benefit plans (continued)

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligations at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. When plan assets, together with adjustments for unrecognised actuarial gains or losses and unrecognised past-service costs, exceed pension obligations, the balance is classified as a current asset.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the income statement in the period in which they arise.

Past-service costs are recognised immediately in income, unless the changes in the pension plan are conditional on the employees remaining in service for a specific period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

(ii) Defined contribution plans

The Group has defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Share-based compensation

The Group operates a share-based compensation plan in which the terms of the arrangement provide the Group with the choice of whether to settle in cash or by issuing equity instruments. If the Group has a present obligation to settle in cash, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense with the recognition of a corresponding liability over the vesting period. Until the liability is settled, it is re-measured at each reporting date with changes in fair value recognised in profit or loss. If the Group does not have a present obligation to settle in cash, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the income statement with a corresponding increase in the share option reserve over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the assumptions about the number of options that are expected to vest. The total amount to be expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to the share option reserve over the remaining vesting period.

2. Summary of significant accounting policies (continued)

2.19 Employee benefits (continued)

(iii) Share-based compensation (continued)

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

(iv) Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.20 Provisions

Provisions for reinstatement, restructuring and legal claims are recognised when: the Group has a present legal or constructive present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the income statement when the changes arise.

2.21 Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries, joint ventures and associated companies, the difference between disposal proceeds and the carrying amounts of the investments is recognised in the income statement.

2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of sales tax, returns, rebates and discounts and after eliminating sales within the Group.

notes to the financial statements

for the financial year ended 31 december 2010

(In US\$'000, unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.22 Revenue recognition (continued)

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

- a) Sales of marine fuel products are recognised upon passing of title to the customer which generally coincides with delivery and acceptance of the goods sold.
- b) Chartering income on time charters is recognised when the services are rendered, on a time proportion basis according to the agreements in place.
- c) Demurrage income is recognised if a claim is considered probable.
- d) Revenue from the sale of software products is recognised when the sale is completed with the passing of the title. Revenue from software development is recognised based on software developed and billed to clients as per the terms of the specific contracts.
- e) Revenue from the provision of services is recognised when the services are rendered.
- f) Other rental income, including terminal income, from operating leases is recognised on a straight-line basis over the lease term.
- g) Interest income is recognised on a time proportion basis, using the effective interest method.
- h) Dividend income is recognised when the right to receive payment is established.

2.23 Leases

- a) When the Group is the lessee:

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment made to the lessor as penalty is recognised as an expense when termination takes place.

Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

2. Summary of significant accounting policies (continued)

2.23 Leases (continued)

a) When the Group is the lessee: (continued)

Finance leases (continued)

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

b) When the Group is the lessor:

Operating leases

Leases of property, plant and equipment where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases.

Rental income from operating leases (net of any incentives given to lessees) is recognised in the income statement on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

2.24 Dividend distribution

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.25 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Group are the current bid prices; the quoted market prices used for financial liabilities held by the Group are the current ask prices.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

2.26 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

notes to the financial statements

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(In US\$'000, unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.27 Standards, interpretations and amendments to existing standards that are not yet effective

The following standards, interpretations and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2011 or later periods, but the Group has not early adopted them:

IFRS 9, 'Financial instruments', issued in November 2009. This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess IFRS 9's full impact.

Revised IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Group will apply the revised standard from 1 January 2011. When the revised standard is applied, the Group and the Company will need to disclose any transactions between its subsidiaries and its associates and joint ventures. It is not expected to have a material impact on the Group's related party disclosures.

IAS 32 (Amendment), 'Classification of rights issues', issued in October 2009. The amendment applies to annual periods beginning on or after 1 February 2010. Earlier application is permitted. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment applies retrospectively in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors'. The Group will apply the amended standard from 1 January 2011. It is not expected to have an impact on the Group's or Company's financial statements.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments', effective 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The Group will apply the interpretation from 1 January 2011. It is not expected to have any impact on the Group's or Company's financial statements.

IFRIC 14 (amendments), 'Prepayments of a minimum funding requirement'. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented. The Group will apply these amendments for the financial reporting period commencing on 1 January 2011. The new guidance is not expected to have a material impact on the Group's or Company's financial statements.

2. Summary of significant accounting policies (continued)

2.27 Standards, interpretations and amendments to existing standards that are not yet effective (continued)

IFRS 7 (Amendments), 'Financial instruments: Disclosures - Transfers of financial assets', effective 1 July 2011. The IASB has issued an amendment to IFRS 7, 'Financial instruments: Disclosures', to require additional disclosures in respect of risk exposures arising from transferred financial assets. The amendment includes a requirement to disclose by class of asset the nature, carrying amount and a description of the risks and rewards of financial assets that have been transferred to another party yet remain on the entity's balance sheet. Disclosures are also required to enable a user to understand the amount of any associated liabilities, and the relationship between the financial assets and associated liabilities. The Group will apply the amended standard from 1 January 2012. It is not expected to have any material impact on the Group's or Company's financial statements.

IAS 12 (amendments), 'Income taxes', effective 1 January 2012. Currently IAS 12, 'Income taxes', requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. The Group will apply the amended standard from 1 January 2012. It is not expected to have an impact on the Group's or Company's financial statements.

3. Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.7. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 14).

If the management's estimated growth rate had been lower by 1%, the carrying value of goodwill would not be materially affected.

If the management's estimated pre-tax discount rate applied to the discounted cash flows had been raised by 1%, the carrying values of goodwill would not be materially affected.

(b) Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

notes to the financial statements

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(In US\$'000, unless otherwise stated)

4. Cash and cash equivalents

	Group		Company	
	2010	2009	2010	2009
Cash at bank and on hand	29,994	58,066	827	384
Short term deposits with financial institutions	26,210	12,313	19	403
	<u>56,204</u>	<u>70,379</u>	<u>846</u>	<u>787</u>

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2010	2009	2010	2009
United States Dollar	43,259	53,005	185	551
Euro	2,165	1,847	-	-
Singapore Dollar	7,926	11,013	661	215
Others	2,854	4,514	-	21
	<u>56,204</u>	<u>70,379</u>	<u>846</u>	<u>787</u>

Short term deposits with financial institutions have the following weighted average effective interest rates at the balance sheet date:

	Group		Company	
	2010	2009	2010	2009
United States Dollar	0.13%	0.42%	0.10%	0.10%
Others	0.48%	0.49%	-	-

Short term deposits with financial institutions mature within 2.3 months (2009: 2.5 months) from balance sheet date.

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	2010	2009
Cash and cash equivalents	56,204	70,379
Less: Bank balances and deposits pledged with banks for bank loans	(32,537)	(20,741)
Less: Bank overdrafts (Note 18)	(55,710)	(132,099)
	<u>(32,043)</u>	<u>(82,461)</u>

Acquisition of subsidiary

There were no acquisitions in 2010.

In 2009, the Group paid US\$4,137 as additional consideration for the past acquisition of a subsidiary pursuant to the satisfaction of conditions set out in the sale and purchase agreement (Note 14).

4. Cash and cash equivalents (continued)

Disposal of subsidiary

There were no disposals in 2010.

On 19 November 2009, the Group disposed of its entire interest in Informed Decisions Corporation for a consideration of US\$15,495.

The effects of the disposal of the subsidiary on the cash flows of the Group were:

	2009
	Carrying amount
Identifiable assets and liabilities	
Cash and cash equivalents	(7,091)
Trade and other receivables	(4,247)
Inventories	(18)
Property, plant and equipment	(111)
Intangible assets (Note 14)	(2,233)
Other current assets	(139)
Total assets	<u>(13,839)</u>
Trade and other payables	11,660
Borrowings	59
Total liabilities	<u>11,719</u>
Identifiable net assets	(2,120)
Less: Non-controlling interests	22
Identifiable net assets disposed	<u>(2,098)</u>
Gain on disposal (Note 25)	13,397
Total sale consideration	15,495
Less: Consideration receivable	(5,100)
Cash proceeds from disposal	10,395
Less: Cash and cash equivalents in subsidiary disposed	(7,091)
Net cash inflow on disposal	<u>3,304</u>

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5. Derivative financial instruments

	Group		Company	
	2010	2009	2010	2009
<i>Cash flow hedge</i>				
Interest-rate swaps (Note 2.10 and 22)	(7,269)	(7,526)	-	-
<i>Non-hedging derivative instruments</i>				
Derivative commodity contracts (Note 2.10)	1,504	(22,396)	-	-
Forward fixed priced physical contracts	(3,636)	-	-	-
Interest-rate swaps (Note 2.10)	(697)	-	(7,216)	(6,917)
Total	(10,098)	(29,922)	(7,216)	(6,917)

Analysed as:

Group	2010			2009		
	Notional principal Amount	Fair values		Notional principal amount	Fair values	
		Assets	Liabilities		Assets	Liabilities
Commodity swaps ¹	451,395	5,874	(3,459)	648,660	206	(18,995)
Commodity futures ¹	74,522	-	(911)	55,162	-	(3,607)
Interest-rate swaps ²	156,046	-	(7,966)	224,170	-	(7,526)
Forward fixed priced physical contracts ³	275,466	2,394	(6,030)	-	-	-
		8,268	(18,366)		206	(30,128)
Comprises:						
Current portion		8,268	(13,718)		206	(26,142)
Non-current portion		-	(4,648)		-	(3,986)
		8,268	(18,366)		206	(30,128)

Analysed as:

Company	2010			2009		
	Notional principal Amount	Fair values		Notional principal amount	Fair values	
		Assets	Liabilities		Assets	Liabilities
Interest-rate swaps ²	145,343	-	(7,216)	211,646	-	(6,917)
		-	(7,216)		-	(6,917)
Comprises:						
Current portion		-	(3,139)		-	(3,231)
Non-current portion		-	(4,077)		-	(3,686)
		-	(7,216)		-	(6,917)

1 Derivative commodity contracts mature within 7 months (2009: 3 months) from balance sheet date.

2 Interest rate swaps are entered into to hedge floating quarterly interest payments on borrowings. Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to the income statement as part of interest expense over the period of the borrowings. The swaps will mature within 1 to 5 years (2009: 1 to 6 years) from balance sheet date.

