



China Aviation Oil (Singapore) Corporation Ltd

中国航油（新加坡）股份有限公司

A subsidiary of China National Aviation Fuel Group Corporation
中国航空油料集团公司子公司

Going Places

SUMMARY REPORT 2013

2013年年报概要

志
在四方

Fuel for Future 为明天加油

Mention the dandelion, and two distinct images come to mind. Known for its elegant dispersal in the wind and cheery splendour in full bloom, the dandelion is also a resilient plant, always thriving in the harshest conditions. It is this spirit of determination and perseverance, as well as a flexibility to ride on the winds of change, that we admire in the dandelion.

Vision

To be a top-tier integrated transportation fuels provider, constantly innovating and creating value for our shareholders, employees, business partners and the community

愿景

成为富有创新精神的全球一流运输燃料一体化方案提供商，持续为股东、员工、合作伙伴和社会创造价值

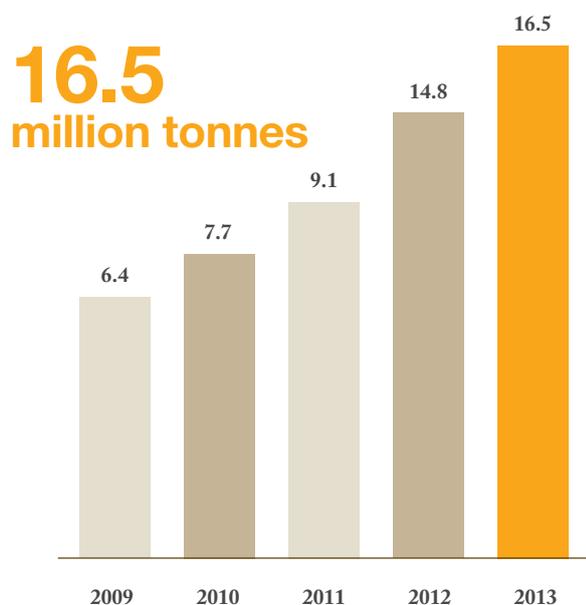
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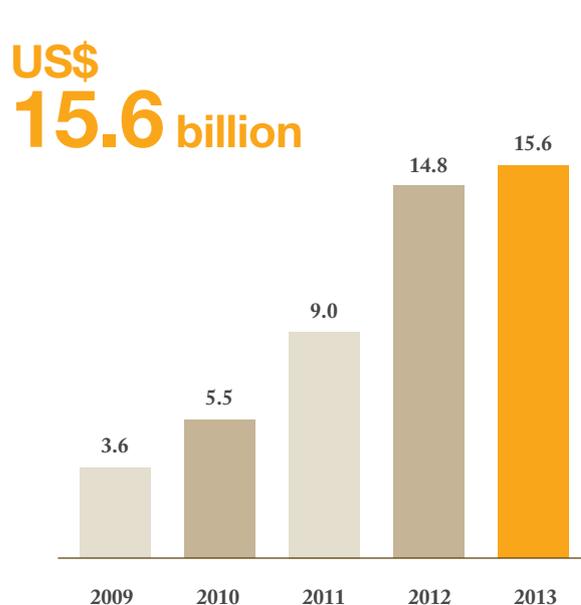


Financial Highlights 业绩亮点

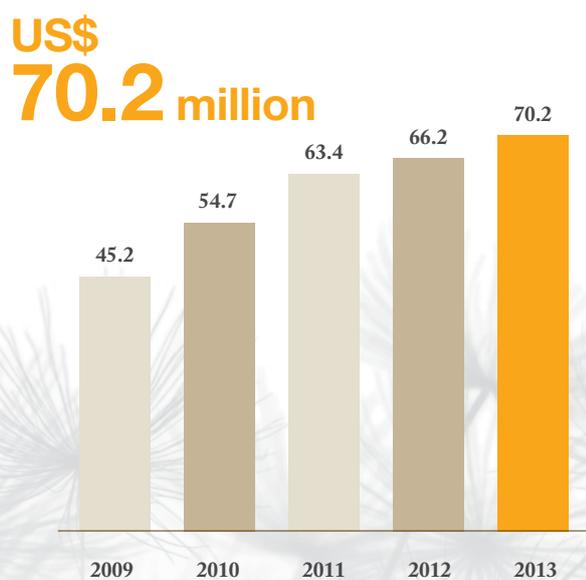
TOTAL VOLUME (MILLION TONNES)
总业务量



REVENUE (US\$ BILLION)
营业额



NET PROFIT (US\$ MILLION)
净利润



RETURN ON EQUITY
股本回报率

14.3%

RETURN ON ASSETS
资产回报率

4.5%

DEBT-EQUITY RATIO
股本带息负债率

5.5%

Chairman's Statement

“The Group’s gross profit – an indicator of the profitability of our supply and trading business – stood at US\$52.5 million in 2013, an increase of 22.8% as compared to 2012.

This is testament to the resilience of the Group’s business model and ability of the trading team to generate profit growth under challenging market conditions.”



SUN LI
Chairman

孙立
董事长

Dear Shareholders,

2013 continued to be a challenging year for oil trading companies. Whilst economic conditions in Europe, the United States and other advanced economies have shown subdued signs of improvement in the second half of the year, growth fundamentals have generally weakened in emerging economies. Global demand for oil products remained sluggish, even as supplies have increased due to expanding refining capacities in Asia Pacific and Middle East.

Despite the challenges in the economic and operating landscape, the CAO Group (“the Group”) achieved creditable results for the 12 months ended 31 December 2013 (“FY2013”). Group revenue hit another record high of US\$15.6 billion. Total supply and trading volume of jet fuel and other oil products also reached a record high of 16.5 million tonnes, as the Group’s efforts to diversify into other oil products began to yield results. Net profit attributable to shareholders increased 6.1% to US\$70.2 million, which is a record high for the fifth consecutive year.

OUR PERFORMANCE IN 2013

Sustaining Growth Momentum In Jet Fuel Business

Despite the slowdown in China’s economic growth, the world’s second largest civil aviation industry continued to sustain a double-digit annual growth rate in 2013. China’s air passenger throughput hit about 326 million during the period from January to November 2013, an increase of about 11% year-on-year whilst total air transportation turnover volume for the same period reached 61.6 billion tonne-kilometres, an increase of 10.3% year-on-year.

Being the sole importer of jet fuel into China, the jet fuel supply business remained as the key foundation for the Group to conduct jet fuel optimisation and trading activities. Although domestic refineries in China stepped up production capacities in 2013, the Group’s jet fuel supply business continued to sustain stable growth, on the back of an overall increase in demand for jet fuel in China.

2013 was a year of rapid growth for the Group’s nascent aviation marketing business. The Group is currently the largest supplier of jet fuel to the three largest Chinese airline companies at 30 international airports outside China, including locations in Europe, North America, Asia Pacific and Middle East. Business volumes increased 34.4% in FY2013 as compared to FY2012.

Strengthening Our Earnings Ability

The Group continued to leverage on its competitive strength as the largest purchaser of jet fuel in Asia Pacific to strengthen its capability in jet fuel entrepreneurial trading. Gross profit derived from optimisation and trading activities has significantly surpassed gross profit derived from supply contracts in China.

The Group’s efforts in diversifying its earnings streams through the trading of other oil products have yielded positive results. Total trading volume of other oil products increased 42.2% to 6.1 million tonnes in 2013. Profitability of this business segment increased significantly and the Group gross profit achieved a year-on-year growth of 652% in 2013.

The Group’s gross profit – an indicator of the profitability of our supply and trading business – stood at US\$52.5 million in 2013, an increase of 22.8% as compared to 2012. This is testament to the resilience of the Group’s business model and ability of the trading team to generate profit growth under challenging market conditions.

Profit contribution from associated companies remained stable. In 2013, profit contribution from associated companies stood at US\$46.5 million.

CORPORATE GOVERNANCE

We regard corporate governance as central to the continued strong performance of our businesses, and maintaining investor confidence which underpin the sustainable long-term growth of our businesses and shareholder value. Over the past year, the commitment and dedication of the Board of Directors in steering the Group’s strategic directions had helped the Group sustain robust growth, whilst ensuring effective control of significant risks and due compliance with applicable laws and regulations, as well as maintaining high standards of corporate governance. CAO voluntarily subjects its internal control systems to biennial review by an independent third party consultant.

Chairman's Statement

“The changes in the global oil market necessitate the acceleration of building a global business network for the Group and we will focus on expanding beyond Asia Pacific to capture business opportunities that arise from the changing market dynamics.”

CAO was presented the “Corporate Governance Award” (runner-up in the Mid Cap category) at the 14th Securities Investors Association (Singapore) Investors’ Choice Awards held in November 2013. CAO was also awarded the “Most Transparent Company” (runner-up in the Oil & Gas category) for the fourth consecutive year.

In the 2013 Governance and Transparency Index published by Singapore’s Business Times and the Corporate Governance & Financial Reporting Centre of the National University of Singapore, CAO was ranked 36th out of 664 Singapore-listed companies assessed, which puts the Group in the top 6% of the Singapore-listed companies in terms of ranking.

ENHANCING SHAREHOLDER RETURNS

To better reward our shareholders, the Board of Directors has effected a bonus issue on the basis of 1 bonus share for every 5 existing ordinary shares held. In addition, the Board has recommended that shareholders receive a first and final (one-tier, tax-exempt) dividend of S\$0.02 per share. This represents about 19.3% of profit after tax for FY2013 (FY2012: 17.5%).

OUTLOOK

China’s rapidly developing civil aviation industry is expected to maintain an average double-digit growth rate up to 2020. By 2020, total turnover of China’s civil aviation industry is projected

to reach 170 billion tonne-kilometres according to industry sources. This invariably translates into sustainable increase in demand for imported jet fuel in China which will facilitate CAO’s business expansion.

On the global macroeconomic front, whilst the US economy has performed better than expected and Europe appears to be easing out of recession, China’s economy continues to sustain stable growth. However, uncertainties remain abound. Whilst the United States averted a debt default crisis in October 2013, the fundamental issues remain unresolved. The unpredictability of when the Federal Reserve will continue to wean off its expansive monetary policy is also expected to cause volatility in the global financial markets. The growth prospects of emerging markets remain unclear as they struggle with slower economic growth rates. Oil prices are expected to remain high and subject to volatility, posing challenges to oil trading activities.

On the other hand, dynamics of the international oil market are changing as the United States is expected to become an oil-exporting country due to its rising shale production. Oil product exports from Asia and the Middle East will continue to rise with the emergence of mega-refineries whilst Europe will require more imports as its refineries continue to shut down. Global oil demand growth is expected to be mainly driven by the transport sector. While such changing dynamics will create opportunities for trading, it also means that trading strategies will have to be adjusted and competition is expected to intensify.



Into-plane refuelling operations at a PRC airport
在中国机场的航油加注服务

Chairman's Statement



CAO was awarded "Singapore Corporate Governance" (Mid Cap Category) at SIAS Investors Choice Awards 2013
 CAO获颁2013年SIAS投资者选择奖“新加坡企业治理奖”(中型企业组别第二名)

"2013 was a year of rapid growth for the Group's nascent aviation marketing business. The Group is currently the largest supplier of jet fuel to the three largest Chinese airline companies at 30 international airports outside China, including locations in Europe, North America, Asia Pacific and Middle East. Business volumes increased 34.4% in FY2013 as compared to FY2012."

Against this backdrop, CAO will stay the course in implementing and achieving its 2020 strategy plans. The changes in the global oil market necessitate the acceleration of building a global business network for the Group and we will focus on expanding beyond Asia Pacific to capture business opportunities that arise from the changing market dynamics.

TRIBUTE AND APPRECIATION

On behalf of the Board, I wish to express my heartfelt thanks to Mr Liu Fuchun, who will be retiring from the Board at our 20th Annual General Meeting on 24 April 2014. Mr Liu had served the Board with distinction throughout his 8-year stint as an Independent Director. Mr Liu has made significant contributions to the Board and the Company through his dedication and visionary foresight.

I wish to also thank all shareholders for your unreserved support and confidence in CAO. To the management and staff of CAO, thank you for your hard work and commitment to the success of CAO.

My appreciation also goes to the government agencies in China and Singapore for their guidance. To our stakeholders, thank you for your support of CAO. My fellow Directors, thank you for your guidance, dedication and contributions to CAO.

I am confident that with a clear strategy and competent management team, coupled with the support from shareholders, business partners and other stakeholders, CAO is well-poised to establish a strong presence in the global transportation fuels market and to deliver sustainable growth.

