



China Aviation Oil (Singapore) Corporation Ltd
A Subsidiary of China National Aviation Fuel Group Corporation
中国航油（新加坡）股份有限公司
中国航空油料集团公司子公司



Expanding
Horizons

高
飞
远
翔

SUMMARY REPORT 2009
2009 年 年 报 概 要

Our Vision 公司愿景

To become an internationally competitive and growth-oriented integrated energy trading company with synergetic assets, characterised by integrity and innovation

坚守诚信、勇于创新，成为具有跨国经营优势的能源贸易和实业协同发展型企业

Our Mission 公司使命

✈ To maintain our position as the preferred importer and most important international supplier of jet fuel in the People's Republic of China

✈ 保持中国航油进口首选和最重要的国际供应商的地位

✈ To be a leading jet fuel supplier/trader in the Asia Pacific region

✈ 成为亚太区航油供应与贸易的领先者

✈ To be an important international trader/supplier of other oil products and petrochemicals

✈ 成为其他油品、化工品重要的国际贸易商和供应商

✈ To achieve sustainable growth in shareholder value

✈ 为股东提供可持续性的价值增长

✈ To create a secure working environment where employees feel motivated and have a sense of belonging

✈ 为员工创造安全、富有激励性、有归属感的工作环境

✈ To be a socially responsible corporation, proactively undertaking economic, cultural, educational and environmental responsibilities

✈ 积极承担公司对社会的经济责任、文化责任、教育责任和环境责任

Corporate Profile 公司简介

CAO is the largest purchaser of jet fuel in the Asia Pacific region and the key supplier of imported jet fuel to the People's Republic of China ("PRC") civil aviation industry. In recent years, we have proactively expanded into the international trading of jet fuel and other oil products.

CAO owns investments in strategic oil-related businesses, which include Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd and China National Aviation Fuel TSN-PEK Pipeline Transportation Company Ltd.

Incorporated in Singapore on 26 May 1993, CAO was listed on the mainboard of the Singapore Exchange Securities Trading Limited on 6 December 2001.

The single largest shareholder of CAO is China National Aviation Fuel Group Corporation ("CNAF"), which holds about 51% of the total issued shares of CAO. A large State-owned enterprise in the PRC, CNAF is the largest aviation transportation logistics service provider in the PRC, providing aviation fuel distribution, storage and refuelling services at most of the PRC airports.

BP Investments Asia Limited, a subsidiary of BP, is a strategic investor of CAO and holds 20% of the total issued shares of CAO.

CAO是亚太地区最大的航油买家，也是中国民用航空业的最主要进口航油供应商。近年来，我们积极扩展航油及其他油品的国际自营贸易业务。

CAO对战略性的油品相关业务进行投资，包括上海浦东国际机场航空油料有限责任公司和中国航油集团天津管道运输有限责任公司。

CAO于1993年5月26日在新加坡注册成立，2001年12月6日在新加坡证券交易所主板上市。

CAO最大的股东是中国航空油料集团公司（以下简称“CNAF”）。CNAF持有CAO约51%的股份，是中国大型国有企业之一，也是中国最大的航空运输物流服务供应商，为中国大部分机场提供航油的分配、存储和加注服务。

BP投资亚洲有限公司（BP的子公司）是CAO的战略投资者，持有CAO 20%的股份。

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Corporate Values 核心价值观

Integrity, Fairness, Transparency and Innovation encapsulate the values embraced by CAO as we strive together to achieve sustainable growth for our stakeholders. Integrity is the foundation of our conduct and business dealings, with Fairness and Transparency as guiding principles. Innovation fuels our engines for growth.

诚信 为商之道、做人之理
公平 处世之规、做事之则
透明 上市之责、经营之任
创新 生存之源、成长之力



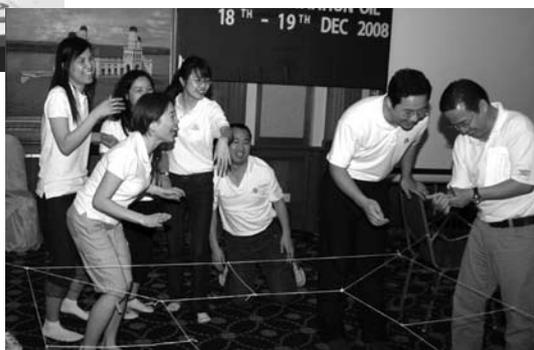
Open communication forms the foundation of a dedicated and driven team