3 Forward fixed priced physical contracts mature within 7 months (2009: Nil) from balance sheet date.

Derivative financial instruments are denominated in United States Dollar.

6. Financial assets at fair value through profit or loss

	Group		Company	
	2010	2009	2010	2009
<i>Held for trading</i>				
Listed securities :				
- Equity securities – Singapore	1,039	1,026	1,039	1,026

Changes in fair values of other financial assets at fair value through profit or loss are recorded within 'Other gains/(losses) - net' in the income statement (Note 25). The fair values of all equity securities are based on their current bid prices in an active market.

Financial assets at fair value through profit or loss are denominated in Singapore Dollar.

7. Other current assets

	Group		Company	
	2010	2009	2010	2009
Advances to suppliers	4,853	38,687	-	-
Deposits	1,395	1,608	-	-
Prepayments	10,038	10,657	153	181
	16,286	50,952	153	181

8. Trade and other receivables

	Group		Company	
	2010	2009	2010	2009
Current				
Trade receivables:				
- Subsidiaries	-	-	984	221
- Associates	46	2,998	-	-
- Joint ventures	4,860	7,214	35	-
- Fellow subsidiaries (Note 36)	17,968	-	-	-
- Other related parties	601	1,506	50	4
- Third parties	582,851	526,504	-	-
	606,326	538,222	1,069	225
Less: Allowance for impairment of trade receivables - third parties	(2,219)	(4,361)	-	-
Trade receivables – net	604,107	533,861	1,069	225
Other receivables:				
- Subsidiaries	-	-	77,204	83,791
- Associates	1,498	-	-	-
- Joint ventures	13	13	12	13
- Fellow subsidiaries (Note 36)	321	-	-	-
- Other related parties	-	1,098	-	-
- Third parties	32,101	47,690	9,002	26,409
	33,933	48,801	86,218	110,213
	638,040	582,662	87,287	110,438

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(In US\$'000, unless otherwise stated)

8. Trade and other receivables (continued)

	Group		Company	
	2010	2009	2010	2009
Non-current				
Trade receivables:				
- Associates	-	1,252	-	-
	-	1,252	-	-
Other receivables:				
- Associates	907	2,903	-	-
- Third parties	4,257	3,293	-	-
	5,164	6,196	-	-
	5,164	7,448	-	-
Total	643,204	590,110	87,287	110,438

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers who are internationally dispersed.

Trade receivables of the Group amounting to US\$23,742 (2009: US\$55,329) at balance sheet date have been pledged as security for bank borrowings (Note 18).

Trade receivables of the Group amounting to US\$186,000 (2009: US\$199,042) have been sold to a financial institution pursuant to a Receivables Purchase Agreement. The gross amount of trade receivables secured under the agreement is US\$236,091 (2009: US\$235,672). As the sale of these receivables does not qualify for derecognition under the provisions of IAS 39, 'Financial Instruments: Recognition and Measurement', they continue to be included as the Group's trade receivables and the proceeds received from the financial institution are recognised as borrowings (Note 18).

Current non-trade receivables from subsidiaries, associates, joint ventures and other related parties are unsecured, interest-free and are repayable on demand.

Non-current other receivables from associates are unsecured, interest-free and due within three years.

Non-current other receivables from third parties are unsecured, interest-bearing at an average rate of 8% and due within two years.

Fellow subsidiaries comprise subsidiaries of the Company's immediate and ultimate holding companies (Note 36).

Other related parties comprise the Company's controlling shareholders, other than the immediate and ultimate holding companies, and entities controlled/ significantly influenced by these controlling shareholders. A controlling shareholder is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") as a person who holds directly or indirectly 15% or more of the total number of issued shares in the company.

8. Trade and other receivables (continued)

The fair values of non-current trade and other receivables are computed based on cash flows discounted at market borrowings rates. The fair values and the market borrowing rates used are as follows:

	Group		Borrowing rates	
	2010	2009	2010 %	2009 %
Trade receivables from associates	-	1,083	-	7.50
Other receivables from associates	785	2,274	7.50	7.50
Other receivables from third parties	4,694	3,903	2.85	2.05

Trade and other receivables are predominantly denominated in United States Dollar.

Impairment loss on trade receivables of the Group of US\$3,434 (2009: US\$3,204) was recognised and included in "Other expenses".

9. Inventories

	2010	Group 2009
Marine fuels at fair value less costs to sell	192,439	359,377

Inventories amounting to US\$80,977 (2009: US\$239,048) at balance sheet date have been pledged as security for bank borrowings (Note 18).

10. Other non-current assets

	2010	Group 2009
Prepayments	1,365	1,751
Deposits	691	1,245
	2,056	2,996

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11. Investments in associates

	Group		Company	
	2010	2009	2010	2009
Equity investments at cost			13,513	14,691
Beginning of financial year	42,314	38,374		
Currency translation differences	(2,010)	(188)		
Additions during the financial year	251	-		
Share of results	(325)	6,404		
Dividends received	(1,897)	(2,276)		
End of financial year	38,333	42,314		
Investments in associates include goodwill of	12,854	12,854		

The summarised financial information of associates is as follows:

	Group	
	2010	2009
- Assets	910,537	791,930
- Liabilities	836,885	699,529
- Revenue	4,456,518	4,319,661
- Net (loss)/profit	(3,432)	21,943
Share of associates' contingent liabilities incurred jointly with other investors	-	-
Contingent liabilities in which the Group is severally liable	-	-

Details of significant associates of the Group are as follows:

Name of company	Principal activities	Country of business/ incorporation	Equity holding	
			2010 %	2009 %
Galaxy Energy Group Ltd ¹	Oil trading	British Virgin Islands	25.00	25.00
Burando Holding B.V. ²	Logistical maritime service provider	Netherlands	49.00	49.00

1 Audited by KPMG S.P.A.

2 Audited by PricewaterhouseCoopers, Rotterdam, Netherlands.

12. Investments in joint ventures

	Group		Company	
	2010	2009	2010	2009
Equity investments at cost			16,127	16,462
Beginning of financial year	28,316	17,808		
Additions during the financial year	454	5,017		
Share of results	8,124	5,554		
Partial disposal during the year	(123)	-		
Dividends received	(2,560)	(63)		
End of financial year	34,211	28,316		
Investments in joint ventures include goodwill of	-	-		

The following amounts represent the Group's share of the assets and liabilities, and results of the joint ventures:

	Group	
	2010	2009
Assets:		
- Current assets	164,050	123,081
- Non-current assets	14,800	12,667
	178,850	135,748
Liabilities:		
- Current liabilities	138,212	108,434
- Non-current liabilities	7,588	-
	145,800	108,434
Net assets	33,050	27,314
Income	2,911,195	1,510,835
Expenses	(2,901,246)	(1,502,607)
Profit before tax	9,949	8,228
Income tax	(1,825)	(2,674)
Profit after tax	8,124	5,554
Capital commitments in relation to interest in joint ventures	-	-
Share of joint ventures' capital commitments	16,000	2,906
Contingent liabilities in relation to interest in joint ventures	-	-
Share of joint ventures' contingent liabilities	-	-

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(In US\$'000, unless otherwise stated)

12. Investments in joint ventures (continued)

Details of significant joint ventures of the Group are as follows:

Name of company	Principal activities	Country of business/ incorporation	Equity holding	
			2010 %	2009 %
IPC (USA), Inc. ¹	Oil trading	United States of America	50	50
GPS Chemoil LLC (FZC) ²	Terminal management services	United Arab Emirates	40*	40*
Chemoil Adani Pte Ltd ³	Oil trading	Singapore	49	50

* GPS Chemoil LLC (FZC) is deemed to be a joint venture of the Company as the appointment of its directors and the allocation of voting rights for key business decisions, require the unanimous approval of its venturers.

¹ Not required to be audited under the laws of the country of incorporation, but audited by PricewaterhouseCoopers LLP, Singapore, for purposes of the audit of the consolidated financial statements.