SUN LI
 Chairman

董事长致辞

“作为CAO供应和贸易业务盈利能力指标的毛利总额在2013年同比增长22.8%至5250万美元。这证明集团的业务模式和贸易团队即使在不利的市场环境中仍有能力创造利润的增长。”

各位股东,

2013年对油品贸易公司而言依然是充满挑战的一年。欧洲、美国和其他发达国家的经济在下半年稍有改进，新兴经济体的增长动力总体减弱。亚太和中东地区炼厂产能扩大带来供应的增长，但全球油品需求依然低迷。

尽管经济和经营形势受到挑战，CAO集团（“集团”）在截至2013年12月31日的2013财年（“2013财年”）依然取得了不俗的成绩。集团收入再创历史新高，达156亿美元。航煤和其他油品供应与贸易量也创新高，达1650万吨。集团拓展其他油品业务的努力初见成效，航煤以外其他油品贸易开始创造收益。可向股东分配的净利润增长6.1%至7022万美元，连续第五年创历史新高。

2013年业绩

航煤业务持续增长

虽然中国经济增长放缓，但作为世界第二大民航业市场，中国在2013年依然保持了双位数的增长。2013年1月至11月，中国的航空旅客吞吐量约3.26亿人次，同比增长11%，同时期内航空运输周转量达到616亿吨公里，同比增长10.3%。

作为中国唯一的航油进口商，尽管中国国内航煤产能增加，但由于需求增长，集团向中国的航煤供应业务保持稳定，并以此为基础拓展航煤优化和贸易业务。

CAO的航空市场营销业务刚刚起步，2013年增长迅速。CAO现在是中国三大航空公司在中国以外的30家国际机场的最大航煤供应商，供应地点包括欧洲、北美、亚太以及中东。2013年全年业务量同比增长34.4%。

增强盈利能力

集团继续利用亚太地区最大航油现货贸易商这一竞争优势，加强航煤自营贸易能力。优化和贸易活动带来的毛利明显超过向中国供应带来的毛利。

集团通过其他油品贸易拓展收入来源，并已经开始盈利。2013年其他油品贸易量增长42.2%至610万吨。此业务板块的盈利能力继续显著增长，2013年毛利同比增长652%。

作为CAO供应和贸易业务盈利能力指标的毛利总额在2013年同比增长22.8%至5250万美元。这证明集团的业务模式和贸易团队即使在不利的市场环境中仍创造了利润的增长。

联营公司的利润贡献保持稳定。2013年联营公司的利润贡献为4650万美元。

公司治理

我们认为持续稳健的公司业绩和稳定的投资者信心是公司持续发展长期业务和实现股东价值的基础，而其关键在于公司治理。在过去一年，董事会致力于把握集团战略方向，促进集团实现稳健增长，同时确保有效控制重大风险，且严格遵守法律和法规，致力于保持高标准的公司治理，并邀请第三方独立顾问对内控系统进行每两年一次的审查。

2013年11月，在新加坡证券投资者协会举办的第十四届投资者选择奖中，CAO获颁公司治理奖（中型企业组别第二名）。CAO也连续第四年获得了最透明公司奖（油气行业第二名）。



Oil storage facilities at CNAF
CNAF 储罐设施

董事长致辞



“世界油品市场格局的变化要求CAO必须加快建立全球业务网络，我们会努力将业务从亚太发展至全球，把握市场变化所带来的机遇。”

在2013年新加坡《商业时报》和新加坡国立大学公司治理与财务报告中心发布的治理与透明度排名中，CAO在664家接受评估的新加坡上市公司中位居第36位，位列前6%。

提高股东回报

为了更好地回馈股东，董事会批准发行红利股，即每五股现有普通股配发一股红利股，同时提议向股东派发每股0.02新元的年度年终股息（单层免税）。总金额约占2013年税后利润的19.3%（2012年：17.5%）。

展望

中国快速发展的民航业预计在2020年前保持平均双位数的年增长。行业预测中国民航业总周转量在2020年将达到1700亿吨公里，这必将带动中国进口航煤需求的稳定增长，从而推动CAO的业务拓展。

全球宏观经济方面，美国经济表现好于预期，欧洲或从衰退中恢复，中国经济继续保持稳定增长。尽管如此，不确定因素犹存。虽然美国在2013年10月避免了信用违约危机，但根本问题仍未解决。美联储何时取消扩张性货币政策的不可预测性也预计会给全球金融市场带来震荡。新兴国家经济增速缓慢，发展前景依然不明朗。预计油价继续高位波动，给油品贸易活动带来挑战。

另一方面，随着美国大量开采页岩气从而预期将成为油品出口国，国际油品市场格局也正在发生变化。亚洲和中东大炼厂的出现使其油品出口量继续增加，而欧洲炼厂接连关闭，进口需求相应增加。预计全球油品需求增长主要由运输业驱动。变动的格局一方面会创造贸易机会，另一方面也意味着需要调整贸易战略，且竞争或将加剧。

在此背景下，CAO会秉持2020年发展战略规划。世界油品市场格局的变化要求CAO必须加快建立全球业务网络，我们会努力将业务从亚太发展至全球，把握市场变化所带来的机遇。

致意与感谢

刘福春先生将于2014年4月24日召开的第20次常年股东大会上退休，在此我谨代表董事会，对刘福春先生表达衷心的感谢。刘先生在担任独立董事的八年间尽职尽责，他的辛苦付出和远见卓识令董事会受益匪浅，对公司做出了卓越贡献。

我还要感谢所有股东对CAO不遗余力的支持和信心。感谢管理层和所有员工为了CAO的业绩所付出的辛勤工作。

我也感谢中新两国政府部门的指导。感谢社会各界人士对CAO的关心和支持。感谢各位董事们为CAO发展提供的悉心指导和辛勤付出。

我相信，在明晰的战略框架和出色的管理团队的领导下，在股东、商业伙伴和各界朋友的支持下，CAO有能力在全球运输燃料市场占据一席之地，实现可持续增长。

孙立
董事长

Board of Directors 董事会





SEATED FROM LEFT (前排左至右)

WANG KAIYUEN

王家園

SUN LI

孙立

MENG FANQIU

孟繁秋

STANDING FROM LEFT (后排左至右)

ALAN HAYWOOD

ZHAO SHOUSEN

赵寿森

CHEN LIMING

陈黎明

ANG SWEE TIAN

汪瑞典

LIU FUCHUN

刘福春

LUO QUN

罗群

CEO's Message

Dear Shareholders,

I am truly delighted by the steady progress CAO has made. Under the stewardship of our Board of Directors and with a competent management team at the helm, we have collectively steered the Group to scale new heights and created a robust enterprise; one that is sustainable and built on strong pillars that the Group has further strengthened in recent years, despite the many challenges we faced.

In 2013, even as the global economy remained lacklustre amid continued volatility in oil markets, CAO achieved significant corporate progress and milestones. Through the effective implementation of its corporate strategy to expand its businesses in the supply and trading of jet fuels and the trading of other oil products as well as diversify its income streams by proactively investing in oil related assets, CAO successfully established and expanded its global network even as we continued to enforce stringent risk controls and enhance management capabilities to run an increasingly international corporation.

2013 saw CAO topping its targets, sustaining its rapid growth trajectory over the last five years and setting new highs in revenues and profitability. We also witnessed the Group's corporate profile rise internationally as we seized growth opportunities on the back of our "2020 Strategy" roadmap by building a comprehensive global supply and trading network. Today, CAO is working steadily towards achieving its 2020 vision of becoming a top-tier integrated global transportation fuels provider.

OVERVIEW OF 2013 GROUP OPERATIONS

2013 was a year of significant advancement for the CAO Group. Our ability to ensure certainty of jet fuel supply to China was further fortified through CAO's increased supply network, strengthened customer relationships and the Group's structural advantage in jet fuel supply and trading.

The Group's entrepreneurial trading capability continued to grow steadily. In 2013, entrepreneurial trading volumes increased 18% and accounted for 64% of total sales volume. This translated into a record gross profit increase of 23% over the previous year.

The Group's strategy to diversify its products to include the trading of other oil products yielded positive results with a 42% volume increase in the trading of other oil products. Validating our strategy, gross profit for other oil products jumped 6.4 times.

Significant progress was also made in CAO's emerging Aviation Marketing division. In 2013, the number of CAO supply locations outside China reached 30 international airports.

CNAF Hong Kong Refueling Limited ("CNAF HKR"), the consortium led by our Hong Kong subsidiary, CAOHK, won a third refueling license at the Hong Kong International Airport. CNAF HKR is expected to be operational in 2015. Our wholly owned subsidiary in the United States of America, North American Fuel Corporation will gradually change its existing back-to-back direct supply model to independent supply model. These important developments, together with the establishment of CAO (Europe) form the rudiments of CAO's expanding globalised business network.

Our strategic asset investment in OKYC commenced operations in April 2013, and today facilitates our supply and trading business, complementing CAO's storage network across the Asia Pacific region.

FORGING AHEAD WITH A DIVERSIFIED GROWTH PLATFORM

Looking ahead, the global economic recovery remains uncertain. Exacerbated by speculative activities, oil prices are expected to remain volatile at higher prices and this may pose greater challenges to the Group in terms of trading risk exposures.

The slowdown of China's economic growth is inevitable and with the increase of China's domestic refining capacity, a corresponding slowing down of demand for jet fuel import is to be expected. This would invariably pose challenges to our core jet fuel business.

As the largest physical jet fuel trader in Asia Pacific, despite a relatively strong position in the region, CAO will also invariably face limited growth potential if confined to Asia Pacific where growth in demand has been slowing. CAO needs to and will enhance its capabilities for globalized operations. Its asset network will be improved to support business expansion and we will establish our business value chain through greater synergy and optimisation. We would also need to improve the trading of other oil products by establishing and consolidating our structural advantages.

Faced with new challenges and changing business dynamics, CAO has adopted several risk mitigating measures to sustain long-term growth of its businesses.

SUPPLY AND TRADING OF JET FUEL

CAO will continue to grow and expand its jet trading business beyond Asia Pacific by expanding its international jet supply and trading businesses globally. Our presence in Asia Pacific, Europe and North America today forms the rudiment of CAO's global network which will be developed further to create and strengthen synergies.



MENG FANQIU

Chief Executive Officer/Executive Director

孟繁秋

首席执行官/执行董事

CEO's Message

“As we make strategic strides to extend our footprint and move closer to our 2020 vision, we have strengthened our operational capabilities, built on our competitive advantages and improved synergies across our international operations.”

TRADING OF OTHER OIL PRODUCTS

The Group will continue to develop its business in other oil products and leverage its structural advantages to drive profit contribution. To further our gas oil business, we will develop new markets for physical trades to bring about volume growth. For our fuel oil business, our focus is to leverage on our Singapore storages to operate fuel oil bulk cargo sub-packaging and blending even as we continue to expand CAO's bunker oil business. CAO's petrochemical business will leverage on its footprint in the PRC market and diversify to other oil products to enlarge our customer base, increase term contract volumes and nurture a sustainable business model for our petrochemical business.

AVIATION MARKETING

Our aviation marketing division will be transformed to promote market entry with direct access and independent supply through cargo import or bulk procurement at targeted airports. By consolidating market demand, we create synergy for trading and develop economies of scale to generate higher returns. We will also continue strategic alliances with both suppliers and airline companies to further strengthen CAO's market presence at supply locations and facilitate our entry into new markets.

STRATEGIC ASSET INVESTMENTS

CAO will further extend its logistics supply chain through mergers and acquisitions to facilitate new market entry and inorganic growth. Our preference includes projects with reasonable returns which are complementary to our business operations including storages, pipelines, jetties and refueling facilities at airports. Apart from this, we also consider acquisition of trading companies with established sales network as well as suppliers with captive customer base.

POSITIONED FOR GROWTH

NEW MARKETS

We will explore new markets to augment our growth. Strategy studies on new markets such as Australia and the Middle East have been made as we look to enhance our global business network. We will also continue to closely monitor changing market trends and explore new products such as aviation biofuels and LNG.

CORPORATE GOVERNANCE

CAO will continue to transform its business model and put in place policies & procedures to support its growing global operations. We have put in place a stringent internal control and risk management framework as well as implemented corporate policies including a consolidated HR manual, an integrated IT system with trading and risk management systems to provide guidance to CAO's growing international workforce. We will regularly review these policies to ensure consistency with market practice and compliance with SGX Listing Rules as well as relevant authorities.