公开交流是建设忠诚及主动团队的基础



Teamwork paid off as CAO emerged as the Champion in the Chinese Enterprises Association (Singapore)'s 2nd CAO Badminton Tournament

CAO发挥团队精神，夺得中资企业（新加坡）协会第二届中国航油杯羽毛球联谊赛冠军



Team building activities have helped to strengthen staff cohesiveness

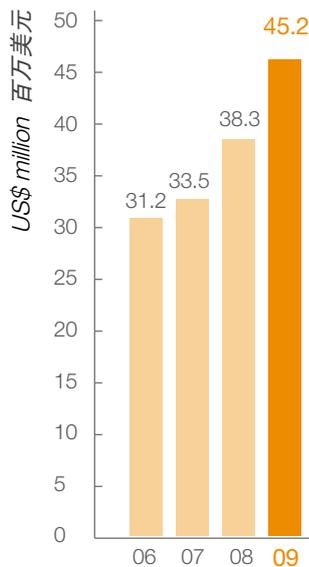
团队建设活动有助于加强员工凝聚力



Record Performance 业绩创历史新高

Net Profit*

净利润*

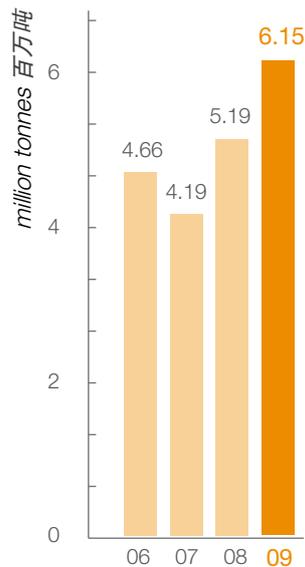


*excluding one-off non-operating gains in 2006 and 2007

*剔除2006年和2007年一次性非经营收益

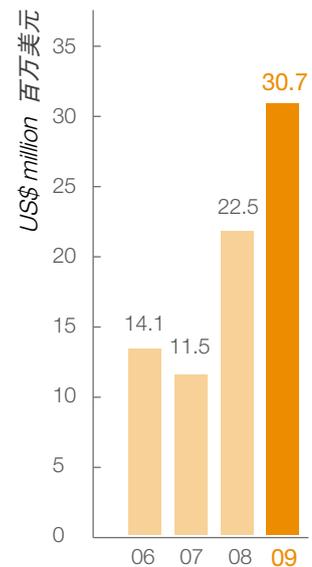
Total Jet Fuel Supply and Trading Volume

航油供应与贸易总量



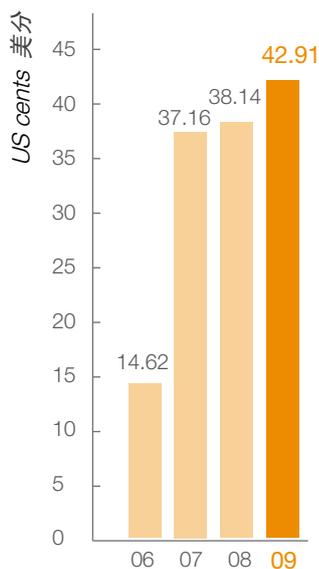
Gross Profit

毛利总额



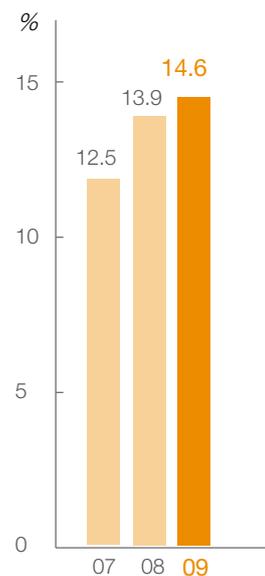
Net Asset Value per Share

每股净资产值



Return on Equity*

股本回报率*

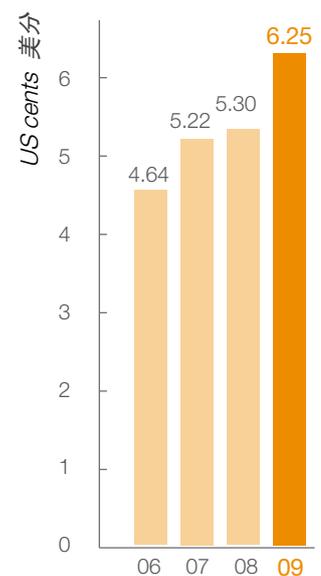


*excluding one-off non-operating gain in 2007

*剔除2007年一次性非经营收益

Earnings per Share*

每股收益*



*excluding one-off non-operating gain in 2006 and 2007

*剔除2006年和2007年一次性非经营收益

Chairman's Statement

Flying **Higher**, Flying **Further**



Dr Wang Kai Yuen
Chairman



The Shanghai World Expo and Guangzhou Asian Games are expected to boost air traffic and jet fuel demand in the PRC