² Audited by Deloitte & Touche, Fujairah.

³ Audited by PricewaterhouseCoopers LLP, Singapore.

13. Investments in subsidiaries

	Company	
	2010	2009
Equity investments at cost	211,921	211,921

Details of significant subsidiaries are included in Note 39.

14. Intangible assets

	Group	
	2010	2009
Composition:		
Goodwill arising on acquisition (Note 14(a))	11,985	11,828
Software costs (Note 14(b))	2,075	3,673
Contractual customer relationships (Note 14(c))	1,286	1,673
Licenses (Note 14(d))	449	-
	<u>15,795</u>	<u>17,174</u>

14. Intangible assets (continued)

(a) Goodwill arising on acquisition

	2010	Group	2009
Cost			
Beginning of financial year	11,828		7,568
Currency translation differences	157		123
Acquisition of subsidiaries (Note 4)	-		4,137
End of financial year	<u>11,985</u>		<u>11,828</u>
Accumulated impairment			
Beginning and end of financial year	-		-
Net book value	<u>11,985</u>		<u>11,828</u>

Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to the countries of operation:

	2010	Group	2009
Netherlands	1,817		1,817
Philippines	2,896		2,739
India	7,272		7,272
	<u>11,985</u>		<u>11,828</u>

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate in which the CGU operates.

Key assumptions used for value-in-use calculations are as follows:

2010	Netherlands	Philippines	India
Growth rate ¹	5%	2%	5%
Discount rate ²	5%	14%	13%
	<hr/>	<hr/>	<hr/>
2009	Netherlands	Philippines	India
Growth rate ¹	5%	2%	5%
Discount rate ²	5%	14%	13%

¹ Weighted average growth rate used to extrapolate cash flows beyond the budget period.

² Pre-tax discount rate applied to cash flow projections.

The weighted average growth rate used is consistent with the forecasts included in industry reports. The discount rate used is pre-tax and reflect specific risks relating to the relevant segments.

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14. Intangible assets (continued)

(b) Software costs

	2010	Group 2009
Cost		
Beginning of financial year	9,778	10,289
Currency translation differences	107	328
Disposal of a subsidiary (Note 4)	-	(3,403)
Additions	801	2,564
End of financial year	<u>10,686</u>	<u>9,778</u>
Accumulated amortisation		
Beginning of financial year	6,105	3,488
Currency translation differences	41	321
Disposal of a subsidiary (Note 4)	-	(1,170)
Charge for the year	2,465	3,466
End of financial year	<u>8,611</u>	<u>6,105</u>
Net book value	<u>2,075</u>	<u>3,673</u>

(c) Contractual customer relationships

	2010	Group 2009
Cost		
Beginning of financial year	2,281	2,207
Currency translation differences	130	74
End of financial year	<u>2,411</u>	<u>2,281</u>
Accumulated amortisation		
Beginning of financial year	608	-
Currency translation differences	53	19
Charge for the year	464	589
End of financial year	<u>1,125</u>	<u>608</u>
Net book value	<u>1,286</u>	<u>1,673</u>

(d) Licenses

	2010	Group 2009
Cost		
Beginning of financial year	-	-
Additions	453	-
End of financial year	<u>453</u>	<u>-</u>
Accumulated amortisation		
Beginning of financial year	-	-
Charge for the year	4	-
End of financial year	<u>4</u>	<u>-</u>
Net book value	<u>449</u>	<u>-</u>

15. Property, plant and equipment

	Freehold land and buildings	Office and computer equipment, furniture and fittings	Equipment and terminals	Vessels	Motor vehicles	Construction work in progress	Total
Group							
Cost							
At 1 January 2010	33,977	12,678	177,893	49,217	511	2,792	277,068
Currency translation differences	1,321	491	12,587	-	21	-	14,420
Additions	24	631	612	1,177	-	3,055	5,499
Disposals	(1,784)	(76)	-	(3,906)	-	(1,695)	(7,461)
Transfers	303	27	300	-	-	(630)	-
At 31 December 2010	33,841	13,751	191,392	46,488	532	3,522	289,526
Accumulated depreciation							
At 1 January 2010	2,650	6,176	28,211	7,091	153	-	44,281
Currency translation differences	69	263	1,168	-	6	-	1,506
Charge for the year	1,177	2,206	6,825	2,662	64	-	12,934
Disposals	(88)	(65)	-	(1,370)	-	-	(1,523)
At 31 December 2010	3,808	8,580	36,204	8,383	223	-	57,198
Net book value							
At 31 December 2010	30,033	5,171	155,188	38,105	309	3,522	232,328
Cost							
At 1 January 2009	31,633	10,945	166,451	49,217	595	3,145	261,986
Currency translation differences	1,504	826	3,609	-	(45)	10	5,904
Additions	638	461	7,602	-	88	1,466	10,255
Disposals	(163)	(754)	(33)	-	(127)	-	(1,077)
Transfers	365	1,200	264	-	-	(1,829)	-
At 31 December 2009	33,977	12,678	177,893	49,217	511	2,792	277,068
Accumulated depreciation							
At 1 January 2009	1,327	3,581	19,912	3,996	122	-	28,938
Currency translation differences	124	582	272	-	(14)	-	964
Charge for the year	1,213	2,633	8,032	3,095	72	-	15,045
Disposals	(14)	(620)	(5)	-	(27)	-	(666)
At 31 December 2009	2,650	6,176	28,211	7,091	153	-	44,281
Net book value							
At 31 December 2009	31,327	6,502	149,682	42,126	358	2,792	232,787

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15. Property, plant and equipment (continued)

	Office and computer equipment, furniture and fittings
Company	
Cost	
At 1 January 2010	23
Disposal	(23)
At 31 December 2010	-
Accumulated depreciation	
At 1 January 2010	10
Charge for the year	2
Disposal	(12)
At 31 December 2010	-
Net book value	
At 31 December 2010	-
Cost	
At 1 January 2009	23
Additions	-
At 31 December 2009	23
Accumulated depreciation	
At 1 January 2009	5
Charge for the year	5
At 31 December 2009	10
Net book value	
At 31 December 2009	13

- (a) Included in additions in the consolidated financial statements are motor vehicles acquired under finance leases amounting to US\$Nil (2009: US\$66).
- (b) The carrying amount of the Group's motor vehicles held under finance lease amounted to US\$205 as at 31 December 2010 (2009: US\$226).
- (c) Borrowings of the Group of US\$166,013 (2009: US\$192,288) and of the Company of US\$40,739 (2009: US\$40,582), are secured on property, plant and equipment of the Group with carrying amounts of US\$225,460 (2009: US\$224,930) and US\$8,981 (2009: US\$9,695) respectively, and all related rent/lease receivables (Note 18).

16. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	2010	Group 2009
Deferred tax assets:		
- Deferred tax assets to be recovered within one year	(3,698)	(6,166)
- Deferred tax asset to be recovered after one year	(6,751)	(2,843)
	<u>(10,449)</u>	<u>(9,009)</u>
Deferred tax liabilities:		
- Deferred tax liability to be settled within one year	4,837	1,169
- Deferred tax liability to be settled after one year	2,512	3,373
	<u>7,349</u>	<u>4,542</u>
Deferred tax assets – net	<u>(3,100)</u>	<u>(4,467)</u>

The movement in the deferred income tax account is as follows:

	2010	Group 2009
Beginning of financial year	(4,467)	(10,674)
Effect of change in tax rate	-	32
Currency translation differences	194	1
Income statement charge (Note 29)	1,173	6,174
End of financial year	<u>(3,100)</u>	<u>(4,467)</u>

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities

	Accelerated tax depreciation	Fair value gains	Others	Total
At 1 January 2010	7,623	3,801	2,631	14,055
Currency translation differences	428	52	-	480
Charged/(credited) to income statement	248	(1,240)	633	(359)
At 31 December 2010	<u>8,299</u>	<u>2,613</u>	<u>3,264</u>	<u>14,176</u>
At 1 January 2009	4,660	2,071	1,242	7,973
Currency translation differences	(88)	30	-	(58)
Effect of change in tax rate	(80)	-	-	(80)
Charged to income statement	3,131	1,700	1,389	6,220
At 31 December 2009	<u>7,623</u>	<u>3,801</u>	<u>2,631</u>	<u>14,055</u>

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16. Deferred income tax (continued)

Deferred tax assets

	Tax losses	Provisions	Investment allowance	Others	Total
At 1 January 2010	(13,335)	(1,154)	(2,843)	(1,190)	(18,522)
Currency translation differences	-	(12)	(274)	-	(286)
Charged/(credited) to income statement	1,874	(532)	-	190	1,532
At 31 December 2010	(11,461)	(1,698)	(3,117)	(1,000)	(17,276)
At 1 January 2009	(14,494)	(904)	(2,932)	(317)	(18,647)
Currency translation differences	(29)	(3)	91	-	59
Change in tax rate	-	-	112	-	112
Charged/(credited) to income statement	1,188	(247)	(114)	(873)	(46)
At 31 December 2009	(13,335)	(1,154)	(2,843)	(1,190)	(18,522)

Deferred income tax assets are recognised for tax losses carry-forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of US\$36,166 at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses will expire mainly from 2019 to 2028.

