



Chemoil Energy Limited
Unaudited Financial Information
For the Financial Year ended 31 December 2006

1.(a)(i) Consolidated Income Statement

	GROUP			GROUP		
	YTD 2006	YTD 2005	% Increase/ (Decrease)	Q4 2006	Q4 2005	% Increase (Decrease)
	US\$'000	US\$'000		US\$'000	US\$'000	
Revenue	4,345,598	3,673,776	18	1,084,739	937,610	16
Other gains/(losses) – net (See Note 1.(a)(ii))	62,690	(20,315)	N/M	18,402	18,605	(1)
	4,408,288	3,653,461	21	1,103,141	956,215	15
Expenses						
- Inventories recognised as an expense	4,121,661	3,412,013	21	1,029,812	897,085	15
- Barging and pipelines costs	36,198	24,268	49	10,186	7,426	37
- Chartering expenses	56,279	65,714	(14)	10,203	15,936	(36)
- Rentals on operating leases	33,211	22,201	50	9,414	6,154	53
- Demurrage costs	9,562	9,847	(3)	1,684	1,302	29
- Employee benefits	19,341	17,355	11	7,530	3,898	93
- Marketing and communication expenses	2,793	2,084	34	173	608	(72)
- Service and commission expenses	12,680	10,163	25	3,838	3,617	6
- Other expenses	21,770	19,968	9	8,028	5,221	54
- Depreciation and amortisation	3,372	3,184	6	952	800	19
- Interest on borrowings	20,159	13,682	47	5,180	5,302	(2)
- Public offering costs	4,247	-	N/M	997	-	N/M
Total expenses	4,341,273	3,600,479	21	1,087,997	947,349	15
Share of associates' results – net	1,970	3,708	(47)	1,008	(2,444)	N/M
Profit before income tax	68,985	56,690	22	16,152	6,422	N/M
Income tax expense	(11,137)	(7,177)	55	(2,414)	346	N/M
Profit after tax	57,848	49,513	17	13,738	6,768	N/M
Attributable to:						
Equity holders of the Company	57,844	49,464		13,738	6,742	
Minority interest	4	49		-	26	

N/M: not meaningful
YTD: year to date

1.(a)(ii) Notes to the Consolidated Income Statement

	Group			Group		
	YTD 2006	YTD 2005	%	Q4 2006	Q4 2005	%
	US\$'000	US\$'000	Increase/ (Decrease)	US\$'000	US\$'000	Increase/ (Decrease)
<u>Other gains/(losses) – net includes the following</u>						
(a) Interest income	3,963	5,184	(24)	732	1,751	(100)
(b) Gain on disposal of subsidiaries	236	-	N/M	-	-	-
(c) Gain on partial disposal of associates	71	681	(90)	-	-	-
(d) Foreign exchange gain/(loss)	375	(101)	N/M	614	(43)	N/M
(e) Gain on disposal of other financial assets at fair value through profit or loss	-	248	(100)	-	-	-
(f) Fair value losses on other financial assets at fair value through profit or loss	(24)	-	N/M	(24)	-	N/M
(g) Derivatives financial instruments – net	58,069	(26,327)	N/M	17,080	16,897	1
Total	62,690	(20,315)	N/M	18,402	18,605	(1)
<u>The income statement includes the following expenses</u>						
(h) Allowance for doubtful debts	331	(1,980)	N/M	285	-	N/M
(i) Adjustments for (under) or overprovision of tax in respect of prior years	(374)	16	N/M	-	251	(100)
(j) Loss on sale of property, plant and equipment	(150)	(69)	N/M	(150)	(69)	N/M