We have also made significant progress in enhancing transparency, corporate governance and reinforcing our robust risk management framework to ensure tighter control and management of risks.

It is CAO's aim to continue upholding high standards of corporate governance with enhanced overall transparency across the Group.

CORPORATE CULTURE

We will uphold our corporate values of Fairness, Integrity, Innovation and Transparency. As CAO transforms into an international enterprise, we seek to promote and cultivate a globalised corporate culture. CAO will review its code of ethics and compliance to further promote teamwork across the Group as a CAO core value. We will also further optimise and balance our short-term and long-term incentive plans as well as provide training opportunities for employees so that they may grow with CAO and create even greater value for the Group.

CORPORATE SOCIAL RESPONSIBILITIES

As CAO achieves corporate success, our Corporate Social Responsibility (“CSR”) activities will increase in tandem, so that we may do our part for society. Our CSR initiatives will be planned with a farther horizon and in a more systematic manner. The Group will cooperate with local institutions on environmental protection programs; continue to support the activities of Healthy Start Child Development Centre, a pre-school organisation which runs early childhood programmes to cater to less privileged children in Singapore.

CEO's Message



CAO was awarded "Most Transparent Company" (Runner-up in Oil & Gas Category) at SIAS Investors Choice Awards 2013
CAO获颁2013年SIAS投资者选择奖“最透明企业”(油气组别第二名)

The measures we took have transformed the Group into a more resilient and sustainable enterprise and will improve our ability to manage and adapt to uncertainties in the global economic environment. As we make strategic strides to extend our footprint and move closer to our 2020 vision, we have strengthened our operational capabilities, built on our competitive advantages and improved synergies across our international operations. Through proactive financial management, we have continued to strengthen the Group's balance sheet and invest in new growth markets. With its globalised operating capabilities and a strong balance sheet in place, the Group is poised to seize new opportunities and grow for many years to come. I am confident that in time, CAO will grow into a formidable multi-national-corporation.

APPRECIATION

On behalf of the management team and all CAO employees, I wish to thank our parent company, CNAF, and major shareholder, BP, for their continuous support. I would also like to thank all our shareholders for their understanding and support. Creating value for shareholders is our ultimate mission.

I would also like to express my gratitude to our sister company, China National Aviation Fuel Corporation Ltd, our suppliers, trading counterparties, ship owners, and other business partners for their support. We look forward to more mutually beneficial and deeper cooperation in the future.

A sincere thank you to our associated companies - SPIA, TSN-PEKCL, Xinyuan and OKYC. The growth of our associated companies underpins our business development.

I would also like to thank all the staff in CAO and its subsidiaries. CAO would not have achieved this much if not for your commitment and endeavours.

Lastly, my appreciation goes to all other stakeholders for their support. We look forward to your continued support in the future.

FUELLED FOR THE FUTURE

"Fuel for Future" is our new mantra developed in line with our 2020 strategic roadmap, demonstrating the confidence and determination of all CAO employees to persistently and continuously deliver value for shareholders and society.

Let us "Fuel for Future" and welcome CAO to a brighter and more promising future!

MENG FANQIU

Chief Executive Officer/Executive Director

Fuel for Future 为明天加油

首席执行官致辞

各位股东：

我非常欣喜地看到CAO的业务稳定发展。在公司董事会的正确指导和优秀管理团队的带领下，公司上下齐心协力再创佳绩，公司发展更加稳健。近年来，尽管我们面临许多挑战，但仍然实现了持续发展，夯实了集团业务基础。

2013年，尽管世界经济持续低迷、油品市场起伏动荡，但CAO实现了重大突破。通过有效实施公司拓展航油核心业务、积极扩大其他油品业务，努力拓展油品相关实业投资的战略，公司成功建立并拓展了全球业务网络，同时，秉持严格的风险控制和加强风险管理能力，公司日益国际化。

2013年CAO再创佳绩，不仅保持了连续五年的快速发展，营业额和利润也再创新高。根据CAO“2020战略”路线图，公司把握发展机遇，创建了全球供应与贸易网络，在全球市场树立了企业形象。现在的CAO正稳步朝向战略目标迈进，即2020年成为全球一流的运输燃料一体化方案提供商。

2013年总体经营情况

2013年CAO发展显著。通过拓展供应网络、加强客户关系，以及供应和贸易的结构性优势，公司向中国供应航煤的能力进一步加强。

公司自营贸易能力持续增长。2013年，自营业务量同比增长18%，占公司业务总量的64%。自营业务毛利的增长使得公司毛利再创新高，同比增长23%。

2013年，通过拓展其他油品贸易，CAO在相关多元化战略方面取得积极进展。其他油品业务量同比增长42%，其他油品贸易毛利强劲增长6.4倍。

CAO的航空市场营销业务取得突破性进展。截止2013年12月31日，公司向中国以外共计30个机场供应航油。

香港公司通过竞标获得香港机场第三块加注牌照，并组建了CNAF HKR。CNAF HKR预期在2015年开始运营。我们的全资子公司北美航油有限公司，将逐渐由当前的背对背直供模式向独立自供模式转变。与此同时，中国航油（欧洲）有限公司得以建立，全球业务网络初步成型。

公司在实业投资方面也取得了积极进展。OKYC储罐在2013年4月投入使用，对供应与贸易发挥支撑作用，巩固了CAO在亚太的储罐布局。

多元化发展促进集团不断前进

展望未来，全球经济复苏仍不明朗。由于投机活动加剧，油价预期在高位震荡，从贸易风险的角度将对公司带来更大的挑战。

中国经济增长的放缓不可避免，随着中国国内产能的增长，预期航油进口需求增长也相应放缓，这使我们的航煤核心业务面临挑战。

作为亚太最大的航油实货贸易商，尽管在该地区具有较强的优势地位，如果业务持续局限于亚太地区，发展潜力必将受到限制。因此，CAO需要加强全球运营能力，改进现有资产网络以支持业务拓展，通过优化业务价值链产生更强的协同效应。同时，不断建立和巩固其他油品的结构性优势。

面临新的形势和新的挑战，CAO采取了一系列风险管理举措，以实现业务的长期可持续发展。

航油供应与贸易

CAO将继续发展和拓展亚太以外的航油贸易活动，实现航油的全球化供应与贸易。我们在亚太、欧洲和北美的贸易联动，将初步构建全球业务网络，逐步实现贸易协同价值。

其他油品贸易

我们将持续建立其他油品的结构性优势，不断创造价值。为拓展柴油业务，将通过拓展新的实货市场带动业务量的增长。对于燃料油业务，在拓展船用燃料油业务的同时，利用新加坡储罐重点开展燃料油大宗货物分装和混调业务。化工品业务的重点是继续依托中国市场，推进产品多元化、拓展新客户群并增加长期合同量，巩固化工品业务相对稳定的盈利模式。

航空市场营销

我们的航空市场营销部门，将重点在目标机场通过进口航油或批量采购，实现自供并实现供应与贸易的协同性。通过整合市场需求，以实现贸易协同性和较高的利润回报。我们将继续凭借与供应商和航空公司的战略关系，加强现有供应点的市场占有率，并拓展新的市场。

战略实业投资

CAO将通过兼并与收购活动，进一步打造物流供应链，支持开拓新市场，实现跨越式增长。我们优先考虑回报合理、与贸易活动有协同效应的投资项目，包括储罐、管线、码头以及机场加注设施。此外，也会考虑收购具有成熟销售网络的贸易公司和既定客户需求的供油公司。

首席执行官致辞

厚积薄发

新市场

我们将拓展新的市场以实现增长。目前，公司已经完成包括澳大利亚和中东等市场的进入策略，以配合拓展全球业务网络。我们也密切跟踪市场发展趋势，跟进生物航油和液化天然气等新业务的进入机会。

公司治理

CAO将持续业务模式的转型，通过建立政策和流程，支持其日益增长的全球业务。我们已经制订了严格的内部控制和风险管理框架，相应实施公司政策，包括一个综合的人力资源手册，一个集成了贸易和风险管理的IT系统，以支持日益增长的国际业务。我们会定期审核这些政策，以确保符合市场规范、遵守新交所上市条例并符合相关监管部门规定。

CAO加强风险管理控制框架，确保更加严格的风险管控，并在提高公司透明度和公司治理水平方面取得了显著进步。

CAO的目标是秉持高标准的公司治理水平，加强企业透明度。

企业文化

CAO始终秉承公平、诚信、创新、透明的核心价值观。作为日益国际化的企业，CAO致力于培育具全球性的企业文化。CAO将审核企业道德标准与合规情况，以进一步推动团队合作这一集团核心价值观。我们也将进一步优化和平衡我们的长期和短期激励计划，向员工提供培训机会，让员工能够与公司共同成长，并创造更大的价值。

企业社会责任

随着公司的成长，我们将持续开展企业社会责任活动，并不断拓展深度和广度，尽自己的力量回馈社会。我们将与本地环保机构合作开展环保主题的活动；继续与健康起点儿童发展中心合作帮助新加坡的弱势学前儿童们。

为管理和应对全球经济的不确定性，我们采取措施，使公司可以更加灵活地进行可持续发展。CAO朝着2020年目标迈进，我们加强了运营能力，利用竞争优势在全球运营中加强协同效应。积极的财政管理使集团的资产负债表更加稳健，并得以拓展新的业务。有了全球运作能力和稳健的资产负债表，我们蓄势待发，伺机寻求新的发展机遇。我相信，在不久的将来，CAO将成长为一家出色的跨国企业。

致谢

在此，我谨代表管理层和全体员工，感谢母公司CNAF和大股东BP长期以来的支持，也诚挚感谢各界人士的理解和信任。为股东创造价值是我们的使命所在。

感谢兄弟单位中国航空油料有限责任公司、供应商、贸易伙伴、船东，以及其他商业伙伴的支持。期待着我们未来有更深入和广泛的合作。

感谢浦东航油、管输公司、新源公司和OKYC的贡献。联营公司的利润贡献是我们业务拓展很重要的基础。

感谢CAO全体员工和子公司全体员工，是你们的付出才换来了公司今天的业绩。

最后，感谢所有关心和支持CAO的各界朋友，希望继续得到你们的支持。

为明天加油

“为明天加油”是公司全体员工结合公司战略路线图共同提出的口号，代表CAO全体员工自强不息，为股东和社会创造价值的信心、决心和恒心。

让我们“为明天加油”，迎接CAO更加辉煌的明天！

孟繁秋

首席执行官/执行董事



2013 Operations Review

JET FUEL

The overall demand for jet fuel in Asia Pacific in 2013 was buoyant although demand for kerosene in Asia continued to see substantial contraction during the year, especially from Japan. Strong jet fuel demand from China accounted for almost half of the total jet fuel growth in Asia Pacific.

The Middle East, the next fastest aviation demand growth area after China, experienced strong demand growth where local domestic airlines and airports' expansion continued to generate high consumption. The United Arab Emirates, which owns two of the largest regional airlines -- Emirates and Etihad Airways -- was the largest jet fuel consumer in the Middle East accounting for approximately 37% of total jet fuel demand in the Middle East. The Saudi government's policy of encouraging domestic airlines to operate more domestic flights through competitive jet fuel rates, as well as Qatar's expansion of its Doha airport and airline developments also further promoted jet fuel consumption in the Middle East.

Lower worldwide jet supply inventory levels compounded by traders' pricing activities pulled cargoes from the East to the US and Europe, keeping Asia's overall jet supply in balance. Refineries' closures in the West also partly contributed to the stronger than expected spot arbitrage demand there.

Despite the complex and challenging trading environment, CAO's jet fuel trading book continued to deliver good results through cargoes optimisation via our own procurement and shipping capability as well as the strengthening of our core business relationships with Chinese refineries and key jet fuel customers.

AVIATION MARKETING

The aviation industry experienced an uncertain year in 2013 due in part to the struggling economies of Europe and the US. Jet fuel demand at these airports was still significantly below the peak levels seen before the global financial crisis of 2008. Asian and Middle Eastern airports enjoyed strong growth. Airlines from these regions, particularly the Chinese and Gulf carriers, forged ahead with their route expansion programmes across the globe.

With the price of Brent crude oil above US\$100 per barrel, commercial airline operators focused on maintaining optimum capacity, adopting operational flexibility to adjust their capacities in response to market conditions for both passenger and cargo business segments.

On fuel supply, the availability of comparatively lower-priced crude oil in the US, coupled with changes in taxation in Europe for the import of jet fuel, had a significant impact on global trading flows in 2013. Concurrently, closures of refineries and changes in ownerships of infrastructure assets led to a fragmented supply chain extending from refinery to airport.