Deferred income tax liabilities of US\$15,925 (2009: US\$18,720) have not been recognised for the withholding and other taxes that will be payable on the earnings of overseas subsidiaries and joint ventures when remitted to the holding company. These unremitted earnings are permanently reinvested and amount to US\$59,175 (2009: US\$66,927) at balance sheet date.

17. Trade and other payables

	Group		Company	
	2010	2009	2010	2009
Trade payables to:				
- Third parties	324,152	274,132	-	11,972
- Subsidiaries	-	-	55,554	50,538
- Joint ventures	683	-	-	-
- Associates	814	8,148	2	2
- Fellow subsidiaries (Note 36)	67,423	-	26	-
- Other related parties	27	645	13	-
	393,099	282,925	55,595	62,512
Net defined benefit pension plan liabilities (Note 27)	223	209	-	-
Accrued interest payable on borrowings	851	1,035	114	68
Other accruals for operating expenses	37,068	42,566	494	-
	431,241	326,735	56,203	62,580

Trade and other payables are predominantly denominated in United States Dollar.

Definition of other related parties is set out in Note 8.

18. Borrowings

	Group		Company	
	2010	2009	2010	2009
Current				
Advances from financial institutions under Receivables Purchase Agreement (Note 8)	186,000	199,042	-	-
Loan from a subsidiary	-	-	62,000	76,500
Bank overdrafts (Note 4)	55,710	132,099	-	-
Bank loans	103,930	226,048	4,144	3,708
Loan from third party	283	187	-	-
Finance lease liabilities (Note 24)	43	40	-	-
	<u>345,966</u>	<u>557,416</u>	<u>66,144</u>	<u>80,208</u>
Non-current				
Bank loans	138,164	164,729	36,595	36,875
Loan from third party	-	373	-	-
Finance lease liabilities (Note 24)	101	136	-	-
	<u>138,265</u>	<u>165,238</u>	<u>36,595</u>	<u>36,875</u>
Total	<u>484,231</u>	<u>722,654</u>	<u>102,739</u>	<u>117,083</u>

(a) Security of borrowings

Total borrowings include secured liabilities of US\$476,167 (2009: US\$719,006) and US\$40,739 (2009: US\$40,582) for the Group and Company respectively.

Advances from financial institutions under the Receivables Purchase Agreement are secured against the trade receivables (Note 8). Bank loans and bank overdrafts are secured over bank balances and deposits (Note 4), trade receivables (Note 8), inventories (Note 9) and property, plant & equipment and lease rentals (Note 15). Finance lease liabilities are secured by the rights to the leased motor vehicles (Note 15), which will be revert to the lessor in the event of default by the Group.

(b) Maturity of borrowings

The current borrowings (excluding finance lease liabilities) of the Group and Company have an average maturity of 2 months (2009: 2 months) from the balance sheet date. The non-current borrowings (excluding finance lease liabilities) have the following maturities from the end of the balance sheet date:

	Group		Company	
	2010	2009	2010	2009
Later than one year and not later than five years	128,924	124,936	36,595	14,532
Later than five years	9,240	40,166	-	22,343
	<u>138,164</u>	<u>165,102</u>	<u>36,595</u>	<u>36,875</u>

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18. Borrowings (continued)

(c) Currency risk

The carrying amounts of total current and non-current borrowings are denominated in the following currencies:

	Group		Company	
	2010	2009	2010	2009
United States Dollar	456,778	692,363	102,739	117,083
Singapore Dollar	128	156	-	-
Indian Rupee	17,644	19,445	-	-
Philippine Peso	9,654	9,730	-	-
Euro	27	960	-	-
	<u>484,231</u>	<u>722,654</u>	<u>102,739</u>	<u>117,083</u>

(d) Interest rate risks

The weighted average effective interest rates of current and non-current borrowings at the balance sheet date are as follows:

	Group		Company	
	2010	2009	2010	2009
Advances from financial institutions under Receivables Purchase Agreement	1.94%	1.94%	-	-
Bank overdrafts	1.40%	1.46%	-	-
Bank loans	3.15%	2.48%	3.29%	2.10%
Finance lease liabilities	<u>3.25%</u>	<u>3.29%</u>	<u>-</u>	<u>-</u>

Borrowings (excluding finance lease liabilities) are mainly at variable rates with repricing within 3 months (2009: 3 months) of the balance sheet date.

(e) Carrying amounts and fair value

The carrying amounts of borrowings approximate their fair value.

19. Provisions for other liabilities and charges

	2010	Group 2009
Current		
Legal claims (Note 19(a))	3,414	5,334
Non-Current		
Reinstatement costs (Note 19(b))	6,470	5,466
	<u>9,884</u>	<u>10,800</u>

(a) Legal claims

The provisions are in respect of certain legal claims brought against the Group by customers and vendors. In the opinion of the directors, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided at balance sheet date. The directors consider that disclosure of further details of these claims would seriously prejudice the Group's negotiating position and accordingly further information on the nature of the obligation has not been provided.

Movement in provision for legal claims is as follows:

	2010	Group 2009
Beginning of financial year	5,334	3,579
Provision made	691	3,343
Write-back of provision	(525)	(700)
Utilised	(2,086)	(888)
End of financial year	<u>3,414</u>	<u>5,334</u>

The provision made/written-back has been recognised within 'Other expenses' in the income statement.

(b) Provision for reinstatement costs

Provision for reinstatement costs relates to the estimated costs of reinstating leased premises to their original condition upon vacating the premises at the end of the lease term in 2036.

Movement in provision for reinstatement costs is as follows:

	2010	2009
Beginning of financial year	5,466	-
Provision made	1,004	5,466
End of financial year	<u>6,470</u>	<u>5,466</u>

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20. Share capital, share premium and treasury shares

	Number of ordinary shares (thousands)		Amount			
	Issued share capital	Treasury shares held by Trust	Share capital	Treasury shares held by Trust	Share premium	Total
Group						
2010						
Beginning of financial year	1,292,612	(5,182)	2	(1,230)	85,816	84,588
Treasury shares purchased	-	(3,792)	-	(1,327)	-	(1,327)
Treasury shares re-issued						
- Cash consideration, net of expense	-	225	-	39	-	39
- Loss transferred to capital reserve (Note 22)	-	-	-	14	-	14
	-	225	-	53	-	53
End of financial year	1,292,612	(8,749)	2	(2,504)	85,816	83,314
2009						
Beginning of financial year	1,292,612	-	2	-	85,816	85,818
Treasury shares purchased	-	(5,400)	-	(1,282)	-	(1,282)
Treasury shares re-issued						
- Cash consideration, net of expense	-	218	-	98	-	98
- Gain transferred to capital reserve (Note 22)	-	-	-	(46)	-	(46)
	-	218	-	52	-	52
End of financial year	1,292,612	(5,182)	2	(1,230)	85,816	84,588
Company						
2010 and 2009						
Beginning and end of financial year	1,292,612	-	2	-	85,816	85,818

As at 31 December 2010, the authorised share capital of the Company is HK\$1,000 (2009: HK\$1,000) comprising 80,000,000,000 shares (2009: 80,000,000,000 shares) with a par value of HK\$0.0000125 per share (2009: HK\$0.0000125 per share).

All issued ordinary shares are fully paid.

a) Treasury shares held by Trust

On 21 January 2009, the Company established a trust ("Trust") to purchase and hold the Company's shares acquired from the open market for the delivery to employees under the Company's share option scheme. The Trust is consolidated in the consolidated financial statements under SIC Interpretation 12, Consolidation – Special Purpose Entities.

The Trust acquired 3,792,000 (2009: 5,400,000) of the Company's shares in the open market during the current financial year. The total amount paid to acquire the shares was US\$1,327 (2009: US\$1,282) and this is presented as a component within shareholders equity.

Pursuant to the Company's share option plan, the Trust re-issued 225,000 (2009: 217,622) of the treasury shares during the financial year at the exercise price of US\$0.17 (2009: US\$0.45) each, for a total cash consideration (net of expenses) of US\$39 (2009: US\$98).