Entering into a framework agreement with CNOOC to establish a partnership for sale of jet fuel outside the PRC

I am pleased to report that despite the nascent recovery in the global economy and volatility in the financial markets, the CAO Group demonstrated its resilience in the financial year 2009. It delivered higher profitability in its core business of jet fuel supply and trading by expanding in the PRC and the Asia Pacific region. Jet fuel trading and supply volume hit a record high of 6.15 million tonnes, an increase of 18% over 2008. Excluding the one-off non-operating gains in 2006 and 2007, net profit for 2009 was also a historic high for the Group.

I am also pleased to report a rebound in the performance of the Group's principal associated company and key profit contributor, Shanghai Pudong International Airport Aviation Fuel Supply Co., Ltd ("SPIA"). SPIA had incurred losses in the fourth quarter of 2008 and first quarter of 2009, which resulted from higher cost of sales vis-à-vis its sales revenue due to the sharp decline in oil prices in the second half of 2008. SPIA returned to profitability following the full consumption of high-cost inventories in April 2009. The Group's share of profit in SPIA for 2009 more than doubled to US\$21.0 million from US\$10.4 million in 2008.

For the year ended 31 December 2009, the Group's net profit attributable to shareholders increased 17.9% from US\$38.3 million to US\$45.2 million. Return on equity increased from 13.9% in 2008 to 14.6% in 2009.

The Board is pleased to recommend a first and final (one tier, tax-exempt) dividend of S\$0.02 cents per share, unchanged from the previous year. In deciding the quantum of dividend payout, the Board has considered the Group's capital requirements for business expansion this year. Notwithstanding that, we remain committed to paying out consistent dividends to shareholders.

The Group commenced share buyback activities in November 2009 following shareholders' approval of the Share Purchase Mandate in September 2009. As of 15 March 2010, the Group has purchased 3.66 million of its shares at a total cost of US\$3.06 million, all of which are held as treasury shares.

Despite the nascent recovery in the global economy and volatility in the financial markets, the CAO Group demonstrated its resilience in the financial year 2009. It delivered higher profitability in its core business of jet fuel supply and trading by expanding in the PRC and the Asia Pacific region.

Expanding Horizons

2009 was a difficult year for the global civil aviation industry due to the impact of the global economic recession and Influenza A (H1N1) virus on air travel. However, China's civil aviation industry bucked the trend by achieving the fastest growth and highest profits in the world for the year. The total number of China's air travel passengers reached 230 million in 2009, an increase of 19.7% year-on-year, driven by significant growth in domestic air travel. However, this did not translate into growth in demand for jet fuel imports in 2009, due to slower recovery in the PRC international air passenger traffic volume and increased PRC domestic production and supply of jet fuel. The volume of jet fuel imported by CAO into the PRC remained stable in 2009.

Nonetheless, CAO successfully expanded its jet fuel supply and trading business in the PRC and beyond. A breakthrough for CAO was the framework agreements signed with large refineries in the PRC (such as China National Offshore Oil Corporation Marketing Company ("CNOOC") and West Pacific Petrochemical Co., Ltd) to export jet fuel out of the PRC. CAO also extended its jet fuel trading activities in the region into markets such as Hong Kong, Singapore and Australia.

CAO leveraged on its competitive strength of being the largest purchaser of jet fuel in the Asia Pacific region and continued to strengthen its optimisation and trading capabilities by securing more sources of jet fuel, chartering ships and leasing oil storage tanks. These initiatives have enabled jet fuel supply and trading activities to remain as a key earnings driver for the Group in 2009.

For the trading of other oil products, the Group treaded cautiously in view of the volatile oil markets. In 2009, CAO commenced trading of two new products – gasoil and fuel oil, on a small-scale basis to gain experience in these markets.