N/M: not meaningful

YTD: year to date

1.(b)(i) Balance Sheets

	GROUP		% Increase/ (Decrease)	COMPANY		% Increase/ (Decrease)
	31-Dec-06 US\$'000	31-Dec-05 US\$'000		31-Dec-06 US\$'000	31-Dec-05 US\$'000	
ASSETS						
Current assets						
Cash and bank balances	49,573	53,677	(8)	9,233	161	N/M
Derivative financial instruments	10,671	6,605	62	-	-	-
Other financial assets at fair value through profit or loss	838	-	N/M	-	-	-
Income tax recoverable	3,637	-	N/M	-	-	-
Other current assets	23,161	8,615	N/M	17,248	175	N/M
Trade and other receivables	319,887	310,472	3	90,306	12,813	N/M
Inventories	169,936	174,833	(3)	-	-	-
	577,703	554,202		116,787	13,149	
Non-current assets						
Other non-current assets	3,055	2,884	6	-	-	-
Other receivables	-	4,000	(100)	-	4,000	(100)
Investments in associates	22,209	21,321	4	18,883	17,065	11
Investments in subsidiaries	-	-	N/M	15,621	12,967	20
Intangible assets	1,626	-	N/M	1,626	-	N/M
Property, plant and equipment	16,922	15,135	12	-	-	-
Deferred income tax assets	267	-	N/M	-	-	-
	44,079	43,340		36,130	34,032	
Total assets	621,782	597,542		152,917	47,181	
LIABILITIES						
Current liabilities						
Trade and other payables	186,364	259,168	(28)	1,406	2,136	(34)
Derivative financial instruments	2,016	1,446	39	-	-	-
Current income tax liabilities	3155	4,582	(31)	-	-	-
Borrowings	135,593	164,378	(18)	8,890	5,646	57
Provisions for other liabilities and charges	2,526	2,991	(16)	-	-	-
	329,654	432,565		10,296	7,782	
Non-current liabilities						
Borrowings	51,357	57,802	(11)	33,753	36,387	(7)
Deferred income tax liabilities	4,455	3,444	29	-	-	-
	55,812	61,246		33,753	36,387	
Total liabilities	385,466	493,811		44,049	44,169	
NET ASSETS	236,316	103,731		108,868	3,012	

1.(b)(i) Balance Sheets

	GROUP			COMPANY		
	31-Dec-06 US\$'000	31-Dec-05 US\$'000	% Increase/ (Decrease)	31-Dec-06 US\$'000	31-Dec-05 US\$'000	% Increase/ (Decrease)
EQUITY						
Share capital	2	2	-	2	2	-
Share Premium	85,816	-	N/M	85,816	-	N/M
Merger reserve	3,529	3,529	-	-	-	-
Other reserves	222	121	83	41	-	N/M
Retained earnings	146,747	99,903	47	23,009	3,010	N/M
	236,316	103,555		108,868	3,012	
Minority interest	-	176		-	-	
Total equity	236,316	103,731		108,868	3,012	

1.(b)(ii) Aggregate amount of Group's Borrowings and Debt securities

	31-Dec-06 (in US\$000)		31-Dec-05 (in US\$000)	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	126,993	8,600	160,569	3,809
Amount repayable after one year	51,357	-	57,802	-
Total	178,350	8,600	218,371	3,809
	31-Dec-06 US'000		31-Dec-05 US\$'000	
Details of any collaterals				
Secured on current assets of a subsidiary	15,164		11,400	
Secured on property, plant and equipment and lease rentals of a subsidiary	57,480		63,909	
Secured against trade receivables under a receivables purchase agreement of a subsidiary (See Note a below)	83,916		142,960	
Secured on bank balances and deposits, trade and other receivables and inventories of a subsidiary	21,703		-	
Secured on motor vehicles of a subsidiary (See Note b below)		87		102
Total	178,350		218,371	

Note:

a) The gross amounts of trade receivables secured under the receivables purchase agreement is US\$140,810 (2005:US\$155,753)

b) Motor Vehicles have a carrying amount of US\$132,000 (2005:\$147,000)