Whilst such industry changes created challenges, they also opened up opportunities for a nimble player like CAO to adopt

a longer term perspective to expand its supply capability to airports worldwide.

In 2013, CAO continued to increase its overall market share, leveraging on its strategic collaboration with major Chinese airlines and enhancing its aviation fuel marketing and supply capabilities.

The Group saw its supply of jet fuel to airlines increase with supply locations growing from 22 to 30 international airports, excluding China. Overall jet fuel supply volume to airlines grew from 750,000 metric tons in 2012 to 1 million metric tons in 2013.

In 2013, the consortium led by CAO's wholly owned subsidiary CAOHK established a new joint venture company, CNAF Hong Kong Refuelling Limited ("CNAF HKR"). CNAF HKR will be the third company to provide into-plane fuelling services at Hong Kong International Airport at Chek Lap Kok ("HKIA"). CNAF HKR is expected to commence operations in 2015. CAO Group's foray into the into-plane fuelling business through CNAF HKR will further entrench its presence at HKIA. This will also go a long way towards achieving CAO's strategic goal of becoming an important jet fuel service provider at international airports.

GAS OIL

It was a challenging year for gas oil trading as regional gas oil demand remained lacklustre, weighed down by the global economic woes. The gas oil trading team continued regional physical trading in Indonesia, Singapore, Korea, Taiwan as well as other economies and also actively executed paper trading. Despite the challenging trading environment, the gas oil book was able to achieve better performance than the previous year.

Weaker than expected gas oil demand in China because of its sluggish industrial sector resulted in lower gas oil prices in the year. Gas oil accounted for the lion's share of petroleum products' demand in Asia, accounting for about 30% of total consumption in 2013 and will continue to remain the mainstay of demand growth in Asia due to its vast use in the industrial, transportation and power generation sectors.

FUEL OIL

Fuel oil supply was mostly abundant for the most part of 2013. The weak freight rates kept arbitrage from West to East opened most of the time, making it challenging for fuel oil trading. Demand from China, after an uptick early in the year, was on a downward trend for most of 2013. A new low for imports was posted by China in September 2013, but bounced back on strong buying in the October-December period.

Demand for straight run fuel oil was strong across Asia, due to reductions in refineries throughput as a result of poor refinery margins. This in turn created a shortage of good quality fuel oil and depressed price of heavy fuel oil blending materials. Insufficient quality blend stocks also resulted in tighter supply of on-specification commodity grade fuel oil.

2013 Operations Review

Notwithstanding these bearish fundamentals, the fuel oil market was marked by high volatility on aggressive plays. Amid the challenging operating environment, many players reduced their trading activities or stayed on the sidelines resulting in poor liquidity in the fuel oil market.

During the year, the trading team took up fuel oil storage space at Horizon Singapore Terminals Private Limited in Jurong. This allowed CAO to build a sustainable business model with active participation in cargo procurement, storage, blending, distribution and trading. As a result of the storage facility, we were able to step up our business activities, tripling our fuel oil business volume over 2012 despite the challenging trading environment.

PETROCHEMICALS

It was another successful year for CAO's petrochemicals business, following its strong performance in 2012. CAO successfully secured long term contracts with customers from China, Hong Kong, Japan, Thailand, Singapore and Saudi Arabia, and also entered into long-term purchase contracts directly with oil and petrochemicals majors.

Our physical trading volume was a 30% increase over FY2012 while gross profit soared by 163% to another record high in FY2013.

Key physical products traded were benzene, toluene, styrene monomer, isomer mixed xylenes and paraxylene whilst the paper transactions were mainly crude oil futures, benzene, paraxylene and naphtha swaps.

ASSOCIATED COMPANIES

SHANGHAI PUDONG INTERNATIONAL AIRPORT AVIATION FUEL SUPPLY COMPANY ("SPIA")

As the exclusive supplier of jet fuel at PRC's second largest airport – Shanghai Pudong International Airport ("Pudong Airport"), SPIA provides jet fuel distribution and refuelling service to about 110 Chinese and foreign airlines operating at Pudong Airport. SPIA owns and operates all the refuelling facilities at Pudong Airport, including the hydrant system, dispenser fleet, refuelling stations, airport tank farm, storage terminal with total capacity of 140,000 m³ and a 42-km dedicated jet pipeline connecting Pudong Airport to Waigaoqiao terminal. CAO owns a 33% stake in SPIA. The other two shareholders of SPIA are Shanghai International Airport Co., Ltd (40%) and Sinopec Assets Management Co. Ltd (27%).

In 2013, SPIA's refuelling volume increased in tandem with the robust growth of both the domestic and international air passenger traffic in China. SPIA achieved creditable performance in 2013, with the total refuelling volume increasing 2.3% over 2012 to 3.2 million tonnes. CAO's share of profit from SPIA increased 17% to US\$44.9 million.

CHINA NATIONAL AVIATION FUEL TSN-PEK PIPELINE TRANSPORTATION CORPORATION LTD ("TSN-PEKCL")

TSN-PEKCL's key asset is a 185-km long pipeline transporting the majority of jet fuel requirements of Beijing Capital International Airport and Tianjin Binhai International Airport ("the Pipeline"). Connecting Tianjin Nanjiang terminal with Beijing Capital International Airport and Tianjin Binhai International Airport, the Pipeline is the longest multi-oil product pipeline with the biggest diameter and highest transfer volume in the PRC Civil Aviation industry. CNAF Logistics and CAO hold 51% and 49% equity stakes in TSN-PEKCL, respectively.

Jet fuel transportation volume of TSN-PEKCL achieved a record high of 2.6 million tonnes in 2013, an increase of 1.6% compared to 2012. The increase was mainly driven by higher air traffic turnover at Beijing Capital International Airport. The Group's share of profits from TSN-PEKCL in 2013 was slightly down from 2012 to US\$1.7 million even with the increased jet fuel transportation volume, due mainly to higher operating costs.

CHINA AVIATION OIL XINYUAN PETROCHEMICALS CO., LTD ("XINYUAN")

Xinyuan is mainly engaged in the storage and trading of jet fuel and other oil products. Xinyuan owns a storage tank of 50,000 m³ near Shuidong harbour located in the city of Maoming, Guangdong Province, PRC. Shenzhen Juzhengyuan Petrochemicals Co., Ltd, CAO and CNAF hold 60%, 39% and 1% equity stakes in Xinyuan, respectively.

In 2013, apart from Shuidong storage expansion project, Xinyuan strengthened its internal control & management capabilities and explored new growth opportunities. Profitability of its business was impacted by the bleak economic environment and volatile oil prices. The Group's share of profits from Xinyuan in 2013 was slightly down from 2012 at US\$0.5 million.

OILHUB KOREA YEOSU CO., LTD ("OKYC")

Oilhub Korea Yeosu Co., Ltd is CAO's joint investment with six other companies to develop and operate a total storage capacity of 1.3 million m³ for crude oil and oil products. CAO is the second largest shareholder (26%) of OKYC after Korea National Oil Corporation, which holds 29% of the total issued shares of OKYC. The remaining issued share capital is held by conglomerates such as Samsung C&T Corporation and LG International Corp.

OKYC's overall operation has been smooth with zero accidents since its commercial operation on April 1, 2013. OKYC was certified by BP after rigorous testing in the middle of 2013. In the environment of grim global oil demand and overall poor operation in the Korean storage market, OKYC still managed to achieve storage utilization rate of approximately 78%. However, the Group's share of loss from OKYC in 2013 was US\$0.6 million due to higher operation cost and lower marked-to-market gains from its cross currency interest rates contracts.

2013年业务概述

航油

尽管2013年亚洲，尤其是日本的冬季煤油需求持续萎缩，但亚太地区航煤整体需求仍然坚挺。中国强劲的航煤需求占亚太区全部航煤增长的近一半。

中东航煤需求的强劲增长仅次于中国，当地国内航空公司和机场的扩张继续刺激航煤消耗。阿拉伯联合酋长国（阿联酋）有地区内最大的两家航空公司——阿联酋航空和阿提哈德航空——因此是中东地区最大的航煤消费者，其航煤需求约占中东总需求的37%。沙特政府以政策鼓励国内航空公司通过有竞争力的航煤价格开发更多国内航线，同时，卡塔尔拓展多哈机场及航线，这些举措都会进一步提高中东的航煤消耗。

全球降低的航煤库存和贸易员的定价驱使货物从东部流向美国和欧洲，亚洲的整体航煤供应得以平衡。西方炼厂的关闭也部分造成了强于预期的现货套期需求。

虽然贸易环境复杂多变，CAO的航煤贸易账户倚赖自身采购能力、船运能力和与中国炼厂及关键航煤客户的商业关系的加强，依然通过船运优化取得了不错的成果。

航空市场营销

2013年的航空市场由于部分受到欧洲和美国动荡经济的影响，受到一些不确定因素的干扰。机场的航煤需求明显低于2008年全球经济危机前的峰值。尽管如此，亚洲和中东机场仍然取得了强劲的发展。这些地区，尤其是中国和海湾地区的航空公司在全球范围内拓展了航线。

由于布伦特原油的价格持续高于每桶100美元，商业航空公司注重保持最优承载能力，灵活调整承载能力，应对客运和货运两大板块的市场环境。

航煤供应方面，价格相对较低的美国原油的可获得性和欧洲进口航煤的税收变化对2013年的全球贸易流向有着重大影响。同时，炼厂的关闭和基础设施所有权的变更造成炼厂至机场供应链的断裂。

这些行业的变化虽然带来了挑战，但同时也为CAO这样灵活的公司带来了机遇，即从长远来看，加强在全球机场的供应能力。

2013年，CAO继续增加整体市场份额，通过与大型中国航空公司的战略合作关系，加强航空市场营销和供应能力。

航空公司航煤供应方面，集团供应的国际机场数量（除中国外）从22个增至30个。航空公司供应量从2012年的75万吨增至2013年的100万吨。

2013年，由CAO的全资子公司CAOHK牵头的企业联合体成立了新的合资公司——中国航油香港供油有限公司（“CNAF HKR”）。CNAF HKR将成为第三家在香港赤腊角国际机场（“HKIA”）提供航油加注服务的公司，预计在2015年开始运营。CAO集团通过CNAF HKR进

军机场航油加注业务，这一举措将进一步巩固其在HKIA的市场地位，也意味着CAO朝着成为重要的国际机场供油服务商这一战略目标又迈进了一大步。

柴油

受制于全球经济困境，2013年柴油的区域需求依然疲软，给柴油贸易业务带来挑战。尽管如此，柴油贸易团队依然在印尼、新加坡、韩国和台湾等地继续进行区域实货贸易，也积极参与纸货贸易。虽然贸易环境不甚乐观，柴油贸易团队还是取得了比去年更好的成绩。

由于工业部门疲软打击柴油价格，中国柴油需求弱于预期。柴油是亚洲需求最旺盛的油品，占2013年总消耗量约30%。由于柴油在工业、运输和发电领域皆有广泛使用，因此仍将是亚洲需求增长的重要支柱。

燃料油

燃料油供应在2013年的大多时候基本充足。较低的燃料油运费为西方向东方的套利活动创造了条件，但给燃料油贸易带来了挑战。中国的燃料油需求在2013年伊始尚佳，随后开始下滑。2013年9月，中国的进口需求降至新低，10月至12月又由于购买活动增多而强势回弹。

亚洲炼厂由于炼制原油的利润较低而相继减产，造成直馏燃料油需求强劲。这导致优质燃料油短缺，也打击了重质燃料油调和原料的价格。同时，优质调和原料的短缺也造成符合规格的可用燃料油供应紧张。

虽然基本面情况不尽如人意，燃料油市场还是由于大批买卖而呈现出很强的波动性。在这样困难的环境中，许多企业减少贸易活动或持观望态度，减弱了燃料油市场的流动性。

2013年，贸易团队在新加坡裕廊岛租用了地平线（新加坡）储油私人有限公司的部分燃料油储罐。CAO得以建立一个可持续的商业模式，积极参与采购、储罐、混调、分销和贸易活动。除此之外，我们得以利用储罐扩大业务，尽管2013年贸易环境并不理想，但燃料油业务量相比2012年翻了三番。

化工品

化工品业务在2012年表现强劲，2013年同样业绩不俗。除了成功和中国、香港、日本、泰国、新加坡和沙特阿拉伯等不同客户签订了长期合约，也直接和大型石油石化企业签订了长期购买合同。