Implementation of CAO Corporate Social Responsibility Programme

As we continue to forge ahead in the business, we have not forgotten our role as a corporate citizen. To demonstrate our commitment, the CAO Corporate Social Responsibility ("CSR") Programme was implemented in January 2010. This entails the proactive undertaking of economic, cultural, education and environmental responsibilities. For 2010, besides giving to charitable causes, CAO will focus its efforts on adopting a charity. We have also embarked on efforts to be environmentally friendly by being energy and waste efficient.

Acknowledgements

The Group has performed well despite uncertainties in the global market and this is due to the efforts of our stakeholders – our management and staff as well as our customers and business partners. I would like to thank them, our shareholders, my fellow directors and all other stakeholders for their confidence and support.

In particular, China National Aviation Fuel Group Corporation ("CNAF") and BP have continued to play a vital role in the development of CAO. CNAF, CAO's parent company, has demonstrated unstinting support to help CAO grow its business. BP, as strategic investor, has provided valuable assistance in the areas of trading, risk management and business development.

On behalf of the Board, I would specially like to thank Mr Michael Bennetts, who was a BP-nominee Director on the Board of CAO. Mr Bennetts stepped down in August 2009 following his resignation from BP to pursue personal interests. The Board has benefited from his knowledge of the global oil and gas industry. We wish him all the best.

I would also like to express my gratitude to Mr Zhang Zhenqi, who resigned as Executive Director/General Manager (Trading) of CAO in February 2010 to take up a new appointment in the CNAF group, for his efforts and contributions to CAO. Mr Zhang managed the day-to-day operations of CAO from June 2007 to May 2008 and was subsequently tasked with the responsibility of overseeing CAO's trading business. He has played an instrumental role in the development of CAO. I wish him all the best in his new role within the CNAF group.

On behalf of the Board, I would like to extend a warm welcome to Mr Chen Liming, who was appointed a BP-nominee Director on the Board of CAO in place of Mr Bennetts in August 2009 and Mr Luo Qun, who was appointed as a CNAF-nominee Director on the Board of CAO in place of Mr Zhang in February this year. Mr Chen is currently the President of BP China and Mr Luo is currently the Vice President of the CNAF Group. I am confident that both Mr Chen and Mr Luo will be valuable assets to the Board and to CAO.

My appreciation also goes to our former Chairman, Mr Lim Jit Poh for his invaluable guidance as CAO's Senior Advisor for a year from 15 November 2008.

Looking Ahead

Whilst the business outlook for the Group in 2010 has improved, uncertainties still linger over the global economy. The PRC civil aviation industry is expected to resume double-digit growth in 2010, in tandem with PRC's economic growth and several international events to be held in the PRC this year, including the Shanghai Expo and the Asian Games in Guangzhou. As such, we expect PRC's jet fuel demand to increase as well.

As jet fuel demand in Asia Pacific is expected to increase in line with improving economic conditions, we will continue to leverage on our strength as the largest purchaser of jet fuel in this region and our established network in the PRC to proactively expand our jet fuel trading business. We will also gear up our efforts to grow trading activities in other oil products.

Another key focus for the Group this year is to acquire or access assets that will facilitate our plans to expand the trading business, particularly in the areas of oil storage, transportation and logistics assets.

Financially, the Group is in a strong position. We have sufficient cash reserves and the flexibility to raise funds should the need arises. As such, the Group is well positioned to seize opportunities as the global economy recovers. With the continued support of our stakeholders, we are confident that CAO can achieve its objective of delivering sustainable growth in shareholder value.

Dr Wang Kai Yuen

Chairman
15 March 2010

更高，更远

虽然全球经济刚开始复苏，金融市场仍存在波动，但本集团在2009财年里仍显示了应变能力。通过进一步拓展在中国和亚太地区的航油供应与贸易业务，本集团的核心业务航油供应与贸易业务盈利能力明显增强。

我很高兴地在此通报，虽然全球经济刚开始复苏，金融市场仍存在波动，但本集团在2009财年里仍显示了应变能力。通过进一步拓展在中国和亚太地区的航油供应与贸易业务，本集团的核心业务航油供应与贸易业务盈利能力明显增强，航油贸易与供应量创历史新高，达615万吨，与2008年相比增长18%。剔除2006年和2007年的一次性非经营性收益，本集团2009年的净利润也创历史新高。