20. Share capital, share premium and treasury shares (continued)

b) Share options

Share options are granted to selected directors and employees. The exercise price of the options is determined at the average of the closing prices of the Company's shares on the Singapore Exchange for five market days immediately preceding the date of grant. The options will vest over a period of two years for directors and five years for employees from the grant date. The options have a contractual option term of ten years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movement in the number of unissued ordinary shares under option and their exercise prices is as follows:

Date of grant	No. of ordinary shares under option					End of financial year
	Beginning of financial year	Granted during financial year	Forfeited during financial year	Cancelled during financial year	Exercised during financial year	
2010						
14.12.2006	23,931,418	-	(854,507)	(2,157,094)	-	20,919,817
27.08.2007	516,000	-	-	-	-	516,000
25.09.2007	4,152,678	-	-	-	-	4,152,678
12.12.2008	5,028,000	-	-	-	-	5,028,000
12.12.2008	3,800,000	-	-	(2,025,000)	(225,000)	1,550,000
04.03.2009	208,333	-	-	(208,330)	-	3
11.08.2009	4,025,000	-	-	(600,000)	-	3,425,000
11.08.2009	3,274,898	-	-	-	-	3,274,898
20.08.2010	-	6,996,852	-	-	-	6,996,852
20.08.2010	-	2,887,047	-	-	-	2,887,047
	<u>44,936,327</u>	<u>9,883,899</u>	<u>(854,507)</u>	<u>(4,990,424)</u>	<u>(225,000)</u>	<u>48,750,295</u>
2009						
14.12.2006	24,266,024	-	(116,984)	-	(217,622)	23,931,418
27.08.2007	516,000	-	-	-	-	516,000
25.09.2007	4,480,059	-	(327,381)	-	-	4,152,678
12.12.2008	5,028,000	-	-	-	-	5,028,000
12.12.2008	4,250,000	-	(450,000)	-	-	3,800,000
04.03.2009	-	208,333	-	-	-	208,333
11.08.2009	-	4,025,000	-	-	-	4,025,000
11.08.2009	-	3,274,898	-	-	-	3,274,898
	<u>38,540,083</u>	<u>7,508,231</u>	<u>(894,365)</u>	<u>-</u>	<u>(217,622)</u>	<u>44,936,327</u>

Out of the outstanding options for 48,750,295 (2009: 44,936,327) shares, options for 38,866,396 (2009: 19,809,922) shares are exercisable at the balance sheet date.

Options exercised in 2010 resulted in 225,000 shares (2009: 217,622) being re-issued at the exercise price of US\$0.17 (2009: US\$0.45) per share. The weighted average share price at the time of exercise was US\$0.39 (2009: US\$0.56) per share.

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20. Share capital, share premium and treasury shares (continued)

b) Share options (continued)

Pursuant to Singfuel Investment Pte Ltd's ("Singfuel") acquisition of the Company on 19 March 2010, Singfuel made a proposal to the holders of the options ("optionholders") to buy out all of the outstanding and unexercised options (the "option proposal") held by the optionholders. In consideration thereof, the optionholders will waive all rights to exercise such options into new shares and surrender their options for cancellation. Consequently, certain optionholders accepted the option proposal and surrendered 4,990,424 options for cancellation.

As a result of the option proposal made by Singfuel on 19 March 2010, 25,126,405 unvested options became immediately exercisable and the option term was reduced to 6 months.

The option term was subsequently reinstated to 10 years in accordance with the Company's share option plan.

The fair value of options granted during the period determined using the Binomial valuation model was US\$760 (2009: US\$984). The significant inputs into the model are presented below. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the last three years.

Date of grant	Standard deviation of expected share price returns	Dividend yield	Annual risk-free interest rate	Exercise price	Exercise period
14.12.2006	30.0%	1.5%	4.8%	US\$0.450	14.12.2007 – 13.12.2017
27.08.2007	30.0%	1.5%	3.1%	US\$0.586	27.08.2008 – 26.08.2018
25.09.2007	30.0%	1.5%	4.0%	US\$0.483	25.09.2008 – 24.09.2018
12.12.2008	66.0%	1.5%	0.56%	US\$0.174	12.12.2009 – 11.12.2019
12.12.2008	66.0%	1.5%	0.56%	US\$0.174	12.12.2009 – 11.12.2019
04.03.2009	65.0%	1.5%	0.80%	US\$0.233	04.03.2010 – 03.03.2020
11.08.2009	65.0%	1.5%	0.89%	US\$0.487	19.03.2010 – 10.08.2020
11.08.2009	65.0%	1.5%	0.89%	US\$0.487	19.03.2010 – 10.08.2020
20.08.2010	58.0%	1.10%	0.28%	US\$0.322	20.08.2011 – 19.08.2021
20.08.2010	58.0%	1.10%	0.28%	US\$0.322	20.08.2011 – 19.08.2021

21. Merger reserve

The excess of the nominal value of the shares of Chemoil Corporation acquired by the Company in 2006 over the nominal value of the shares issued by the Company in exchange for Chemoil Corporation's shares has been taken to shareholders' equity as "Merger Reserve".

22. Other reserves

	Group		Company	
	2010	2009	2010	2009
(a) Composition:				
Share option reserve	3,744	2,425	569	750
Currency translation reserve	12,496	4,485	-	-
Hedging reserve	(7,269)	(7,526)	-	-
Capital reserve	32	46	-	-
	<u>9,003</u>	<u>(570)</u>	<u>569</u>	<u>750</u>

	Group		Company	
	2010	2009	2010	2009
(b) Movements:				
(i) Share option reserve				
Beginning of financial year	2,425	1,574	750	1,574
Contribution to the Trust	-	-	(1,500)	(1,675)
Employee share option scheme:				
- Value of employee services (Notes 20(b) and 26)	1,319	851	1,319	851
End of financial year	<u>3,744</u>	<u>2,425</u>	<u>569</u>	<u>750</u>
(ii) Currency translation reserve				
Beginning of financial year	4,485	858	-	-
Net currency translation differences of financial statements of foreign subsidiaries and associates	7,204	3,978	-	-
Less: Non-controlling interests	807	(351)	-	-
End of financial year	<u>12,496</u>	<u>4,485</u>	<u>-</u>	<u>-</u>
(iii) Hedging reserve				
Beginning of financial year	(7,526)	(11,157)	-	-
Cash flow hedges				
- Fair value losses	(5,751)	(2,326)	-	-
- Transfer to finance expense (Note 28)	6,008	5,957	-	-
End of financial year	<u>(7,269)</u>	<u>(7,526)</u>	<u>-</u>	<u>-</u>
(iv) Capital reserve				
Beginning of financial year	46	-	-	-
(Loss)/gain on re-issue of treasury shares (Note 20)	(14)	46	-	-
End of financial year	<u>32</u>	<u>46</u>	<u>-</u>	<u>-</u>

Other reserves are non-distributable.

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23. Retained earnings

Retained earnings of the Group are distributable except for accumulated retained profits of associates and joint ventures amounting to US\$22,249 (2009: US\$18,907). Retained earnings of the Company are distributable. Movement in retained earnings of the Company is as follows:

	2010	Company 2009
Beginning of financial year	82,371	71,479
Net (loss)/profit	(4,030)	17,355
Dividends paid (Note 32)	-	(6,463)
End of financial year	<u>78,341</u>	<u>82,371</u>

24. Finance lease liabilities

The Group leases motor vehicles from third parties under finance leases

	2010	Group 2009
Minimum lease payments due:		
- Not later than one year	53	50
- Later than one year but not later than five years	113	145
- Later than five years	10	21
	<u>176</u>	<u>216</u>
Less: Future finance charges	(32)	(40)
Present value of finance lease liabilities	<u>144</u>	<u>176</u>

The present value of finance lease liabilities are analysed as follows:

	2010	Group 2009
Not later than one year (Note 18)	43	40
Later than one year: (Note 18)		
- Later than one year but not later than five years	93	119
- Later than five years	8	17
	<u>101</u>	<u>136</u>
	<u>144</u>	<u>176</u>

25. Revenue and other gains/(losses) – net

	2010	Group 2009
Revenue:		
Sales of fuel	7,176,960	5,629,199
Chartering income	20,774	24,684
Terminal rental	50,336	32,265
Service fees and commission income	990	1,961
Sale of software	38,580	57,197
Demurrage and other claim income	7,897	4,940
	<u>7,295,537</u>	<u>5,750,246</u>
Other gains/(losses) – net:		
Currency exchange gains/(losses) – net	1,438	(399)
Gain on disposal of a subsidiary (Note 4)	-	13,397
Net loss on disposal of property, plant and equipment	(2,916)	(34)
Fair value gains on financial assets at fair value through profit or loss	13	358
Derivative financial instruments (losses)/gains – net	(464)	(152,891)
Payment received from a former related party*	7,000	-
Interest income:		
- bank deposits	1,054	263
- non-trade receivables from other related parties (Note 8)	-	191
	1,054	454
Others	1,507	1,298
	<u>7,632</u>	<u>(137,817)</u>

* During the year, payment was received from a former related party for services rendered by the Group. The former related party is an entity controlled by the former controlling shareholder of the Company.

26. Employee benefit expense

	2010	Group 2009
Wages and salaries	43,088	45,674
Compensation expense relating to defined benefit plans (Note 27)	354	239
Employer's contribution to defined contribution plans	1,461	1,344
Share options granted to directors and employees (Notes 20(b) and 22)	1,319	851
	<u>46,222</u>	<u>48,108</u>

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27. Post-employment defined benefit plans

The Group has defined benefit pension plans covering eligible employees in certain subsidiaries.