1.(c) Consolidated Cash Flow Statements

	GROUP			
	YTD 2006 US\$000	YTD 2005 US\$000	Q4 2006 US\$000	Q4 2005 US\$000
Cash flows from operating activities				
Profit after tax	57,848	49,513	13,738	6,768
Adjustments for:				-
Tax expense	11,137	7,177	2,414	(346)
Share option expenses	41	-	41	-
Depreciation and amortization	3,372	3,184	952	800
Gain on disposal of associates	(71)	(681)	-	-
Gain on partial disposal of subsidiaries	(236)	-	-	-
Net loss on disposal of property, plant and equipment	150	69	150	69
Gain on disposal of other financial assets at fair value through profit or loss	-	(248)	-	-
Fair value losses on other financial assets at fair value through profit or loss	24	-	24	-
Share of associates' results	(1,970)	(3,708)	(1,008)	2,444
Interest income	(3,963)	(5,184)	(732)	(1,751)
Finance expense	20,159	13,682	5,180	5,302
Operating cash flow before working capital changes	86,491	63,804	20,759	13,286
Changes in operating assets and liabilities				
Derivative financial instruments	(3,497)	(1,491)	11,793	(6,608)
Other assets	3,141	983	821	(3,622)
Trade and other receivables	20,236	(111,141)	41,619	8,715
Inventories	35,916	(60,901)	92,752	(1,741)
Trade and other payables	(112,543)	103,015	(101,799)	9,818
Provisions for other liabilities and charges	(465)	(5,568)	(33)	(5,568)
Cash used in operations	29,279	(11,299)	65,912	14,280
Income tax paid	(15,573)	(5,272)	(3,853)	(2,186)
Net cash generated from/(used in) operating activities	13,706	(16,571)	62,059	12,094
Cash flows from investing activities				
Purchase of other financial assets at fair value through profit or loss	(862)	-	(354)	-
Purchases of property, plant & equipment	(5,035)	(2,904)	(3,704)	(1,087)
Advance for purchase of property, plant and equipment	(16,980)	-	(16,980)	-
Proceeds from disposal of investment in associates	273	1,266	-	(310)
Capital reduction of an associate	300	-	-	-
Acquisition of a subsidiary, net of cash received	(21,801)	-	-	-
Disposal of subsidiaries, net of cash disposed of	(297)	-	-	-
Investment in associates	(2,798)	-	-	-
Proceeds from disposal of other financial assets at fair value through profit or loss	-	371	-	-
Loan repayments received from a related party	4,000	3,255	-	(1)
Interest received	3,963	5,184	732	1,751
Dividends received from associates	2,003	501	485	278
Net cash (used in)/generated from investing activities	(37,234)	7,673	(19,821)	631

	GROUP			
	YTD 2006 US\$000	YTD 2005 US\$000	Q4 2006 US\$000	Q4 2005 US\$000
Cash flow from financing activities				
Proceeds from borrowings	120,555	143,112	8,600	(8,598)
Repayments of borrowings	(177,491)	(94,135)	(160,190)	(17,589)
Proceeds from issuance of ordinary shares	85,816	-	85,816	-
Interest paid	(20,159)	(13,682)	(5,180)	(5,302)
Bank balances and deposits pledged with banks for bank loans	(7,038)	1,283	(5,689)	(3,467)
Dividends paid to shareholders	(11,000)	(1,400)	-	-
Net cash generated from/(used in) financing activities	(9,317)	35,178	(76,643)	(34,956)
Net (decrease)/increase in cash and cash equivalents	(32,845)	26,280	(34,405)	(22,231)
Cash and cash equivalents at beginning of financial year/period	50,210	23,930	51,770	72,441
Cash and cash equivalents at end of financial year/period	17,365	50,210	17,365	50,210
Cash and cash equivalents comprise:				
Cash and bank balances	49,573	53,677	49,573	53,677
Bank balances and deposits pledged with bank loans	(10,505)	(3,467)	(10,505)	(3,467)
Bank overdrafts	(21,703)	-	(21,703)	-
Total	17,365	50,210	17,365	50,210