同时，我还很欣慰地通报，CAO集团的主要联营公司及主要利润来源之一——上海浦东国际机场航空油料有限责任公司（以下简称“浦东航油”）的业绩出现反弹。由于2008年下半年油价急剧下跌，浦东航油销售成本高于销售收入，形成收支倒挂，导致浦东航油在2008年第四季度和2009年第一季度出现亏损。在2009年4月完全消耗了高成本库存后，浦东航油扭亏为盈。本集团在2009年对浦东航油的并帐利润达2100万美元，较2008年的1040万美元翻了一番。

截至2009年12月31日的财年里，本集团股东可分配净利润从3830万美元增至4520万美元，增长幅度为17.9%。股本回报率从2008年的13.9%增长至2009年的14.6%。

董事会在此建议派发每股0.02新元的首次及年末（单层免税）股息，和去年保持一致。在决定派发股息的数额时，董事会考虑了本集团今年拓展业务的资金需求。尽管如此，我们仍然致力于向股东派发稳定的股息。

在2009年9月获得股东批准股票回购授权后，本集团于2009年11月开始股票回购。截至2010年3月15日，本集团已回购了366万股CAO股票，总费用为306万美元，全部保留为库存股。

拓展视野

受到全球经济衰退和甲型H1N1流感的影响，2009年是全球民航业艰难的一年。但中国民航业逆流而上，成为2009年全球增长速度最快、利润最高的民航市场。2009年，在国内航空客运量强劲增长的驱动下，中国航空客流量达到2.3亿人次，同比增长19.7%。但由于中国国际航空客运量恢复较为缓慢，加上国内航油产量和供应量增加，2009年中国的航油进口需求并没有出现同样幅度的增长。CAO向中国进口的航油量在2009年保持稳定。

尽管如此，CAO成功地拓展了在中国及中国境外的航油供应与贸易业务。CAO实现的一项重大突破是与中国大型炼厂（例如中国海洋石油总公司销售公司和大连西太平洋石油化工有限公司）签订了从中国出口航油的框架协议。CAO还将其在本地区的业务拓展至香港、新加坡与澳大利亚等市场。

CAO依托其作为亚太最大航油买家的竞争优势，通过锁定更多航油来源、租船和租赁储罐，不断加强其优化与贸易活动。这些积极的措施使得航油供应与贸易业务仍然是本集团2009年的主要利润增长驱动力之一。

在其他油品贸易业务方面，鉴于油品市场的波动性，本集团采取了谨慎的态度。CAO于2009年启动了两个新产品的贸易业务——柴油和燃料油，进行小规模贸易活动，以获得相应的市场经验。

实施CAO企业社会责任计划

在经营业务不断取得进展的同时，我们没有忘记作为一个企业公民应有的责任。为了表示我们对于企业社会责任的承诺，我们于2010年1月实施了CAO企业社会责任计划，包括积极承担经济责任、文化责任、教育责任和环境责任。2010年，除了捐助慈善事业外，CAO将着力于确认一家指定的慈善团体，长期参与其活动。我们还致力于降低能耗和杜绝浪费，为环保做出贡献。

致谢

尽管全球市场存在不确定性，本集团仍然取得良好业绩，这归功于我们的利益相关方的共同努力，包括我们的管理层、员工、客户与业务合作伙伴。在此，我向他们、CAO的股东、各位董事及其他所有利益相关方致谢，感谢他们对公司的信心和支持。

中国航空油料集团公司（以下简称为“CNAF”）和BP在CAO的发展中继续发挥着重要作用。CAO的母公司CNAF不遗余力地支持CAO的业务发展。而CAO的战略投资者BP则在贸易、风险管理和业务发展方面提供了宝贵的帮助。

我代表董事会向CAO董事会的前BP提名董事Michael Bennetts先生致以特别的谢意。Michael Bennetts先生由于个人原因辞去了BP的职务，随后于2009年8月卸下其在CAO的职务。Michael Bennetts先生在全球石油天然气行业的丰富知识让董事会受益良多，我们祝他将来一切顺利。

张振启先生在2010年2月因接受CNAF集团新的任命而辞去CAO执行董事/总经理（贸易）的职务。在此，我要感谢他为CAO所做的努力和贡献。2007年6月至2008年5月期间，张先生负责管理CAO的日常经营，随后负责监督CAO的贸易业务。他在CAO的发展过程中发挥了重要作用。我祝张先生在CNAF集团新的工作岗位上一切顺利。