2013年，化工品实货贸易量同比增加30%，毛利飙升163%，再创新高。

实货贸易产品主要是苯、甲苯、苯乙烯、混合二甲苯、对二甲苯，纸货贸易产品主要包括原油期货、苯、对二甲苯和石脑油的掉期合约。

2013年业务概述

联营公司

上海浦东国际机场航空油料有限责任公司 （“浦东航油”）

浦东航油是中国第二大机场——上海浦东国际机场（“浦东机场”）的唯一航油供应商。浦东航油向在浦东机场运营的约110家中国及其他国家的航空公司提供销售和加注航油服务，拥有并经营浦东机场全部加油设施，包括全套机坪管网、管线加油车队和罐式加油车队、航空加油站、机场内油库、总库容量达14万立方米的码头油库以及连接浦东机场与外高桥码头的42公里专用航油管线。CAO拥有浦东航油33%的股份。浦东航油的另外两位股东分别是上海国际机场股份有限公司（持股40%）和中石化资产管理有限公司（持股27%）。

2013年，中国国内和国际航空客运量稳健增长，相应提升浦东航油的加注量。浦东航油在2013年创造了不俗的经营业绩，总加注量相比2012年增加2.3%，达到了320万吨，向CAO贡献了4490万美元的并账利润，同比增长了约17%。

中国航油集团津京管道运输有限责任公司 （“管输公司”）

管输公司的主要资产是全长185公里的天津—北京管道（“津京管道”），并通过该管道向北京首都国际机场和天津滨海国际机场提供航油输送服务。津京管道连接天津南疆码头和北京首都国际机场及天津滨海国际机场，是中国民航市场中最长、管径最大和输油量最高的多油品输送管道。中国航油集团物流有限公司和CAO是管输公司两大股东，分别持股51%和49%。

2013年，在北京首都国际机场吞吐量增长的带动下，管输公司的航煤运输量同比增长1.6%至260万吨，再创历史新高。尽管如此，由于运营成本增加，管输公司2013年的并账利润为170万美元，相比2012年略有下滑。

中国航油集团新源石化有限公司（“新源公司”）

新源公司主要从事航油和其他油品的储存和贸易业务。新源公司拥有位于中国广东省茂名市的库容为5万立方米的水东油库。新源公司的股东分别为深圳巨正源石化有限公司、CAO和中国航空油料集团公司，分别持股60%、39%、1%。

2013年，新源公司在抓好水东油库改扩建项目的同时，努力提升内部控制和管理能力，挖掘新的利润增长点。受国内外经济环境较差、油价波动较大的负面影响，新源公司2013年的并账利润为50万美元，相比2012年略有下降。

韩国丽水枢纽油库有限公司（“OKYC”）

韩国丽水枢纽油库有限公司拥有130万方原油和成品油油库，由CAO与另外6家公司合资建立和运营。CAO是OKYC的第二大股东（持股26%），仅次于韩国国家石油公司（持股29%）。OKYC的其余发行股本由三星C&T股份有限公司及LG国际集团公司等大型企业持有。

OKYC自2013年4月1日正式投入运营以来，总体运营态势良好，没有发生任何安全和运营事故。OKYC在2013年中通过了BP的严格检验并得到了认证。在全球油品市场需求整体疲弱和韩国储罐市场总体运营状况不佳的环境下，OKYC的储罐租用率仍然达到了约78%的水平，但由于2013年全年营运成本增加，且外币利率掉期合同的盯市收益减少，OKYC的并账利润为亏损60万美元。

Summary Financial Statement

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Summary Financial Statement

Year ended 31 December 2013

IMPORTANT NOTE

The Summary Financial Statement contains a summary of the information in the directors' report and a summary of the full financial statements. It also includes information provided in compliance with the requirements of Section 203A of the Companies Act, Chapter 50, and regulations made thereunder, applicable to the Summary Financial Statement. It does not contain sufficient information to allow for a full understanding of the results and the state of affairs of the Group and of the Company.

For further information, the full financial statements, the auditors' report on those statements and the directors' report in the Annual Report 2013 should be consulted. Shareholders may request for a copy of the annual report at no cost.

Summary Directors' Report

Year ended 31 December 2013

DIRECTORS

The directors in office at the date of this report are as follows:

| | |
|---------------|--|
| Sun Li | Chairman |
| Wang Kai Yuen | Deputy Chairman/Lead Independent Director |
| Meng Fanqiu | Chief Executive Officer/Executive Director |
| Ang Swee Tian | |
| Chen Liming | |
| Alan Haywood | |
| Liu Fuchun | |
| Luo Qun | |
| Zhao Shousen | |

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries (referred to as the Group) are those relating to trading in aviation oil and petroleum products, and investment holding.

There have been no significant changes in the activities of the Group or of the Company during the financial year.

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), none of the directors who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations either at the beginning or at the end of the financial year except as follows:

| | Holdings registered in the name of Director or nominee | | Holdings in which Director is deemed to have an interest | |
|---|--|---------------------------|--|---------------------------|
| | At 1 January 2013 | At 31 December 2013 | At 1 January 2013 | At 31 December 2013 |
| The Company | | | | |
| Sun Li | | | | |
| – Options to subscribe for ordinary shares at S\$0.91 per share from 9 October 2013 to 8 October 2016 | 300,000 | 200,000 | – | – |
| Wang Kai Yuen | | | | |
| – Ordinary shares | 48,000 | 48,000 | 100,000 ⁽¹⁾ | 100,000 ⁽¹⁾ |
| Ang Swee Tian | | | | |
| – Ordinary shares | 40,000 | 40,000 | – | – |
| Meng Fanqiu | | | | |
| – Options to subscribe for ordinary shares at S\$0.91 per share from 9 October 2013 to 8 October 2021 | 498,000 | 365,200 | – | – |
| Luo Qun | | | | |
| – Options to subscribe for ordinary shares at S\$0.91 per share from 9 October 2013 to 8 October 2016 | 150,000 | 100,000 | – | – |
| Zhao Shousen | | | | |
| – Options to subscribe for ordinary shares at S\$0.91 per share from 9 October 2013 to 8 October 2016 | 150,000 | 100,000 | – | – |

⁽¹⁾ Held by Wang Kai Yuen's spouse.



Summary Directors' Report

Year ended 31 December 2013

DIRECTORS' INTERESTS (CONT'D)

The Directors' interests in the ordinary shares of the Company as at 21 January 2014 were the same as those as at 31 December 2013.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except as disclosed under the "Share options" section of this report and in note 28 to the full financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm in which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

The China Aviation Oil Share Option Scheme (the "Scheme") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 9 November 2001. The Scheme is administered by the Remuneration Committee of the Company, comprising five directors, Wang Kai Yuen, Luo Qun, Ang Swee Tian, Liu Fuchun and Chen Liming.

Other information regarding the Scheme is set out below:

- Under the Scheme, share options to subscribe for the ordinary shares of the Company (the "Shares") are granted to full-time confirmed employees and Directors (including Non-Executive Directors) of the Group.
- The aggregate number of the Shares over which the Remuneration Committee may grant share options on any date, when added to the number of Shares issued and issuable in respect of all share options granted under the Scheme, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) from time to time.
- The exercise price for each Share in respect of which a share option is exercisable shall be determined by the Remuneration Committee, and fixed at the highest of:
 - (i) a price equal to the last dealt price of the Shares as at the close of trading on the date of grant (the "Offer Date") of the share option, as determined by reference to the website of the Singapore Exchange Securities Trading Limited ("SGX-ST"), rounded up to the nearest whole cent in the event of fractional prices; or
 - (ii) a price (the "Market Price") equal to the average of the last dealt prices for a Share, as determined by reference to the Singapore English newspapers, or other publication published by the SGX-ST for the 5 consecutive trading days immediately preceding the Offer Date of that share option, rounded up to the nearest whole cent in the event of fractional prices; or
 - (iii) a price which is set at a discount to the Market Price, provided that:
 - (1) the maximum discount shall not exceed 20% of the Market Price; and
 - (2) the Shareholders of the Company in an AGM or EGM shall have authorised the making of offers and grants of share options under the Scheme at a discount not exceeding the maximum discount as aforesaid in a separate resolution,

provided that the Remuneration Committee shall always have the discretion to revise the exercise price for each Share in respect of which a share option is exercisable in order to comply with the requirements of any regulatory authority (in Singapore or elsewhere) which are binding on the Company, subject to applicable laws and the listing rules of the SGX-ST.

Summary Directors' Report

Year ended 31 December 2013

SHARE OPTIONS (CONT'D)

Share options granted at the exercise price at no discount to the Market Price shall only be exercisable at any time (in whole or in part) by a participant after the second anniversary of the offer date of that share option or in such tranches over such period after such second anniversary date as the Remuneration Committee may determine and set out in the letter of offer, provided always that share options shall be exercised before the tenth anniversary of the relevant offer date, in the case of share options granted to full-time confirmed employees of the Group including executive directors (collectively referred to as "Executive Options"); and before the fifth anniversary of the relevant offer date, in the case of options issued to non-executive directors, or such earlier date as may be determined by the Remuneration Committee.

- (a) The options granted to directors and employees (other than to senior executives of the Company who are secondees of the parent company, CNAF ("CNAF Secondees") are subject to the following vesting conditions:
- (i) Up to a maximum of one-third of the number of option shares shall be exercisable in the period from the day after the second anniversary of the Offer Date to the third anniversary of the Offer Date;
 - (ii) Up to a maximum of one-third of the number of option shares and any number of option shares in respect of which the option has not been exercised under paragraph (a)(i), shall be exercisable in the period from the day after the third anniversary of the Offer Date to the fourth anniversary of the Offer Date; and
 - (iii) The remaining number of option shares and any number of option shares in respect of which the option has not been exercised under paragraphs (a)(i) and (a)(ii), shall be exercisable in the period from the day after the fourth anniversary of the Offer Date to the date immediately preceding the fifth anniversary of the Offer Date.
- (b) The options granted to the CNAF Secondees are subject to the following vesting conditions:
- (i) Up to a maximum of one-third of 80% of the number of option shares shall be exercisable in the period from the day after the second anniversary of the Offer Date to the third anniversary of the Offer Date;
 - (ii) Up to a maximum of one-third of 80% of the number of option shares, and any number of option shares in respect of which the option has not been exercised under paragraph (b)(i), shall be exercisable in the period from the day after the third anniversary of the Offer Date to the fourth anniversary of the Offer Date; and
 - (iii) The remaining number of option shares not exceeding 80% of the total number of option shares, and any number of option shares in respect of which the option has not been exercised under paragraphs (b)(i) and (b)(ii), shall be exercisable in the period from the day after the fourth anniversary of the Offer Date to the date immediately preceding the fifth anniversary of the Offer Date.

The option in respect of the remaining 20% of the option shares, together with any option shares in respect of which the option has not been exercised under paragraphs (b)(i), (b)(ii) and (b)(iii) above, shall be exercisable only after the end of the secondment term of the CNAF Secondees.



Summary Directors' Report

Year ended 31 December 2013

SHARE OPTIONS (CONT'D)

In addition, the option may only be exercised if, at the relevant date of exercise, the following conditions have been met:

- if the holder of vested options being a non-executive director, is or remains as a director of the Company, or if the holder of vested options being an employee, is or remains in full-time employment with the Company;
- achievement of pre-determined target set for key performance indicators on (i) market capitalisation, (ii) net profit after tax, and (iii) return on equity; and
- achievement of individual performance targets set by the Company or by its immediate holding company for executives of the Company.

The options granted to non-executive directors expire after five years from the date of grant and in the case of options granted to executives, the options expire ten years from the date of grant.

The Scheme which was in force for a maximum period of ten (10) years, commencing on the date on which the Scheme is adopted by shareholders at the extraordinary general meeting of the Company (i.e. 9 November 2001) expired on 9 November 2011.