1.(d)(i) Statements of Changes in Equity

GROUP	Attributable to equity holders of the Company					Minority interest US\$000	Total Equity US\$000
	Share capital US\$000	Merger Reserves US\$000	Share premium US\$000	Other reserves US\$000	Retained earnings US\$000		
Balance at 1 January 2006	2	3,529	-	121	99,903	176	103,731
Currency translation differences recognised directly in equity	-	-	-	55	-	4	59
Profit for the year	-	-	-	-	57,844	4	57,848
Total recognised income for the year	-	-	-	55	57,844	8	57,907
Dividend relating to 2005	-	-	-	-	(11,000)	-	(11,000)
Disposal of subsidiaries	-	-	-	5	-	(184)	(179)
Employee share option scheme:							
- Value of services rendered	-	-	-	41	-	-	41
Proceeds from shares issued	-	-	85,816	-	-	-	85,816
Balance as at 31st December 2006	2	3,529	85,816	222	146,747	-	236,316
Balance at 1 January 2005	2	3,529	-	238	51,839	146	55,754
Currency translation differences recognised directly in equity	-	-	-	(117)	-	(19)	(136)
Profit for the year	-	-	-	-	49,464	49	49,513
Total recognised income for the year	-	-	-	(117)	49,464	30	49,377
Dividend relating to 2004	-	-	-	-	(1,400)	-	(1,400)
Balance at 31 December 2005	2	3,529	-	121	99,903	176	103,731

1.(d)(i) Statements of Changes in Equity (continued)

COMPANY	Share capital US\$000	Share premium US\$000	Other reserves US\$000	Retained earnings US\$000	Total equity US\$000
Balance at 1 January 2006	2	-	-	3,010	3,012
Profit for the year	-	-	-	20,999	20,999
Total recognised income for the year	-	-	-	20,999	20,999
Dividend relating to 2005	-	-	-	(1,000)	(1,000)
Employee share option scheme:					
- Value of services rendered	-	-	41	-	41
Proceeds from shares issued	-	85,816	-	-	85,816
Balance at 31 December 2006	2	85,816	41	23,009	108,868
Balance at 1 January 2005	2	-	-	5,372	5,374
Profit for the year	-	-	-	(2,362)	(2,362)
Total recognised income for the year	-	-	-	(2,362)	(2,362)
Dividend relating to 2004	-	-	-	-	-
Balance at 31 December 2005	2	-	-	3,010	3,012

1 (d) (ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 31 December 2006, the Company's issued and paid-up capital comprised 1,292,612,000 (2005: 1,098,720,000) ordinary shares of HK\$0.0000125 each.

On 31 August 2006, the authorised share capital of the Company was increased from HK\$10,000 comprising 10,000 ordinary shares of HK\$1.00 each to HK\$1,000,000 comprising 1,000,000 ordinary shares of HK\$1.00 each. The issued ordinary share capital amount comprises 13,734 shares of HK\$1.00 each, including 3,734 shares issued on 31 August 2006 to acquire Chemoil Corporation, a subsidiary.

Pursuant to the shareholders' resolution dated 31 August 2006, the shareholders approved the sub-division of each ordinary share of HK\$1.00 each into 80,000 ordinary shares of HK\$0.0000125 each. As a result, the authorised share capital of the Company now comprises 80,000,000,000 ordinary shares of HK\$0.0000125 each and the issued share capital of the Company 1,098,720,000 ordinary shares of HK\$0.0000125 each.

On 14 December 2006, the Company allocated and issued 193,892,000 ordinary shares of HK\$0.0000125 each pursuant to the initial public offering of the Company.

The newly issued shares rank parri passu in all respects with the previously issued shares.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The financial information has not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied.

Except as disclosed under item 5, the Group has applied the same accounting policies and methods of computation in the financial information for the current reporting period compared with the last audited financial statements as at 31 December 2005.

5. If there are any changes in the accounting policies and methods of computation, what has changed, as well as the reasons for, and the effect of the change.

The Group has adopted the following amendments and interpretations to the International Financial Reporting Standards, which are relevant to its operations.

- IAS 21 (Amendment), Net Investment in a Foreign Operation
- IAS 19 (Amendment), Employee Benefits (effective from 1 January 2006);
- IAS 39 (Amendment), The Fair Value Option (effective from 1 January 2006); and
- IFRIC 4, Determining whether an Arrangement contains a Lease (effective from 1 January 2006)
- IAS 39 and IFRS 4 (Amendment), Financial Guarantee Contracts (effective from 1 January 2006)

The adoption of the above mentioned amendments and interpretations did not materially affect the results of the Group.