The amounts recognised in the income statement are determined as follows:

	2010	Group 2009
Current service cost	208	114
Interest cost	71	38
Administration cost	15	10
Expected return on plan assets	(21)	(18)
Past service cost	(1)	25
Loss due to premium correction	82	70
Total pension costs (Note 26)	<u>354</u>	<u>239</u>
Actual return on plan liabilities	<u>(91)</u>	<u>(129)</u>

The amounts recognised in the balance sheet are as follows:

	2010	Group 2009
Present value of defined benefit pension obligations funded by plan assets	(1,089)	(1,070)
Fair value of plan assets	<u>741</u>	<u>699</u>
	(348)	(371)
Unrecognised actuarial losses/(gains)	125	(40)
Unrecognised past service cost	-	202
Net defined benefit pension plan liabilities (Note 17)	<u>(223)</u>	<u>(209)</u>

Movement in the present value of the defined benefit pension obligations during the financial year is as follows:

	2010	Group 2009
Beginning of financial year	(1,070)	(501)
Current service cost	(208)	(114)
Interest cost	(71)	(38)
Actuarial gains/(losses)	191	(426)
Settlements	69	9
End of financial year	<u>(1,089)</u>	<u>(1,070)</u>

27. Post-employment defined benefit plans (continued)

The movement in the fair value of plan assets during the financial year is as follows:

	2010	Group	2009
Beginning of financial year	699		399
Expected return on plan assets	43		37
Actuarial (losses)/gains	(144)		215
Administration cost	(15)		(10)
Pension contributions	309		137
Loss due to premium correction	(82)		(70)
Settlements	(69)		(9)
End of financial year	<u>741</u>		<u>699</u>

Plan assets comprise qualified insurance policies. The expected return on plan assets is determined by considering the expected returns available on these insurance policies.

The principal actuarial assumptions used are as follows:

	2010	Group	2009
Weighted average discount rate	4.50%		5.00%
Rate of increase in compensation level	3.00%		3.00%
Expected return on plan assets	<u>4.50%</u>		<u>5.00%</u>

28. Finance expense

	2010	Group	2009
Interest expense:			
- bank loans	14,650		15,363
- finance lease liabilities	10		15
Cash flow hedges – transfer from equity (Note 22)	6,008		5,957
	<u>20,668</u>		<u>21,335</u>

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29. Income tax (credit)/expense

	2010	Group 2009
Tax (credit)/expense attributable to (loss)/profit is made up of:		
Current income tax	7	9,130
Deferred income tax (Note 16)	71	6,555
	<u>78</u>	<u>15,685</u>
(Over)/under provision in prior years		
- current income tax	(1,452)	(639)
- deferred income tax (Note 16)	1,102	(381)
	<u>(272)</u>	<u>14,665</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2010	Group 2009
(Loss)/profit before tax and share of results of associates and joint ventures	<u>(19,556)</u>	<u>14,801</u>
Tax calculated at domestic tax rates applicable to profits in the respective countries	(6,348)	16,592
Effects of:		
- Change in tax rate of subsidiaries	-	358
- Income not subject to tax	(255)	(138)
- Expenses not deductible	52	680
- Income tax at concessionary rate	(1,321)	(1,807)
- Utilisation of previously unrecognised tax losses	(2,985)	-
- Tax losses for which no deferred income tax asset was recognised	10,935	-
Tax charge	<u>78</u>	<u>15,685</u>

The weighted average applicable tax rate is 32% (2009: 112%). The fall is caused by a change in the profitability mix of the Group's subsidiaries in the respective countries. In 2009, profits were earned in taxable jurisdictions, whilst losses were mainly incurred in tax-exempt jurisdictions.

30. Segment information

Management has determined the operating segments based on the organisation of the Group. The results of these operating segments are reviewed by the Chief Executive Officer ("CEO") to make strategic decisions.

The Group is organised into three main operating segments:

- Fuel sales - Sales of marine fuel and related products to customers such as traders, physical suppliers, resellers and end users.
- Shipping – Income derived from chartering and ship management services.
- Terminalling – Revenue derived by lease of terminals to physical suppliers of marine fuel.

Others comprise sale of software and other miscellaneous services.

The CEO assesses the performance of these operating segments based on gross contribution. Gross contribution is computed as revenue including derivative financial instruments (gains)/losses - net, less inventories recognised as an expense, barging and pipeline costs, chartering and other shipping related expenses, rentals on operating leases, demurrage costs and service and commission expenses. Gross contribution is not measured for the "Others" segment as the sale of software and other miscellaneous services are considered as non-core activities.

The segment information provided to the CEO for the reportable segments for the year ended 31 December 2010 is as follows:

	Fuel Sales	Shipping	Terminalling	Others	Total
Group					
Segment revenue	7,210,232	60,558	44,370	41,263	7,356,423
Inter-segment revenue	(5,430)	(39,872)	(13,531)	(2,053)	(60,886)
Revenue from external customers	7,204,802	20,686	30,839	39,210	7,295,537
Gross contribution	33,162	6,293	35,863	-	75,318
Interest income	412	6	10	626	1,054
Finance expense	8,453	925	2,560	8,730	20,668
Depreciation and amortisation	3,090	2,673	7,462	3,101	16,326
Income tax (credit)/expense	(988)	267	3,434	(2,985)	(272)
Share of results of associates and joint ventures – net	5,543	1,688	486	82	7,799
Total assets	928,957	69,968	194,052	58,730	1,251,707
Total assets includes:					
Investments in associates	17,559	20,774	-	-	38,333
Investments in joint ventures	21,671	692	11,604	244	34,211
Additions to:					
- property, plant and equipment	2,807	1,178	624	890	5,499
- intangible assets	1,199	-	-	55	1,254

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30. Segment information (continued)

The segment information provided to the CEO for the reportable segments for the year ended 31 December 2009 is as follows:

	Fuel Sales	Shipping	Terminalling	Others	Total
Group					
Segment revenue	5,643,343	79,854	43,943	61,247	5,828,387
Inter-segment revenue	(2,758)	(56,078)	(15,928)	(3,377)	(78,141)
Revenue from external customers	5,640,585	23,776	28,015	57,870	5,750,246
Gross contribution	64,092	3,966	35,393	-	103,451
Interest income	214	14	5	221	454
Finance expense	7,410	845	3,602	9,478	21,335
Depreciation and amortisation	4,694	3,109	7,282	5,091	20,176
Income tax expense	5,535	308	3,311	5,511	14,665
Share of results of associates and joint ventures – net	9,879	1,717	452	(90)	11,958
Total assets	1,065,038	74,142	195,038	70,428	1,404,646
Total assets includes:					
Investments in associates	20,851	21,463	-	-	42,314
Investments in joint ventures	16,534	501	11,118	163	28,316
Additions to:					
- property, plant and equipment	1,567	2	7,871	815	10,255
- intangible assets	2,564	-	-	4,137	6,701

A reconciliation of gross contribution to (loss)/profit before tax is provided as follows:

	2010	2009
Gross contribution	75,318	103,451
Sales of software	38,580	57,197
Other gains/(losses) - net, excluding derivative financial instruments gains/(losses) - net	8,096	15,074
Rental, service and commission expense – Others	(1,632)	(2,362)
Marketing and communication expenses	(7,375)	(7,355)
Employee benefits	(46,222)	(48,108)
Other expenses	(49,327)	(61,585)
Depreciation and amortisation	(16,326)	(20,176)
Finance expense	(20,668)	(21,335)
Share of results of associates and joint ventures	7,799	11,958
(Loss)/profit before tax	(11,757)	26,759

Revenue by product and services

Revenue from external customers is derived primarily from the sale of marine fuel, the provision of chartering and ship management services and terminal rental. The breakdown of revenue from external customers by product and services are disclosed in Note 25.

30. Segment information (continued)

Geographical information

Revenue from external customers attributable to countries in which revenue is derived are as follows:

	2010	Group 2009
Revenue		
United States of America	2,339,690	1,787,289
Netherlands	1,378,892	1,211,641
Singapore	2,008,160	1,505,607
Panama	834,426	638,481
United Arab Emirates	543,764	321,244
Latvia	-	177,766
Others	190,605	108,218
Total	<u>7,295,537</u>	<u>5,750,246</u>

Non-current assets other than financial instruments and deferred tax assets are located in the following countries:

	2010	Group 2009
Non-current assets		
United States of America	26,675	28,606
Panama	2,107	5,491
Netherlands	22,534	22,097
United Arab Emirates	11,995	11,552
Singapore	171,421	160,801
India	33,037	35,507
Others	54,954	59,533
Total	<u>322,723</u>	<u>323,587</u>

31. (Loss)/earnings per share

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year (excluding ordinary shares purchased by the Trust and held as treasury shares (Note 20)).

	2010	Group 2009
(Loss)/profit attributable to equity holders of the Company	(9,490)	11,467
Weighted average number of ordinary shares in issue (in thousands)	1,286,799	1,288,026
Basic (loss)/earnings per share (cents per share)	<u>(0.737)</u>	<u>0.890</u>

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31. (Loss)/earnings per share (continued)

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are share options.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net (loss)/profit.