As at the end of the financial year, details of the options granted under the Scheme on the unissued ordinary shares of the Company are as follows:

| Date of grant of options | Exercise price per share | Options granted and outstanding as of 1 January 2013 | Options exercised | Options cancelled/ expired | Options outstanding at 31 December 2013 | Number of options holders at 31 December 2013 | Exercise period |
|--------------------------|--------------------------|--|-------------------|----------------------------|---|---|----------------------------------|
| 9 October 2011 | S\$0.91 | 4,662,000 | – | 1,617,400 | 3,044,600 | 43 | 9 October 2013 to 8 October 2021 |
| 9 October 2011 | S\$0.91 | 600,000 | – | 200,000 | 400,000 | 3 | 9 October 2013 to 8 October 2016 |
| | | <u>5,262,000</u> | <u>–</u> | <u>1,817,400</u> | <u>3,444,600</u> | <u>46</u> | |

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

Details of options granted to directors of the Company under the Scheme are as follows:

| Name of director | Options granted for financial year 31 December 2013 | Aggregate options granted since commencement of Scheme to 31 December 2013 | Aggregate options cancelled since commencement of Scheme to 31 December 2013 | Aggregate options exercised since commencement of Scheme to 31 December 2013 | Aggregate options outstanding as at 31 December 2013 |
|------------------|---|--|--|--|--|
| Sun Li | – | 300,000 | 100,000 | – | 200,000 |
| Meng Fanqiu | – | 498,000 | 132,800 | – | 365,200 |
| Zhao Shousen | – | 150,000 | 50,000 | – | 100,000 |
| Luo Qun | – | 150,000 | 50,000 | – | 100,000 |

Summary Directors' Report

Year ended 31 December 2013

SHARE OPTIONS (CONT'D)

Since the commencement of the Scheme, no options have been granted to the controlling shareholders of the Company or their associates and no participant under the Scheme has been granted 5% or more of the total options available under the Scheme.

Since the commencement of the Scheme, no options have been granted to employees of the immediate holding company or its related companies under the Scheme, except for 3 employees of the immediate holding company who are also the directors of the Company, who were granted options to subscribe for an aggregate of 600,000 ordinary shares in the Company in 2011.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

AUDIT COMMITTEE

The members of the Audit Committee during the year and at the date of this report are:

- Ang Swee Tian (Chairman), non-executive, independent director
- Zhao Shousen (Vice-Chairman), non-executive, non-independent director
- Wang Kai Yuen, non-executive, independent director
- Liu Fuchun, non-executive, independent director
- Alan Haywood, non-executive, non-independent director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the 2012 Code of Corporate Governance.

UNUSUAL ITEMS DURING AND AFTER THE FINANCIAL YEAR

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen during the financial year or in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made, or render any items in the financial statements of the Group or the Company for the current financial year misleading, or affect the ability of the Group or the Company in meeting its obligations as and when they fall due.

The Summary Financial Statement was approved by the board of directors on 17 March 2014 and was signed on its behalf by:

Wang Kai Yuen

Deputy Chairman & Lead Independent Director

Meng Fanqiu

Chief Executive Officer/Executive Director

17 March 2014



Independent Auditors' Report

To the members of China Aviation Oil (Singapore) Corporation Ltd

We have audited the financial statements of China Aviation Oil (Singapore) Corporation Ltd (the Company) and its subsidiaries (the Group) for the financial year ended 31 December 2013 in accordance with Singapore Standards on Auditing and in our report dated 17 March 2014 we expressed an unqualified opinion on the financial statements (the audited financial statements) which is as follows:

INDEPENDENT AUDITORS' REPORT

Members of the Company
China Aviation Oil (Singapore) Corporation Ltd

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of China Aviation Oil (Singapore) Corporation Ltd (the Company) and its subsidiaries (the Group), which comprise the statement of financial position of the Group and the Company as at 31 December 2013, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 89 to 146.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 of the financial statements that give a true and fair view 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 consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Independent Auditors' Report

To the members of China Aviation Oil (Singapore) Corporation Ltd

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The accompanying Summary Financial Statement set out on pages 29 to 35 has been derived from the audited financial statements and is the responsibility of the Company's management. Our responsibility is to express an opinion on whether the Summary Financial Statement is consistent, in all material respects, with the audited financial statements and the Directors' Report and whether it complies with the requirements of Section 203A of the Companies Act, Chapter 50 and the regulations made thereunder, applicable to Summary Financial Statement.

In our opinion, the accompanying Summary Financial Statement is consistent, in all material respects, with the audited financial statements and the Directors' Report and complies with the requirements of Section 203A of the Companies Act, Chapter 50 and the regulations made thereunder, applicable to Summary Financial Statement.

For a better understanding of the financial performance and position of the Group and the Company and of the scope of our audit, the Summary Financial Statement should be read in conjunction with the audited financial statements and our audit report thereon.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

17 March 2014

Note: *Page numbers as stated in the Independent Auditors' Report dated 17 March 2014 which is included in China Aviation Oil (Singapore) Corporation Ltd's Annual Report for the financial year ended 31 December 2013.



Statement of Financial Position

As at 31 December 2013

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 2013 US\$'000 | 2012 US\$'000 | 2013 US\$'000 | 2012 US\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 7,377 | 8,046 | 7,323 | 7,992 |
| Intangible assets | 2,815 | 1,975 | 1,634 | 160 |
| Subsidiaries | – | – | 28,095 | 25,329 |
| Associates and jointly controlled entity | 267,761 | 248,874 | 81,236 | 111,526 |
| Trade and other receivables | – | – | 35,573 | – |
| Deferred tax assets | 7,087 | 7,093 | 7,083 | 7,083 |
| | <u>285,040</u> | <u>265,988</u> | <u>160,944</u> | <u>152,090</u> |
| Current assets | | | | |
| Inventories | 113,125 | 18,572 | 110,197 | 15,568 |
| Trade and other receivables | 1,120,426 | 1,284,636 | 1,020,035 | 1,218,242 |
| Cash and cash equivalents | 56,299 | 81,144 | 52,617 | 75,290 |
| | <u>1,289,850</u> | <u>1,384,352</u> | <u>1,182,849</u> | <u>1,309,100</u> |
| Total assets | <u>1,574,890</u> | <u>1,650,340</u> | <u>1,343,793</u> | <u>1,461,190</u> |
| Equity attributable to owners of the parent | | | | |
| Share capital | 215,573 | 215,573 | 215,573 | 215,573 |
| Reserves | 307,989 | 244,360 | 164,534 | 112,042 |
| Total equity | <u>523,562</u> | <u>459,933</u> | <u>380,107</u> | <u>327,615</u> |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 6,228 | 6,194 | – | – |
| Current liabilities | | | | |
| Trade and other payables | 1,016,120 | 1,182,184 | 963,006 | 1,132,771 |
| Loans and borrowings | 28,609 | 1,666 | 680 | 804 |
| Current tax liabilities | 371 | 363 | – | – |
| | <u>1,045,100</u> | <u>1,184,213</u> | <u>963,686</u> | <u>1,133,575</u> |
| Total liabilities | <u>1,051,328</u> | <u>1,190,407</u> | <u>963,686</u> | <u>1,133,575</u> |
| Total equity and liabilities | <u>1,574,890</u> | <u>1,650,340</u> | <u>1,343,793</u> | <u>1,461,190</u> |

Consolidated Statement of Profit or Loss

Year ended 31 December 2013

| | 2013 US\$'000 | 2012 US\$'000 |
|--|------------------|------------------|
| Revenue | 15,571,868 | 14,807,984 |
| Cost of sales | (15,519,377) | (14,765,234) |
| Gross profit | 52,491 | 42,750 |
| Other income | 1,165 | 800 |
| Administrative expenses | (19,454) | (13,075) |
| Other operating expenses | (2,955) | (2,445) |
| Results from operating activities | 31,247 | 28,030 |
| Finance costs | (5,299) | (5,644) |
| Share of profit of associates and jointly-controlled entity (net of tax) | 46,476 | 43,187 |
| Profit before tax | 72,424 | 65,573 |
| Tax (expense)/credit | (2,208) | 616 |
| Profit for the year | 70,216 | 66,189 |
| Attributable to: | | |
| Owners of the Company | 70,216 | 66,189 |
| Earnings per share: | | |
| Basic earnings per share (cents) | 8.16 | 7.69 |
| Diluted earnings per share (cents) | 8.16 | 7.69 |



Consolidated Statement of Comprehensive Income

Year ended 31 December 2013

| | 2013 US\$'000 | 2012 US\$'000 |
|--|------------------|------------------|
| Profit for the year | 70,216 | 66,189 |
| Other comprehensive income | | |
| Items that are or may be reclassified subsequently to profit or loss: | | |
| Translation differences relating to financial statements of foreign associates | 5,253 | 3,748 |
| Other comprehensive income for the year, net of income tax | 5,253 | 3,748 |
| Total comprehensive income for the year | 75,469 | 69,937 |
| Attributable to: | | |
| Owners of the Company | 75,469 | 69,937 |

Consolidated Statement of Changes in Equity

Year ended 31 December 2013

| | Note | Share capital US\$'000 | Foreign currency translation reserve US\$'000 | Statutory reserve US\$'000 | Reserve for own shares US\$'000 | Share option reserve US\$'000 | Accumulated profits US\$'000 | Total equity US\$'000 |
|--|------|---------------------------|--|-------------------------------|------------------------------------|----------------------------------|---------------------------------|--------------------------|
| At 1 January 2012 | | 215,573 | 23,140 | 8,166 | (5,482) | 54 | 159,884 | 401,335 |
| Total comprehensive income for the year | | | | | | | | |
| Profit for the year | | – | – | – | – | – | 66,189 | 66,189 |
| Other comprehensive income | | | | | | | | |
| <i>Items that are or may be reclassified subsequently to profit or loss:</i> | | | | | | | | |
| Translation differences relating to financial statements of foreign associates | | – | 3,748 | – | – | – | – | 3,748 |
| Total other comprehensive income | | – | 3,748 | – | – | – | – | 3,748 |
| Total comprehensive income for the year | | – | 3,748 | – | – | – | 66,189 | 69,937 |
| Contributions by and distributions to owners | | | | | | | | |
| Share of associates' accumulated profits transferred to statutory reserve | | – | – | 528 | – | – | (528) | – |
| Dividends to equity holders | 3 | – | – | – | – | – | (11,556) | (11,556) |
| Share-based payment transactions | | – | – | – | – | 217 | – | 217 |
| Total transactions with owners | | – | – | 528 | – | 217 | (12,084) | (11,339) |
| At 31 December 2012 | | 215,573 | 26,888 | 8,694 | (5,482) | 271 | 213,989 | 459,933 |



Consolidated Statement of Changes in Equity

Year ended 31 December 2013

| | Note | Share capital US\$'000 | Foreign currency translation reserve US\$'000 | Statutory reserve US\$'000 | Reserve for own shares US\$'000 | Share option reserve US\$'000 | Accumulated profits US\$'000 | Total equity US\$'000 |
|--|------|---------------------------|--|-------------------------------|------------------------------------|----------------------------------|---------------------------------|--------------------------|
| At 1 January 2013 | | 215,573 | 26,888 | 8,694 | (5,482) | 271 | 213,989 | 459,933 |
| Total comprehensive income for the year | | | | | | | | |
| Profit for the year | | – | – | – | – | – | 70,216 | 70,216 |
| Other comprehensive income | | | | | | | | |
| <i>Items that are or may be reclassified subsequently to profit or loss:</i> | | | | | | | | |
| Translation differences relating to financial statements of foreign associates | | – | 5,253 | – | – | – | – | 5,253 |
| Total other comprehensive income | | – | 5,253 | – | – | – | – | 5,253 |
| Total comprehensive income for the year | | – | 5,253 | – | – | – | 70,216 | 75,469 |
| Contributions by and distributions to owners | | | | | | | | |
| Share of associates' accumulated profits transferred to statutory reserve | | – | – | 395 | – | – | (395) | – |
| Dividends to equity holders | 3 | – | – | – | – | – | (11,569) | (11,569) |
| Share-based payment transactions | | – | – | – | – | (271) | – | (271) |
| Total transactions with owners | | – | – | 395 | – | (271) | (11,964) | (11,840) |
| At 31 December 2013 | | 215,573 | 32,141 | 9,089 | (5,482) | – | 272,241 | 523,562 |

Notes to the Summary Financial Statement

Year ended 31 December 2013

1 BASIS OF PREPARATION

The accounting policies have been applied consistently to all periods, presented in the summary financial statements, and have been applied consistently by the Group entities, except for the following changes in accounting policies:

Changes in accounting policies

Short-term or long term employee benefits definition

From 1 January 2013, as a result of FRS 19 (2011), the Group changed its accounting policy with respect to the basis for determining the income or expense related to the costs and definition of employee benefits as short-term or long-term employee benefits. The adoption of the revised standard has no impact on the measurements of the Group's profit or loss and other comprehensive income.

Fair value measurement

FRS 113 establishes a single framework for measuring fair value and making disclosures about fair values measurements, when such measurements are required or permitted by other FRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other FRSs, including FRS 107 *Financial Instruments: Disclosures*.