6. Earning per Ordinary Share

Group				
Earnings per ordinary share	YTD 2006	YTD 2005	Q4 2006	Q4 2005
(a) Based on weighted average number of ordinary shares on issue (US cents per share)	5.22	4.50	1.21	0.61
(b) On fully diluted basis (US cents per share)	5.19	4.50	1.20	0.61

7. Net Asset Value

	Group		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Net asset value per ordinary share based on issued share capital (US cents per share)	18.28	9.44	8.42	0.27

8. Review of the Performance of the Group

Year ended December 31, 2006 compared to the year ended December 31, 2005 4th Quarter ended December 31, 2006 compared to the 4th Quarter ended December 31, 2005

(all the figures are in US\$)

Revenue

Annual

Revenue increased by \$672 million, or 18.3%, from \$3.7 billion for the year ended December 31, 2005 to \$4.3 billion for the year ended December 31, 2006. The increase was due to an increase in the weighted average sales price of marine fuel by 14.7% from \$272.81 per metric ton for the year 2005 to \$313.01 per metric ton for the year 2006. Increase in volumes was 0.4 million metric tons, or 3.2% from 13.3 million metric tons for the year 2005 to 13.7 million metric tons for the year 2006.

The increase in the volume of marine fuel sold in 2006 was primarily due to an increase in ex wharf sales volume in Singapore and Amsterdam, Rotterdam Antwerp (ARA) region by 59.5% from 2.2 million metric tons in 2005 to 3.6 million metric tons in 2006.

Conversely, the retail sales volume decreased by 6.4 % from 7.1 million metric tons in 2005 to 6.7 million metric tons in 2006 due to the cessation of retail term contracts which were not renewed due to unattractive profit margins in the ARA region. The cargo sales volume decreased by 12.3% from 3.9 million metric tons in 2005 to 3.4 million metric tons in 2006 as we ceased selling cargo into South America due to less attractive profit opportunities.

4th Quarter

Revenue increased by \$147.1 million, or 15.7%, from \$ 937.6 million in, 2005 to \$1.1 billion in, 2006. This increase was due to an increase in the sales volume by 1.0 million metric tons, or 34.1% from 2.8 million metric tons in 2005 to 3.8 million metric tons in 2006. The inclusion of the ex wharf and the cargo volumes at Chemoil Europe BV of 0.57 million metric tons was the main reason for the increased volumes coupled with increased ex wharf sales at Singapore. Average sale realisations were lower in 2006 by 13.6% at \$280.04 per metric ton compared to \$ 323.97 per metric ton in the fourth quarter of 2005.

Other gains/(losses)

Annual

Other gains/(losses) – net increased by \$83 million, from a loss of 20.3 million for year 2005 to a gain of \$ 62.7 million for the year 2006. This increase was primarily due to an increase in hedge gains due to a sharp drop in fuel oil prices during the second half of 2006. The Group enters into derivative contracts only to mitigate the risk of market price fluctuations in marine fuel prices.

Inventories recognized as an expense.

Annual

Inventories recognized as an expense increased \$710 million, or 20.8%, from \$ 3.4 billion for the year 2005 to \$4.1 billion for the year 2006. This increase was due to an increase in the average cost of fuel by 17.1%, from \$257.4 per metric ton in 2005 to \$301.4 per metric ton in 2006.

4th Quarter

Inventories recognized as an expense increased \$132.7 million or 14.8% from \$ 0.9 billion in 2005 to \$1.0 billion in 2006. The increase in expenses was consistent with the increased sales volumes. Average cost of fuel declined by 14.4% from \$ 315.81 in 2005 to \$270.30 in 2006.

Barging and pipelines costs.

Annual

Barging and pipelines costs increased by \$11.9 million, or 49%, from \$24.3 million in year 2005 to \$36.2 million in year 2006. This increase was primarily due to an additional barge in New York for operational flexibility, increased barge charter rates in major delivery locations in Long Beach, Panama, Houston and New York and consolidation of barging and pipeline costs following the acquisition of the ownership interest in Chemoil Europe B.V. in June 2006 that we did not already own.

4th Quarter

Barging and pipelines costs increased by \$ 2.8 million, or 37.2%, from \$ 7.4 million in 2005 to \$10.2 million in 2006. This increase was primarily due increased charter rates in major delivery locations in Long Beach, Panama, Houston and New York and consolidation of barging and pipeline costs following the acquisition of the ownership interest in Chemoil Europe B.V. in June 2006 that we did not already own.