Diluted (loss)/earnings per share attributable to the equity holders of the Company is calculated as follows:

	2010	Group 2009
(Loss)/profit attributable to equity holders of the Company	(9,490)	11,467
Weighted average number of ordinary shares in issue (in thousands)	1,286,799	1,288,026
Adjustments for share options (in thousands)	5,599	4,754
Weighted average number of ordinary shares for diluted (loss)/earnings per share (in thousands)	1,292,398	1,292,780
Diluted (loss)/earnings per share (cents per share)	(0.734)	0.887

32. Dividends

	2010	Group 2009
Final exempt dividends paid in respect of the previous financial year of US\$Nil (2009: 0.50 cents) per share	-	6,463

33. Contingencies**(a) Litigation and claims**

The Group is involved in certain lawsuits and claims that arise in the ordinary course of conducting its business. Other than the provisions made in the consolidated financial statements, the directors believe that the Group is not liable under such claims, and that it is not possible to estimate the amount of additional losses, if any, that might result from adverse judgement against the Group.

(b) Guarantees

The Group and Company have issued corporate guarantees to banks and third parties for borrowings and trade and other payables of certain subsidiaries and associates. These bank loans and trade and other payables amounted to US\$7,588 (2009: Nil) and US\$405,863 (2009: US\$541,320) for the Group and Company respectively at the balance sheet date.

It is not anticipated that any material liabilities will arise from these guarantees.

34. Operating leases and commitments**(a) Capital commitments**

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to 'Investments in associates' (Note 11) and 'Investments in joint ventures' (Note 12), are as follows:

	Group		Company	
	2010	2009	2010	2009
Convertible debt instruments	1,743	2,707	-	-

(b) Operating lease expenses

Rentals on operating leases recognised in the income statement comprise the following:

	2010	Group 2009
Barges (included in "Barging and pipeline costs")	45,353	42,555
Vessels (included in "Inventories recognised as an expense" and "Chartering and other shipping related expenses")	13,752	17,757
Offices, storage tanks and motor vehicles (included in "Rentals for office premises, storage tanks and motor vehicles")	37,282	36,638
Other equipment (included in "Other expenses")	54	62
	96,441	97,012

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34. Operating leases and commitments (continued)

(c) Operating lease commitments - where a group company is a lessee

The Group leases various offices, storage tanks, motor vehicles and vessels/barges under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	2010	Group 2009
Not later than one year	42,010	49,457
Later than one year but not later than five years	41,969	55,573
Later than five years	53,237	50,521
	<u>137,216</u>	<u>155,551</u>

(d) Operating lease commitments - where a group company is a lessor

The Group leases out storage tanks and vessels/barges under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	2010	Group 2009
Not later than one year	40,477	31,750
Later than one year but not later than five years	57,481	70,152
Later than five years	329	7,905
	<u>98,287</u>	<u>109,807</u>

The details of the Group's assets leased out under operating leases (where the Group is the lessor) as at balance sheet date are as follows:

	2010	Group 2009
Property, plant and equipment		
Net book value	159,681	154,097
Accumulated depreciation	17,945	11,299
Depreciation charge for the year	<u>6,768</u>	<u>6,368</u>

35. Financial risk management

35.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments, such as commodity swaps and futures, interest rate swaps and currency forwards to hedge certain financial risk exposures.

The Group has a risk management division responsible for identifying, measuring and analysing financial risks of the Group. The risk management division provides periodic reports on the Group's risk exposures to enable management to monitor compliance of the Group's operations with the established risk management policies and procedures.

The risk management division reports directly to the Executive Risk Management Committee (ERMC), which in turn reports to the board of directors. The ERMC is responsible for setting the Group's risk management parameters such as customer credit limits, risk exposure limits and the risk management policies and procedures.

(a) Market risk

(i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign currency risk arises mainly from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.

The Group's trade purchases and sales are predominantly denominated in United States Dollars, therefore there is no significant exposure to foreign currency risk. In locations where the Group has an exposure to foreign currencies, the Group may enter into forward exchange contracts, when considered necessary.

The Group has certain investments in foreign operations whose net assets are exposed to foreign currency translation risks. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The Group's currency exposure based on the information provided to key management is set out in notes 4, 5, 6, 8, 17, and 18.

Due to its minimal exposure to foreign currency risk, the Group's result is not sensitive to significant variation in foreign currency.

(ii) Commodity price risk

The Group trades in marine fuel products. As a result, the Group's physical inventory is exposed to commodity price risks arising from the volatility in commodity prices. The Group enters into derivative contracts in the form of commodity swaps and futures to hedge its exposure to such commodity price risks. If the commodity prices increase/(decrease) by 1% (2009: 1%) with all other variables including tax rate being held constant, the loss after tax (2009: profit after tax) will be lower/higher by US\$560 (2009: higher/lower by US\$531) as a result of the changes in the fair values of the inventories and commodity swaps and futures as at balance sheet date.

The above sensitivity analysis is hypothetical and should not be predictive of the Group's future performance as the physical inventory volume and derivative positions change daily and are not static.

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35. Financial risk management (continued)

35.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Other price risk

The Group is not exposed to significant equity securities price risk because the investments held by the Group which are classified on the consolidated balance sheet as 'Financial assets at fair value through profit or loss' is only US\$1,039 (2009: US\$1,026).

(iv) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk mainly arises from its long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to maintain its borrowings substantially in floating rate instruments. The Group's exposure to cash flow interest rate risks arises mainly from these variable-rate borrowings. The Group may enter into floating-to-fixed interest rate swaps to manage these cash flow interest rate risks. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

The Group's and Company's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in United State Dollar. If the United State Dollar interest rate increases/decreases by 0.50% (2009: 0.50%) with all other variables including tax rate being held constant, the loss after tax (2009: profit after tax) will be higher/lower by US\$1,640 (2009: lower/higher by US\$2,683), as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, derivative financial instruments, as well as credit exposure to customers, including outstanding receivables and committed transactions. For bank and financial institutions, only counterparties that meet the appropriate credit criteria and are of high credit standing are accepted. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are monitored by the Credit Manager and approved by the Chief Financial Officer and for credit limits above an established threshold, the Chief Executive Officer, based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are regularly monitored at the entity level by the respective management and at the Group level by the Credit Manager and the Chief Financial Officer.

35. Financial risk management (continued)

35.1 Financial risk factors (continued)

(b) Credit risk (continued)

As the Group and Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except that in addition, the Group and Company have provided corporate guarantees to banks and third parties for loans and trade and other payables of its subsidiaries and associates and its credit exposure in respect of these guarantees are US\$7,588 (2009: Nil) and US\$405,863 (2009: US\$541,320) for the Group and Company respectively at the balance sheet date (Note 33(b)).

The Group's and Company's major classes of financial assets are cash and cash equivalents, derivative financial instruments and trade and other receivables.

The credit risk for trade and other receivables based on the information provided to key management is as follows:

	2010	Group	2009	2010	Company	2009
By operating segment						
Fuel sales	627,204		564,709	-		-
Shipping	2,595		2,958	-		-
Terminalling	1,323		1,494	-		-
Others	12,082		20,949	87,287		110,438
	<u>643,204</u>		<u>590,110</u>	<u>87,287</u>		<u>110,438</u>

(i) Financial assets that are neither past due nor impaired

Cash at bank and bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group. Derivative financial instruments are neither past due nor impaired as they are mainly with high credit quality counterparties.

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35. Financial risk management (continued)

35.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

The age analysis of trade and other receivables past due but not impaired is as follows:

	2010	Group 2009
Past due 0 to 30 days	24,899	38,835
Past due 30 to 60 days	8,031	2,328
Past due more than 60 days	6,810	12,386
	<u>39,740</u>	<u>53,549</u>

The carrying amount of trade and other receivables individually determined to be impaired and the movement in the related allowance for impairment is as follows:

	2010	Group 2009
Past due 30 to 60 days	3	212
Past due more than 60 days	4,634	7,563
	<u>4,637</u>	<u>7,775</u>
Less: Allowance for impairment	(2,219)	(4,361)
	<u>2,418</u>	<u>3,414</u>
Beginning of financial year	4,361	3,249
Allowance made	3,434	3,204
Allowance utilised	(5,576)	(2,092)
End of financial year	<u>2,219</u>	<u>4,361</u>

The individually impaired receivables mainly relate to customers, which are in difficult economic situations. It was assessed that a portion of these receivables is expected to be recovered.

35. Financial risk management (continued)

35.1 Financial risk factors (continued)

(c) Liquidity risk

The Group manages the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments, having an adequate amount of committed credit facilities and the ability to close market positions at a short notice.