我代表董事会向陈黎明先生和罗群先生表示热烈欢迎。陈黎明先生于2009年8月代替 Michael Bennetts 先生出任CAO董事会中的BP提名董事，陈先生目前是BP中国总裁。罗群先生于今年2月代替张先生出任CAO董事会中的CNAF提名董事。罗先生目前是CNAF集团的副总经理。我相信陈先生和罗先生都将为CAO及其董事会作出宝贵的贡献。

同时，我向CAO前任董事长林日波先生表达谢意，感谢他在2008年11月14日到2009年11月14日期间担任公司高级顾问，为CAO提供了宝贵的指导意见。

展望未来

2010年，CAO集团的经营形势将有进一步提高，但全球经济仍存在不确定性。中国经济的持续增长，加上上海世博会与广州亚运会等国际盛事将在中国举行，预期将推动中国民航业在2010年恢复两位数增长。因此，我们估计中国的航油需求量也会相应增加。

亚太地区的航油需求量预计将随着经济形势的改善而增长，我们会继续依托自身作为亚太地区最大航油买家的优势以及在中国建立的网络，积极拓展航油贸易业务。我们还会加大拓展其他油品贸易业务的力度。

本集团今年的另一个重点是收购或获取能够促进我们贸易业务拓展计划的实业投资，尤其是在油罐、运输和物流相关的实业投资。

本集团的财务实力稳健，我们的现金储备充足，且具备在必要时筹集资金的灵活性。因此，在全球经济恢复的形势下，CAO有能力，也有优势去抓住机遇。在各利益相关方的不断支持下，我们相信CAO能够实现目标，为股东创造可持续发展的价值。

王家园博士

董事长

2010年3月15日

Chief Executive Officer's **Review**

Forging **Ahead**



Meng Fanqiu
Chief Executive Officer/Executive Director

In 2009, CAO encountered the most challenging external business environment since its public listing in 2001 with the global economy still reeling from the unprecedented global financial turbulence in the year before and exacerbated by the outbreak of the Influenza A (H1N1) virus.

Despite the challenging environment, CAO focused on “identifying opportunities amidst challenges and seeking growth amidst the crisis”. CAO proactively implemented its corporate strategy, which is centred on its core jet fuel procurement and supply business. We achieved a strategic breakthrough by focusing on expanding the jet fuel entrepreneurial trading activities. We made deliberate efforts to ensure that internal management practices continue to be underpinned by stringent risk management controls. Through the fostering of CAO’s core corporate values, we further enhanced team cohesiveness and competencies.

Through the hard work and commitment of staff at all levels, we surmounted the challenges and exceeded key performance targets set by the Board at the beginning of the year. In the first year after CAO implemented its corporate strategy, CAO achieved record high performance:

- Jet fuel import volumes into the PRC remained stable in 2009, but total jet fuel supply and trading volume increased 18% over 2008 to 6.15 million tonnes. This was the second consecutive year that total jet fuel supply and trading volume hit a historic high.
- Gross profit was also a historic high at US\$30.7 million, an increase of 36% as compared to 2008.
- Net profit was US\$45.2 million, an increase of 18% over 2008. Excluding one-off non-operating gains in 2006 and 2007, net profit was also a historic high.
- CAO’s overall financial position remains healthy, with no interest-bearing debts. As our financial standing continues to improve, CAO’s credit facilities increased despite the tightened credit environment, which supported the expansion of our trading business.

Significant Optimisation Gains from Jet Fuel Procurement and Supply

There was a fundamental transformation in CAO’s jet fuel procurement model in 2009. From procuring jet fuel solely through tenders, CAO now procures jet fuel through diversified means, including term contracts, tenders and spot tenders. Not only did this transformation strengthen CAO’s jet fuel supply capabilities, it also created more opportunities for us to integrate jet fuel procurement, supply and trading activities through optimisation, thereby creating greater value from our trading activities.

CAO continually provided regular market information and other value-added services to its customers, which helped to further strengthen its relationships with customers. CAO has established good relations with major refineries and shipping companies. Our operational capability was strengthened through the leasing of oil storage facilities. Emphasis was also placed on stringent control on the quality of jet fuel and timeliness of deliveries. CAO successfully ensured the supply of jet fuel into the PRC, especially during important events such as China’s 60th National Day celebrations.

Breakthrough in Jet Fuel Trading

During the year under review, CAO continued to develop its entrepreneurial trading business (i.e. the purchase and sale of jet fuel outside the PRC) on the foundation of supply optimisation business. Besides Singapore, we expanded our jet fuel trading activities in markets such as Australia and Hong Kong. CAO also leased oil storage tanks. The significant increase in entrepreneurial trading volumes was the key driver for the double-digit growth in total jet fuel supply and trading volume in 2009.