Chartering expenses.

Annual

Chartering expenses decreased by \$ 9.4 million, or 14.4%, from \$65.7 million in year 2005 to \$56.3 million in year 2006. The decrease was due to a decrease in freight rates.

4th Quarter

Chartering expenses decreased by \$ 5.7 million, or 36.0%, from \$ 15.9 million in 2005 to \$ 10.2 million in 2006. The decrease was due to a decrease in freight rates.

Rentals on operating leases.

Annual

Rentals on operating leases increased \$11.0 million, or 49.6%, from \$22.2 million in year 2005 to \$ 33.2 million in year 2006. This increase was due to an increase in rate charges paid to third parties and expenses related to additional temporary storage capacity in Singapore due to an increase in inventory held in the third & fourth quarter of 2006 at Singapore and additional storage capacity in Rotterdam due to the acquisition of the ownership interest in Chemoil Europe B.V. in June 2006 that we did not already own.

4th Quarter

Rentals on operating leases increased \$3.3 million, or 53%, from \$ 6.2 million in 2005 to \$ 9.5 million in 2006. This increase was due to expenses related to additional temporary storage capacity in Singapore due to an increase in inventory held in the third & fourth quarter of 2006 at Singapore and additional storage capacity in Rotterdam due to the acquisition of the ownership interest in Chemoil Europe B.V. in June 2006 that we did not already own.

Employee benefits.

Annual

Employee benefits increased by \$2.0 million, or 11.4%, from \$ 17.4 million in year 2005 to \$ 19.4 million in year 2006. The increase was mainly as a result of higher performance related bonuses and additional headcount at the corporate office in connection with the Group's listing.

4th Quarter

Employee benefits increased by \$3.7 million, or 94.7%, from \$ 3.9 million in 2005 to \$ 7.6 million in 2006. The increase was mainly as a result of higher performance related bonuses and additional headcount at the corporate office in connection with the Group's listing.

Service and commission expenses.

Annual

Service and commission expenses increased \$2.5 million, or 24.8%, from \$10.2 million in year 2005 to \$ 12.7 million in year 2006. This increase was primarily due to increased commissions resulting from an increase in our use of brokers to procure fuel products.

Other expenses.

Annual

Other expenses increased \$1.8 million, or 9%, from \$20.0 million in year 2005 to \$21.8 million in year 2006 due to increased office overheads in the fourth quarter

4th Quarter

Other expenses increased \$2.8 million, or 53.7%, from \$5.2 million in 2005 to \$8.0 million in 2006 due to increased office overheads in the fourth quarter.

Finance expense.

Annual

Finance expense increased \$6.5 million, or 47.3%, from \$13.7 million in year 2005 to \$20.2 million in year 2006. This increase was primarily due to increases in interest rates and the increased use of borrowings to fund increased working capital requirements and also partially due to consolidation of Chemoil Europe B.V. from June 2006.

Public offering costs.

Annual

Public offering costs were \$ 4.2 million in year 2006. These expenses relate to the initial public offering of the Company and include professional fees such as accounting and legal services, printing and advertising expenses and other expenses related to the public offering net of recoveries from a selling shareholder.

4th Quarter

The amount of 1.0 million reflects additional costs booked in 4th quarter 2006 towards professional & legal fees and other public offering related expenses, net of recoveries from a selling shareholder.

Share of associates' results - net

Annual

Share of associates' results net decreased by \$1.7 million, or 46.9% from \$3.7 million in year 2005 to \$2.0 million in year 2006. This decrease was primarily due to a decrease in contribution from IPC US of \$ 1.4 million due to lower margins as a result of their focus on increasing sales volumes and market share.

4th Quarter

Share of associates' results net increased by \$3.5 million from a loss of \$ 2.5 million in year 2005 to a profit of \$1.0 million in year 2006. This increase was primarily due to an increase in the contribution from IPC US of \$ 1.4 million and from Galaxy Energy Group Ltd. of \$ 1.4 million.