From 1 January 2013, in accordance with the transitional provisions of FRS 113, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no impact on the measurements of the Group's assets and liabilities.

Presentation of items of other comprehensive income

From 1 January 2013, as a result of the amendments to FRS 1, the Group has modified the presentation of items of other comprehensive income in its consolidated statement of comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be. Comparative information has also been re-presented accordingly.

The adoption of the amendment to FRS 1 has no impact on the recognised assets, liabilities and comprehensive income of the Group.

2 KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation comprises:

| | Group | |
|--------------------------------------|------------------|------------------|
| | 2013 US\$'000 | 2012 US\$'000 |
| Directors' fees | 509 | 485 |
| Directors' remuneration | 717 | 669 |
| Key executive officers' remuneration | 2,513 | 2,911 |
| Share-based payments | – | 80 |
| | 3,739 | 4,145 |



Notes to the Summary Financial Statement

Year ended 31 December 2013

3 DIVIDENDS

The following (one-tier tax exempt) dividends were declared and paid by the Group and Company:

| | Group and Company 2013 US\$'000 | 2012 US\$'000 |
|--|---------------------------------------|------------------|
| Final exempt dividends paid in respect of the previous financial year of S\$0.02 (2012: S\$0.02) per share | 11,569 | 11,556 |

The Directors have proposed a final (one-tier tax exempt) ordinary dividend of S\$0.02 (2012: S\$0.02) per share, amounting to US\$13,608,000 (2012: US\$11,569,000). The dividends have not been provided for.

4 RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the summary financial statements, there were the following transactions carried out on terms agreed with related parties:

| | Group 2013 US\$'000 | 2012 US\$'000 |
|---|---------------------------|------------------|
| Related corporation of a corporate shareholder | | |
| Sale of jet fuel | 645,580 | 1,216,091 |
| Sale of petrochem | 43,809 | 95,008 |
| Sale of gas oil | – | 195,764 |
| Purchase of jet fuel | 865,333 | 1,435,882 |
| Purchase of fuel oil | 37,181 | – |
| Purchase of petrochem | 11,739 | – |
| Related corporations | | |
| Sale of jet fuel | 3,441,494 | 3,264,846 |
| Sale of petrochem | – | 7,767 |
| Purchase of jet fuel | 194,061 | 139,518 |
| Associate | | |
| Sale of jet fuel | 2,406,223 | 2,684,629 |
| Storage tank rental | 6,930 | – |
| Subsidiary | | |
| Provision of guarantees | 876 | 1,216 |

Statistics of Shareholdings

As at 12 March 2014

| | | |
|--|---|-----------------------------|
| Number of Issued Shares | : | 866,183,628 |
| Number of Issued Shares (excluding Treasury Shares) | : | 860,183,628 ordinary shares |
| Number/Percentage of Treasury Shares | : | 6,000,000 (0.69%) |
| Class of Shares | : | Ordinary Shares |
| Voting Rights (excluding Treasury Shares) | : | 1 vote per share |

Based on information available to the Company as at 12 March 2014, 28.53%⁽¹⁾ of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by SGX-ST is complied with.

Note: ⁽¹⁾ Percentage is calculated on the total number of 860,183,628 issued shares excluding treasury shares

DISTRIBUTION OF SHAREHOLDINGS

| SIZE OF SHAREHOLDINGS | NO. OF SHAREHOLDERS | % | NO. OF SHARES | % |
|-----------------------|---------------------|---------------|--------------------|---------------|
| 1 – 999 | 2,365 | 15.76 | 1,234,095 | 0.14 |
| 1,000 – 10,000 | 8,152 | 54.32 | 33,143,841 | 3.85 |
| 10,001 – 1,000,000 | 4,473 | 29.81 | 153,931,847 | 17.90 |
| 1,000,001 AND ABOVE | 17 | 0.11 | 671,873,845 | 78.11 |
| TOTAL | 15,007 | 100.00 | 860,183,628 | 100.00 |

TWENTY LARGEST SHAREHOLDERS

| NO. | NAME | NO. OF SHARES | % |
|-----|---|--------------------|--------------|
| 1 | DBS Vickers Securities (Singapore) Pte Ltd | 443,464,844 | 51.55 |
| 2 | BP Investments Asia Limited | 173,476,942 | 20.17 |
| 3 | DBS Nominees (Private) Limited | 9,683,196 | 1.13 |
| 4 | United Overseas Bank Nominees (Private) Limited | 7,229,779 | 0.84 |
| 5 | OCBC Securities Private Limited | 6,988,714 | 0.81 |
| 6 | Citibank Nominees Singapore Pte Ltd | 4,836,955 | 0.56 |
| 7 | HSBC (Singapore) Nominees Pte Ltd | 4,616,695 | 0.54 |
| 8 | UOB Kay Hian Private Limited | 4,262,444 | 0.50 |
| 9 | Lee Fook Choy | 3,000,000 | 0.35 |
| 10 | Bank Of Singapore Nominees Pte. Ltd. | 2,440,224 | 0.28 |
| 11 | Phillip Securities Pte Ltd | 2,354,913 | 0.27 |
| 12 | OCBC Nominees Singapore Private Limited | 2,073,899 | 0.24 |
| 13 | CIMB Securities (Singapore) Pte. Ltd. | 1,999,640 | 0.23 |
| 14 | Chng Gim Huat | 1,800,000 | 0.21 |
| 15 | Kang Hian Soon | 1,398,000 | 0.16 |
| 16 | Lam Yew Chong | 1,167,600 | 0.14 |
| 17 | Ler Hock Seng | 1,080,000 | 0.13 |
| 18 | Citibank Consumer Nominees Pte Ltd | 992,776 | 0.12 |
| 19 | Maybank Kim Eng Securities Pte. Ltd. | 786,682 | 0.09 |
| 20 | Goh Geok Loo | 780,000 | 0.09 |
| | Total | 674,433,303 | 78.41 |

SUBSTANTIAL ORDINARY SHAREHOLDERS

(As shown in the Register of Substantial Shareholders as at 12 March 2014)

| No. | Name | No. of Shares | | % |
|-----|--|-----------------|-----------------|-------|
| | | Direct Interest | Deemed Interest | |
| 1 | China National Aviation Fuel Group Corporation | – | 441,332,912* | 51.31 |
| 2 | BP Investments Asia Limited | 173,476,942 | – | 20.17 |

* China National Aviation Fuel Group Corporation is deemed to have an interest in 441,332,912 shares of CAO held by DBS Vickers Securities (Singapore) Pte Ltd.



Notice of Annual General Meeting

CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

Incorporated in the Republic of Singapore
Company Registration No.199303293Z

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of the Company will be held at NTUC Centre, 1 Marina Boulevard, Level 7, Auditorium, Singapore 018989 on Thursday, 24 April 2014 at 3:00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' report and the audited financial statements for the financial year ended 31 December 2013 together with the auditors' report thereon. **(Resolution 1)**
2. To declare a first and final (one-tier, tax exempt) dividend of S\$0.02 per ordinary share for the year ended 31 December 2013. **(Resolution 2)**
3. To approve Directors' Fees of S\$638,249 for the year ended 31 December 2013 (2012: S\$590,900) **(Resolution 3)**
4. To re-elect the following Directors, each of whom will retire by rotation pursuant to Article 91 of the Company's Articles of Association and who, being eligible, will offer themselves for re-election:-
Dr. Wang Kai Yuen **(Resolution 4)**
Mr. Ang Swee Tian **(Resolution 5)**
5. To record the retirement of Mr. Liu Fuchun who is retiring pursuant to Article 91 of the Company's Articles of Association and will not be seeking re-election as a Director of the Company.
6. To re-appoint Messrs KPMG LLP as the Company's auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

7. That pursuant to Section 161 of the Companies Act, Cap. 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") authority be and is hereby given to the Directors of the Company to:
 - (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

 - (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance to any Instrument made or granted by the Directors while this Resolution was in force,

Notice of Annual General Meeting

Provided that :

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 15% of the issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be based on the issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding at the time of the passing of this Resolution; and
 - (b) any subsequent consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 7)**

8. That:

- (a) approval be and is hereby given for the renewal of, and amendments to, the shareholders' general mandate (which was last renewed at the extraordinary general meeting of the Company held on 25 April 2013) for the Company, its subsidiaries and associated companies which fall within the definition of entities at risk under Chapter 9 of the Listing Manual or any of them to enter into any of the transactions falling within the categories of interested person transactions set out in **Annex II** to the Company's Letter to Shareholders dated 28 March 2014 (the "**Letter**"), with any party who is of the class or classes of interested persons described in **Annex II** to the Letter, provided that such transactions are made on normal commercial terms and are not prejudicial to the Company and its minority shareholders, and are entered into in accordance with the review procedures for interested person transactions as set out in **Annex II** to the Letter (such shareholders' general mandate, as amended, hereinafter called the "**IPT Mandate**");
- (b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or until the date on which the next annual general meeting of the Company is required by law to be held, whichever is the earlier;



Notice of Annual General Meeting

- (c) the audit committee of the Company (comprising independent directors Mr Ang Swee Tian, Dr Wang Kai Yuen and Mr Liu Fuchun, and non-independent, non-executive directors Dr Zhao Shousen and Mr Alan Haywood as at the date of the Letter) be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) from time to time; and
- (d) the directors of the Company (the “**Directors**”) and each of them be and are hereby authorised and empowered to complete and to do all such other acts and things as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purposes of giving full effect to the IPT Mandate. **(Resolution 8)**

9. That:

- (a) for the purposes of the Companies Act (Chapter 50 of Singapore) (the “**Companies Act**”), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire fully paid issued ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) on-market purchase(s) on the SGX-ST and/or any other stock exchange on which the Shares may for the time being be listed and quoted (the “**Other Exchange**”); and/or
 - (ii) off-market purchase(s) if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);
- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next annual general meeting of the Company is held; and
 - (ii) the date by which the next annual general meeting of the Company is required by law to be held; and
- (c) the Directors and each of them be and are hereby authorised and empowered to complete and to do all such other acts and things as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purposes of giving full effect to the Share Purchase Mandate.

Notice of Annual General Meeting

For the purposes of this Resolution:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) market days, on which transactions in the Shares on the SGX-ST were recorded, before the day on which a market purchase was made by the Company or, as the case may be, the date of the announcement of the offer pursuant to an off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant period of five (5) market days;

“**Maximum Limit**” means that number of issued Shares representing ten per cent. (10%) of the total number of Shares excluding treasury shares as at the last annual general meeting or as at the date of the passing of this Resolution (whichever is the higher); and

“**Maximum Price**”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (a) in the case of an on-market purchase of a Share, one hundred and five per cent. (105%) of the Average Closing Price of the Shares; and
- (b) in the case of an off-market purchase of a Share pursuant to an equal access scheme, one hundred and ten per cent. (110%) of the Average Closing Price of the Shares. **(Resolution 9)**

10. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Doreen Nah
Company Secretary

Singapore
28 March 2014

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 8 Temasek Boulevard, #31-02, Suntec Tower Three, Singapore 038988 not later than 3.00 p.m. on 22 April 2014.



Notice of Annual General Meeting

Explanatory Notes:

Resolution 4 Dr. Wang Kai Yuen will upon re-appointment, continue as Deputy Chairman of the Board and Lead Independent Director, as Chairman of the Remuneration Committee and as a member of the Audit Committee and Nominating Committee. He is considered an Independent Director. There is no relationship (including immediate family relationships) between Dr. Wang and the other Directors or the Company.

Resolution 5 Mr. Ang Swee Tian will upon re-appointment, continue as Chairman of the Audit Committee and as a member of the Remuneration Committee, Nominating Committee and Risk Management Committee. He is considered an Independent Director. There is no relationship (including immediate family relationships) between Mr. Ang and the other Directors or the Company.

Upon the retirement of Mr. Liu Fuchun as an Independent Director of the Company at the conclusion of this Annual General Meeting, Mr. Liu will concurrently cease to be the Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee.

Resolution 7 Resolution 7 is to authorise the Directors of the Company, from the date of the above Annual General Meeting until the next Annual General Meeting, to issue shares in the Company. The aggregate number of shares which the Directors may issue under this Resolution shall not exceed fifty per cent (50%) of the issued shares (excluding treasury shares) in the capital of the Company, of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders shall not exceed fifteen per cent. (15%) of the issued shares (excluding treasury shares) in the capital of the Company. The percentage of issued share capital is based on the Company's issued shares (excluding treasury shares) in the capital of the Company at the time this proposed Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion of convertible securities or share options on issue at the time this proposed Ordinary Resolution is passed; and (b) any subsequent consolidation or subdivision of shares.