Establishing the channels to export jet fuel from the PRC was a particular area of focus for CAO during the year. The ability to import and export jet fuel into and out of the PRC has enabled CAO to consolidate its position in the PRC.

CAO entered into a cooperation framework agreement with China National Offshore Oil Corporation Marketing Company ("CNOOC"), under which CAO has the right to export jet fuel from CNOOC Huizhou Refinery. CAO also signed a cooperation framework agreement with West Pacific Petrochemical Co., Ltd ("WEPEC") and had been exporting jet fuel produced by WEPEC.

CAO continued to develop its international oil trading business by (i) commencing gasoil trading activities; (ii) enhancing the business model for petrochemicals trading business; (iii) engaging in small-scale fuel oil trading activities; and (iv) developing growth strategies for gasoil and fuel oil businesses through in-depth market analyses.

The growth in entrepreneurial trading activities has resulted in a diversification of CAO's earnings base. In 2009, optimisation and trading profits have exceeded profit derived from procuring and supplying jet fuel into the PRC. This significant change in CAO's gross profit profile is a clear indication that CAO's trading capabilities and competitiveness have strengthened considerably.

Investment Governance Practices Enhanced

CAO completed the acquisition of a 49-percent equity interest in China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Limited ("TSN-PEKCL") in early 2009. We implemented our storage strategy in North East Asia and South East Asia in line with the expansion of our international oil trading activities. Besides assessing refineries to explore potential opportunities to secure stable sources of supply at competitive rates, we also conducted market researches on jet fuel supply to airports in neighbouring countries to explore opportunities in these markets.

CAO established the Investment Governance Committee ("IGC") and implemented the Investment Governance Standards which improved the evaluation and approval

process for potential projects and established our priorities in terms of geography, project categories and financial indicators. The IGC is chaired by the Head of Business Development and comprises the CEO, CFO and other relevant management staff. Our investment direction and strategy are clearly set out in CAO's investment strategy for the next 5 years and the implementation roadmap for 2010. These initiatives have helped to strengthen the investment governance practices of CAO.

Significant Improvement from Associated Companies

CAO closely monitored the operations of its associated companies. Important matters relating to our associated companies, such as the budget, were evaluated, reviewed and given due consideration by CAO. CAO also proactively assisted its associated companies in areas such as risk management and business development. These efforts have resulted in significant improvements in the business operations of our associated companies, particularly in customer relations, treasury and risk management.

CAO's share of profits from associated companies increased 130% to US\$24.2 million in 2009 as compared to 2008. Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("SPIA") remained as a key profit contributor of CAO following the reversal of losses in the first quarter of 2009 and achieving creditable performance for the full year. TSN-PEKCL achieved the profit that China National Aviation Fuel Group Corporation ("CNAF") had undertaken to guarantee when CAO acquired the 49-percent equity stake in TSN-PEKCL. After the turnaround in financial performance in 2008, China Aviation Oil Xinyuan Petrochemicals Co. Ltd ("Xinyuan") remained profitable in 2009.

Deeper Cooperation with BP

CAO's business relationship with its strategic investor, BP continued to strengthen as we expand our scope of business collaboration during the course of the year. CAO

and BP have also been in active discussions on a long-term strategic cooperation. The interim trading agreement which CAO entered into with BP Singapore Pte Ltd (“BPS”) in December 2008 had proven to be effective and mutually beneficial. As such, both parties having agreed to extend its business collaboration for another year, had signed a new interim trading agreement in December 2009.

Risk Management Capabilities Further Strengthened

We continue our efforts to inculcate a strong risk management culture in CAO by incorporating risk controls in work processes and staff training on an ongoing basis. We have established and implemented an Enterprise Risk Management system where top 10 risk areas of CAO were identified. The potential impact of each of these top risks to CAO was assessed and mitigating actions were formulated.

Given the volatile global economic environment in 2009, concerted efforts were made to control credit risks. We stepped up credit assessments on our counterparties and diversified the utilisation of credit risk mitigation tools. Our ability to pre-empt risks was strengthened through regular stress-testing of various trading scenarios. The evaluation and review processes of new business activities had been fine-tuned. We also effectively prevented liquidity risks by enhancing our cash management practices and forecasting the Group’s cashflow requirements on an ongoing basis.