The table below analyses the Group's and Company's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis as their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Group				
At 31 December 2010				
Net-settled derivative financial instruments	(13,718)	(2,517)	(2,131)	-
Trade and other payables	(431,241)	-	-	-
Borrowings	(352,066)	(35,947)	(106,387)	(10,821)
Financial guarantee contracts	(7,588)	-	-	-
	<u>(804,613)</u>	<u>(38,464)</u>	<u>(108,518)</u>	<u>(10,821)</u>
At 31 December 2009				
Net-settled derivative financial instruments	(26,142)	(1,714)	(2,251)	(21)
Trade and other payables	(326,735)	-	-	-
Borrowings	(564,028)	(31,635)	(110,894)	(45,624)
	<u>(916,905)</u>	<u>(33,349)</u>	<u>(113,145)</u>	<u>(45,645)</u>
Company				
At 31 December 2010				
Net-settled derivative financial instruments	(3,139)	(2,338)	(1,739)	-
Trade and other payables	(56,203)	-	-	-
Borrowings	(67,450)	(5,217)	(34,165)	-
Financial guarantee contracts	(405,863)	-	-	-
	<u>(532,655)</u>	<u>(7,555)</u>	<u>(35,904)</u>	<u>-</u>
At 31 December 2009				
Net-settled derivative financial instruments	(3,231)	(1,788)	(1,898)	-
Trade and other payables	(62,580)	-	-	-
Borrowings	(81,011)	(4,433)	(12,850)	(24,558)
Financial guarantee contracts	(541,320)	-	-	-
	<u>(688,142)</u>	<u>(6,221)</u>	<u>(14,748)</u>	<u>(24,558)</u>

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35. Financial risk management (continued)

35.1 Financial risk factors (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Consistent with others in the industry, the Group monitors capital based on the gearing ratio. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings less cash and cash equivalents.

	Group		Company	
	2010	2009	2010	2009
Net debt	428,027	652,275	101,893	116,296
Total equity	300,170	304,163	164,728	168,939
Gearing ratio	1.43	2.14	0.62	0.69

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2009 and 2010.

35.2 Fair value measurements

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities measured at fair value at 31 December 2010.

	Level 1	Level 2	Level 3	Total
Group				
Assets				
Non-hedging derivatives	-	8,268	-	8,268
Financial assets at fair value through profit or loss	1,039	-	-	1,039
Total assets	1,039	8,268	-	9,307
Liabilities				
Non-hedging derivatives	3,733	7,364	-	11,097
Derivatives used for hedging	-	7,269	-	7,269
Total liabilities	3,733	14,633	-	18,366
Company				
Assets				
Financial assets at fair value through profit or loss	1,039	-	-	1,039
Liabilities				
Derivatives used for hedging	-	7,216	-	7,216

35. Financial risk management (continued)

35.2 Fair value measurements (continued)

The following table presents the Group's assets and liabilities measured at fair value at 31 December 2009.

	Level 1	Level 2	Level 3	Total
Group				
Assets				
Non-hedging derivatives	-	206	-	206
Financial assets at fair value through profit or loss	1,026	-	-	1,026
Total assets	1,026	206	-	1,232
Liabilities				
Non-hedging derivatives	4,578	18,024	-	22,602
Derivatives used for hedging	-	7,526	-	7,526
Total liabilities	4,578	25,550	-	30,128
Company				
Assets				
Financial assets at fair value through profit or loss	1,026	-	-	1,026
Liabilities				
Derivatives used for hedging	-	6,917	-	6,917

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

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35. Financial risk management (continued)

35.3 Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheets and in Note 5 to the financial statements, except for the following:

Group

	Loans and receivables	Financial assets at fair value through profit or loss	Financial liabilities at amortised cost
31 December 2010			
Cash and cash equivalents	56,204	-	-
Derivative financial instruments	-	8,268	-
Financial assets at fair value through profit or loss	-	1,039	-
Trade and other receivables	643,204	-	-
Trade and other payables	-	-	(431,241)
Borrowings	-	-	(484,231)
Total	699,408	9,307	(915,472)
31 December 2009			
Cash and cash equivalents	70,379	-	-
Derivative financial instruments	-	206	-
Financial assets at fair value through profit or loss	-	1,026	-
Trade and other receivables	590,110	-	-
Trade and other payables	-	-	(326,735)
Borrowings	-	-	(722,654)
Total	660,489	1,232	(1,049,389)

Company

	Loans and receivables	Financial assets at fair value through profit or loss	Financial liabilities at amortised cost
31 December 2010			
Cash and cash equivalents	846	-	-
Financial assets at fair value through profit or loss	-	1,039	-
Trade and other receivables	87,287	-	-
Trade and other payables	-	-	(56,203)
Borrowings	-	-	(102,739)
Total	88,133	1,039	(158,942)
31 December 2009			
Cash and cash equivalents	787	-	-
Financial assets at fair value through profit or loss	-	1,026	-
Trade and other receivables	110,438	-	-
Trade and other payables	-	-	(62,580)
Borrowings	-	-	(117,083)
Total	111,225	1,026	(179,663)

36. Immediate and ultimate holding companies

On 26 February 2010, Singfuel Investment Pte. Ltd. ('Singfuel'), incorporated in Singapore, acquired more than 50% of the issued share capital of the Company from a controlling shareholder. Pursuant to the acquisition, Singfuel became the Company's immediate holding company. The ultimate holding company is Glencore International AG, incorporated in Baar, Switzerland.

37. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties during the financial year at terms agreed between the parties:

(a) Sales and purchases of goods and services

	2010	Group 2009
Sales of goods and services		
Sales of goods/services to associates	7,607	31,572
Sales of goods/services to joint ventures	40,702	48,993
Sales of goods/services to other related parties	16,154	28,442
Sales of goods/services to fellow subsidiaries	666,974	-
Purchases of goods and services		
Purchase of goods/services from associates	30,796	122,215
Purchase of goods/services from joint ventures	87,078	121,383
Purchase of goods/services from other related parties	31,279	73,384
Purchase of goods/services from fellow subsidiaries	1,538,012	-
Net gains/(losses) on derivative financial instruments		
Net losses on derivative financial instruments with associates	-	(3,654)
Net gains/(losses) on derivative financial instruments with joint ventures	1,258	(2,676)
Net losses on derivative financial instruments with other related parties	(116)	(2,249)
Net losses on derivative financial instruments with fellow subsidiaries	(2,059)	-

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37. Related party transactions (continued)

(a) Sales and purchases of goods and services (continued)

	2010	Group	2009
Payments made on behalf of and reimbursed by associates	1		26
Payments made on behalf of and reimbursed by joint ventures	35		34
Payments made on behalf of and reimbursed by other related parties	654		5,697
Payments made on behalf by and reimbursed to other related parties	383		-
Management and accounting service income			
Management and accounting service income charged to joint ventures	722		852
Consultancy fees			
Consultancy fees charged by other related party	76		140
Professional fees			
Professional fees charged by joint ventures	101		732
Interest income/(expense)			
Interest income from associates	-		132
Interest income from joint ventures	-		4
Interest income from other related parties	-		7

Definition of other related parties is set out in Note 8.

Outstanding balances to/from related parties at balance sheet date are set out in Notes 8, 17 and 18.

(b) Key management compensation

	2010	Group	2009
Salaries and other short-term employee benefits	4,265		3,911
Post-employment benefits	65		77
Share option expense	670		446
	5,000		4,434

38. Events after reporting period

On 3 January 2011, the Group acquired OceanConnect Holding's marine fuel business for a purchase consideration of approximately US\$25 million. Consequently, the business will be consolidated with effect from 3 January 2011. Details of the assets acquired and liabilities assumed, revenue and profit contribution of the acquired business and the effect on the cash flows for the Group are not disclosed, as the accounting for this acquisition is still incomplete at the time these financial statements have been authorised for issue.

On 21 January 2011, the Group disposed of certain assets and liabilities of its subsidiaries for cash consideration of US\$9.7 million.

39. Significant subsidiaries

The details of significant subsidiaries are as follows:

Name of subsidiaries and country of incorporation	Principal activities	Percentage of equity held	
		2010 %	2009 %
Chemoil Corporation, United States of America ¹	Oil trading	100	100
Chemoil Europe B.V., Netherlands ²	Oil trading	100	100
Chemoil International Pte Ltd, Singapore ³	Oil trading	100	100
Chemoil North America Corporation, United States of America ¹	Special purpose vehicle	100	100
Chemoil Terminals Corporation, United States of America ¹	Terminal management	100	100
Chemoil Latin America Inc, Republic of Panama ¹	Oil trading	100	100
Helios Terminal Corporation Pte Ltd, Singapore ³	Terminal management	100	100
Baltic Fuel Inc., British Virgin Island ¹	Oil trading	85	85
Chemoil Middle East DMCC, United Arab Emirates ⁴	Oil trading	100	100
California Software Company Ltd and its subsidiaries, India and United States of America ⁵	Software development	67.7	67.7

¹ Not required to be audited under the laws of the country of incorporation, but audited by PricewaterhouseCoopers LLP, Singapore, for purposes of the audit of the consolidated financial statements.

² Audited by PricewaterhouseCoopers, Rotterdam, Netherlands.

³ Audited by PricewaterhouseCoopers LLP, Singapore.

⁴ Audited by PricewaterhouseCoopers, Dubai.

⁵ Consolidated financial statements audited by Tomy & Francis Chartered Accountants, India.

In accordance with Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries and significant associated companies would not compromise the standard and effectiveness of the audit of the Company.