Resolution 8 Resolution 8 is to approve the amendment of, and the renewal of the mandate to permit the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST), or any of them, to enter into certain types of interested person transactions with certain classes of interested persons as described in the Appendix to the Notice of Annual General Meeting of the Company dated 28 March 2014.

Resolution 9 Resolution 9 is to renew the mandate to permit the Company to purchase or acquire issued ordinary shares in the capital of the Company on the terms and subject to the conditions of the Resolution.

The Company may use internal sources of funds, or a combination of internal resources and external borrowings, to finance the purchase or acquisition of its ordinary shares. The amount of funding required for the Company to purchase or acquire its ordinary shares and the impact on the Company's financial position cannot be ascertained as at the date of this Notice of Annual General Meeting as these will depend on the number of ordinary shares purchased or acquired and the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled. The Company will not rely on external borrowings to finance purchases or acquisitions of its ordinary shares to such extent that it would materially affect the financial position, working capital requirements or investment ability of the Group.

Notice of Annual General Meeting

Article 91 of the Articles of Association of the Company

Every Director shall retire from office once every three years and for this purpose, at each Annual General Meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation.

Notice of Book Closure Date and Payment Date for Final Dividend (One-Tier, Tax- Exempt) (“Dividend”)

The Company gives notice that, subject to the approval of the shareholders to the Dividend at the Annual General Meeting, the Register of Members and the Transfer Books of the Company will be closed on 9 May 2014 for the preparation of dividend warrants. The Register of Members and the Transfer Books will re-open on 12 May 2014. Duly completed registered transfers of ordinary shares in the capital of the Company received by the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623 before 5.00 p.m. on 8 May 2014, will be registered in the Register of Members and the Transfer Books of the Company to determine shareholders’ entitlements to the Dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited (“CDP”), the Dividend will be paid by the Company to CDP which will, in turn, distribute the entitlements to the Dividend to CDP account-holders in accordance with its normal practice.

The Dividend, if approved by shareholders, will be paid on 20 May 2014.

CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

Incorporated in the Republic of Singapore
Company Registration No.199303293Z

PROXY FORM

IMPORTANT:

1. For investors who have used their CPF monies to buy China Aviation Oil (Singapore) Corporation Ltd's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, _____

of _____

being a member/members of China Aviation Oil (Singapore) Corporation Ltd (the "Company"), hereby appoint:

| Name | NRIC/Passport | Proportion of Shareholdings | |
|---------|---------------|-----------------------------|---|
| | | Number of Shares | % |
| Address | | | |

and/or (delete as appropriate)

| Name | NRIC/Passport | Proportion of Shareholdings | |
|---------|---------------|-----------------------------|---|
| | | Number of Shares | % |
| Address | | | |

or failing him/her/them, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the 20th Annual General Meeting of the Company, to be held at NTUC Centre, 1 Marina Boulevard, Level 7, Auditorium, Singapore 018989 on Thursday, 24 April 2014 at 3:00 p.m., and at any adjournment thereof. I/ We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

| No. | Resolutions relating to: | For | Against |
|-----|--|-----|---------|
| 1 | To adopt Directors' Report and Audited Financial Statements | | |
| 2 | To declare a First and Final (One-Tier, Tax Exempt) Dividend | | |
| 3 | To approve Directors' fees for the financial year ended 31 December 2013 | | |
| 4 | To re-elect Dr Wang Kai Yuen as a Director | | |
| 5 | To re-elect Mr Ang Swee Tian as a Director | | |
| 6 | To appoint Auditors and authorize Directors to fix their remuneration | | |
| | Special Business | | |
| 7 | To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited | | |
| 8 | To approve the Proposed Renewal of, and Amendments to, the General Mandate for Interested Person Transactions | | |
| 9 | To approve the Proposed Renewal of the Share Purchase Mandate | | |

Dated this _____ day of _____ 2014

| Total number of Shares in: | No. of Shares |
|----------------------------|---------------|
| (a) CDP Register | |
| (b) Register of Members | |

Signature of Shareholder(s) or
Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

Notes:

1. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in section 130A of the Companies Act, Cap.50 of Singapore), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies will be deemed to relate to all the shares held by the member.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 8 Temasek Boulevard, #31- 02, Suntec Tower Three, Singapore 038988 not less than 48 hours before the time appointed for the Meeting.

Fold along this line (1) Glue all sides firmly. Stapling & spot sealing is disallowed.

Affix
Postage
Stamp

The Company Secretary
China Aviation Oil (Singapore) Corporation Ltd
8 Temasek Boulevard #31-02
Suntec Tower Three
Singapore 038988

Fold along this line (1) Glue all sides firmly. Stapling & spot sealing is disallowed.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
6. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

Incorporated in the Republic of Singapore
Company Registration No.199303293Z

28 March 2014

Dear Shareholder

This notice accompanies a copy of the Summary Report ("SR") of China Aviation Oil (Singapore) Corporation Ltd ("CAO" or the "Company") for the financial year ended 31 December 2013 ("FY 2013"). The SR contains a review of the CAO Group for FY2013. It also contains a summary of the Audited Financial Statements of the Company and the Group for FY 2013.

The full Audited Financial Statements of the Company and of the Group for FY 2013 are set out in a separate report called the Annual Report ("AR"). This report is available to all shareholders of CAO at no cost upon request.

We will be sending you only SRs for as long as you are a CAO shareholder (the SR for FY 2013 is an example of the SRs that you will receive in the future).

For shareholders receiving this SR for the first time, and for shareholders who did not previously request for copies of the AR, please complete the request form below by ticking the appropriate box and returning it to us by 4 April 2014. If we did not receive your request form, it would indicate that you do not wish to receive the AR.

Please note that if you have indicated previously that you wish to receive the AR, you may indicate otherwise by ticking the relevant box in the request form below and returning it to us by 4 April 2014.

For the convenience of shareholders, the AR for FY 2013 will be available at the Company's website www.caosco.com.

Yours faithfully,
For and on behalf of
China Aviation Oil (Singapore) Corporation Ltd

Doreen Nah
Company Secretary

REQUEST FORM

To: China Aviation Oil (Singapore) Corporation Ltd

Note: Please tick one box only. We regret that we will not be able to process any incomplete or improperly completed request.

[] I/We wish to receive a hard copy of the Annual Report in addition to the Summary Report.

[] I/We wish to withdraw my/our election for a hard copy of the Annual Report.

Name(s) of Shareholder(s): _____ NRIC/ Passport No.: _____

The shares are held by me/us under or through:

CDP Securities Account Number

| | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 1 | 6 | 8 | 1 | - | | | | | | | | | | | | | | | |
|---|---|---|---|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

CPFIS Account *

Physical scrips

Address _____ Singapore _____

Signature(s) _____ Date _____

* Please note that if your shares are held under CPFIS, your election is valid for the current financial year only.

Third fold here, glue along the dotted line and fold flap. Glue all sides firmly. Stapling & spot sealing is disallowed.

Postage will
be paid by
addressee.
For posting in
Singapore only

**BUSINESS REPLY SERVICE
PERMIT NO. 08562**



China Aviation Oil (Singapore) Corporation Ltd
c/o The Central Depository (Pte) Limited
4 Shenton Way #02-01
SGX Centre II
Singapore 068807

Second fold Glue all sides firmly. Stapling & spot sealing is disallowed.

First fold Glue all sides firmly. Stapling & spot sealing is disallowed.

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Corporate Information (as at 18 March 2014)

DIRECTORS

SUN LI

Chairman / Non-Independent,
Non-Executive Director

WANG KAI YUEN

Deputy Chairman /
Lead Independent Director

MENG FANQIU

Chief Executive Officer / Executive Director

ANG SWEE TIAN

Independent Director

CHEN LIMING

Non-Independent, Non-Executive Director

ALAN HAYWOOD

Non-Independent, Non-Executive Director

LIU FUCHUN

Independent Director

LUO QUN

Non-Independent, Non-Executive Director

ZHAO SHOUSEN

Non-Independent, Non-Executive Director

AUDIT COMMITTEE

ANG SWEE TIAN

Chairman

ZHAO SHOUSEN

Vice Chairman

WANG KAI YUEN

LIU FUCHUN

ALAN HAYWOOD

REMUNERATION COMMITTEE

WANG KAI YUEN

Chairman

LUO QUN

Vice Chairman

LIU FUCHUN

CHEN LIMING

ANG SWEE TIAN

NOMINATING COMMITTEE

LIU FUCHUN

Chairman

LUO QUN

Vice Chairman

WANG KAI YUEN

CHEN LIMING

ANG SWEE TIAN

RISK MANAGEMENT COMMITTEE

ALAN HAYWOOD

Chairman

ZHAO SHOUSEN

ANG SWEE TIAN

COMPANY SECRETARY

DOREEN NAH

AUDITORS

KPMG LLP

Public Accountants and Chartered Accountants
(Appointed on 28 April 2006)

Partner in charge:

ANG FUNG FUNG

(Since financial year 2011)

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

BOARDROOM CORPORATE

& ADVISORY SERVICES PTE. LTD.

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

PRINCIPAL BANKERS

ABN AMRO Bank, N.V., Singapore Branch

Agricultural Bank of China, Singapore Branch

Australia and New Zealand Banking Group Limited, Singapore Branch

Bank of China Limited, Singapore Branch

Bank of Communications Co., Ltd, Singapore Branch

China Construction Bank, Singapore Branch

China Development Bank, Hongkong Branch

Crédit Agricole, Singapore Branch

DBS Bank Ltd

Industrial and Commercial Bank of China Limited, Singapore Branch

ING Bank N.V., Singapore Branch

JP Morgan Chase Bank, N.A. (Singapore Branch)

Société Générale, Singapore Branch

United Overseas Bank Limited

Westpac Banking Corporation, Singapore Branch

REGISTERED OFFICE

8 Temasek Boulevard

#31-02 Suntec Tower Three

Singapore 038988

Tel : (65) 6334 8979

Fax : (65) 6333 5283

Website : www.caosco.com

公司信息 (截至2014年3月18日)

董事

孙立

董事长/非独立、非执行董事

王家園

副董事长/首席独立董事

孟繁秋

首席执行官/执行董事

汪瑞典

独立董事

陈黎明

非独立、非执行董事

ALAN HAYWOOD

非独立、非执行董事

刘福春

独立董事

罗群

非独立、非执行董事

赵寿森

非独立、非执行董事

审计委员会

汪瑞典

主席

赵寿森

副主席

王家園

刘福春

ALAN HAYWOOD

薪酬委员会

王家園

主席

罗群

副主席

刘福春

陈黎明

汪瑞典

提名委员会

刘福春

主席

罗群

副主席

王家園

陈黎明

汪瑞典

风险管理委员会

ALAN HAYWOOD

主席

赵寿森

汪瑞典

公司秘书

蓝肖蝶

外部审计师

KPMG LLP

Public Accountants and Chartered Accountants
(受聘于2006年4月28日)

负责合伙人:

洪芳芳 (从2011财年起)

股票登记处和转让处

BOARDROOM CORPORATE

& ADVISORY SERVICES PTE. LTD.

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

主要银行

ABN AMRO Bank, N.V., Singapore Branch

Agricultural Bank of China, Singapore Branch

Australia and New Zealand Banking Group Limited, Singapore Branch

Bank of China Limited, Singapore Branch

Bank of Communications Co., Ltd, Singapore Branch

China Construction Bank, Singapore Branch

China Development Bank, Hongkong Branch

Crédit Agricole, Singapore Branch

DBS Bank Ltd

Industrial and Commercial Bank of China Limited, Singapore Branch

ING Bank N.V., Singapore Branch

JP Morgan Chase Bank, N.A. (Singapore Branch)

Société Générale, Singapore Branch

United Overseas Bank Limited

Westpac Banking Corporation, Singapore Branch

注册办公室

淡马锡林荫道8号

新达城第3大厦31楼2号

新加坡邮区038988

电话: (65) 6334 8979

传真: (65) 6333 5283

网址: www.caosco.com



China Aviation Oil (Singapore) Corporation Ltd
中国航油（新加坡）股份有限公司

A subsidiary of China National Aviation Fuel Group Corporation
中国航空油料集团公司子公司

8 Temasek Boulevard
#31-02 Suntec Tower Three
Singapore 038988
Tel : (65) 6334 8979
Fax : (65) 6333 5283
Website : www.caosco.com

Company Registration No.: 199303293Z