Balance Sheet (all the figures are in US\$)

The Group's receivables (no. of days of Debtors) decreased to 26.5 days as of end December 2006 compared to 30.4 days as of end December 2005. Inventory (no. of days of stock) decreased to 14.9 days as of end December 2006 compared to 18.5 days as of end December 2005. Trade payables (no. of days of payables) decreased to 15.7 days compared to 26.3 days as of end December 2005.

Borrowings decreased to \$187.0 million as at end December 2006 compared to \$222.2 million as at end December 2005. The net debt to equity ratio decreased to 0.79 times in December 2006 compared to 2.14 times as at end December 2005.

Shareholder funds increased to \$236.3 million as at end December 2006 compared to \$103.6 million as at end December 2005.

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

Not applicable

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

Not applicable

11. If a decision regarding dividend has been made

a) Whether an interim (final) ordinary dividend has been declared (recommended); and

The Board has recommended a final dividend in respect of 2006 of US 1 Cent per share to the shareholders for approval at the annual general meeting

b) (i) Amount per share / rate %

See above

b) (ii) Previous corresponding period /rate %

US\$11 million (US 1 cent per share) relating to 2005.

c) Whether the dividend amount is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Paid out of Hong Kong – Tax exempt. Foreign sourced dividends are taxable in the hands of Singapore corporate shareholders upon remittance.

d) The date when the dividend is payable

To be announced

e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

To be announced.

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

Not applicable

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

At 31 December 2006, the Group is organised into three main business segments:

- Retail – Sales of physical supplies of marine fuel and related products to end users such as oil tankers, container ships, dry bulk carriers, and cruise ships.
- Cargo – Sales of marine fuel and related products, such as the components of marine fuel used to blend into marine fuel, to customers such as traders, physical suppliers and resellers.
- Ex-wharf – Sales of marine fuel to customers such as resellers or distributors that accept delivery at our service centers and subsequently resell and deliver the product to end users. The sales are typically made to marine fuel traders, barge companies and other customers.

Others represent chartering income, terminal rental, service fees and commission income, demurrage, other claim income and share of associates' results – net.

Unallocated income/(costs) represent gain on disposal of associates, currency exchange gain/(loss) - net, derivative financial instruments - net, finance income, net, finance expense, public offering costs and income tax expense.

31-Dec-2006	Retail	Cargo	Ex-wharf	Others	Total
Sales	2,126,877	1,059,599	1,094,070	63,052	4,345,598
Segment result (See Note a) below)	16,520	14,504	(5,985)	3,692	28,731
Share of associates' results – net	-	-	-	1,970	1,970
Unallocated income/(costs)					
Other gains/(losses) – net					62,690
Finance expense					(20,159)
Public offering costs					(4,247)
Profit before income tax					68,985
Income tax expense					(11,137)
Total profit					57,848
31-Dec-2005	Retail	Cargo	Ex-wharf	Others	Total
Sales	1,885,246	1,156,222	574,307	58,001	3,673,776
Segment result (See Note a) below)	34,314	34,378	12,445	5,842	86,979
Share of associates' results - net				3,708	3,708
Unallocated income/(costs)					
Other gains/(losses) – net					(20,315)
Finance expense					(13,682)
Profit before income tax					56,690
Income tax expense					(7,177)
Total profit					49,513

Note

a) Segment results do not include derivative gains/(losses)

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

In June 2006, the Group acquired the remaining 50% equity interest in Chemoil Europe B.V. (formerly known as Allround Fuel Trading Chemoil B.V.). Chemoil Europe B.V. contributed revenue of US\$ 644.9 million and net loss of US\$ 2.1 million to the Group for period from 1 June 2006 to 31 December 2006.

15. A breakdown of the following:

	2006 (in US\$000)	2005 (in US\$000)	% Increase/ (Decrease)
(a) Sales reported for first half	2,037,906	1,692,108	20
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	25,163	13,054	93
(c) Sales reported for second half	2,307,692	1,981,668	16
(d) Operating profit/loss after tax before deducting minority interests reported for first half year	32,685	36,459	(10)

A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	2006 (in US\$000)	2005 (in US\$000)
a) Ordinary	-	11,000
b) Preference	-	-
c) Total	-	11,000

BY ORDER OF THE BOARD

Robert Viswanathan Chandran
Executive Chairman
26th February 2007