Management Practices Enhanced

We kept a tight rein on expenses through constantly improving on the processes involving budget formulation and subsequent monitoring, analyses and evaluation of expenses. This has resulted in effective control of the Group’s expenses as a whole.

The internal policies and procedures of CAO were enhanced as we reviewed and revised various processes, policies and manuals, including the Risk Management and Trading Policies Manual, Human Resource Manual, Credit Review Process and Delegation of Authority.

In line with our commitment to strengthen the capabilities of our staff, customised training courses were conducted throughout the year, particularly in areas relating to risk management, international trading, project management and leadership training. As the business expands, we continually fine-tune our staffing structure and maintain a talent pipeline ready to take the Group into the next lap.

Shaping Our Corporate Culture

Through actively engaging all employees in management communications, team building events and other activities, a unique corporate culture of CAO is gradually forming – a culture that unites everyone despite cultural diversities, and a culture that fosters the ethos of CAO, i.e. democracy, harmony, innovation and risk awareness. In 2009, all staff participated in the shaping and formulation of our corporate strategy and targets for 2010-2014. Through the ideas and inspiration of the staff, our internal slogan, “Together we progress, Together we succeed”, was created and our core values of “Fairness, Integrity, Innovation and Transparency” were further entrenched in the organisation.

With the shaping of our corporate culture, the personal development of the staff and business growth of CAO are now closely intertwined. This resulted in a more cohesive, dedicated and driven team, which forms the backbone of the successful implementation of CAO’s corporate strategy.

For media and investor relations, we adopt an open policy and remain committed in our efforts to strengthen communications with the media, analysts and investors. The share price of CAO increased 48% in 2009. As at 31 December 2009, market capitalisation of CAO stood at S\$824 million (or US\$587 million).

In line with the implementation of the CAO Corporate Social Responsibility Programme in January 2010, we stepped up efforts to undertake corporate social responsibilities as a corporate citizen to enhance our contributions to society.

Forging Ahead

In 2010, despite the nascent recovery of the global economy, uncertainties remain. We do not expect changes to the fundamentals of the jet fuel market in Asia in the near future. Whilst the jet fuel market in Asia is expected to remain weak due to over supply, we expect more competition in the market. These factors will have a bearing on our core jet fuel procurement business.

Nonetheless, I believe the external environment is still favourable to CAO on the whole. There is clear evidence of economic recovery in China and other emerging markets, particularly China, which has targeted economic growth in 2010 to be around 8%. We expect the Shanghai World Expo and the Guangzhou Asian Games to boost air traffic volumes and jet fuel demand in the PRC, creating good opportunities for CAO.

In 2010, CAO will continue to forge ahead with the implementation of its corporate strategy, with the aim of building up CAO's competitive advantage with assets that are synergetic to our trading businesses. CAO will continue to develop its trading businesses at a steady pace whilst proactively seeking asset investments. We strive to achieve breakthroughs in (i) trading activities outside the PRC; (ii) asset investments; and (iii) strategic cooperation with BP.

We will also step up our efforts to achieve three transformations (i) to transform our business model from one that is focused on ensuring jet fuel supply to one that is market-based; (ii) to transform from a single business model to a more diversified business model; and (iii) to transform from a pure trading company to one that is integrated with synergetic assets. We are laying the groundwork to ensure that CAO achieves its target of becoming a leading jet fuel trader in the Asia Pacific region and a competitive trader in other oil products by 2014.

The success of a company lies in its ability to capitalise on opportunities and sustain innovations. Looking ahead, we are confident that CAO will be able to rise to the challenges and ascend to greater heights in 2010.

Acknowledgements

The understanding and support of shareholders are vital to the development of CAO. On behalf of all staff of CAO, I would like to express my gratitude to all our shareholders. In particular, I would like to thank our parent company, CNAF, for its unstinting and generous support to the development of CAO. My appreciation also goes to BP for its assistance to CAO in the areas of international trading and risk management. I look forward to closer cooperation with BP going forward.

My sincere appreciation goes to the Board of Directors of CAO, led by Dr Wang Kai Yuen, for their excellent work in the past year. The strategic counsel and support of the Board were vital to CAO's record performance in 2009. I have personally benefited from the wealth of experience of the Directors.

I would specially like to thank our former Senior Advisor, Mr Lim Jit Poh, whose insightful advice has been very beneficial to the development of CAO. My appreciation also goes to our former Executive Director/General Manager (Trading), Mr Zhang Zhenqi, who has made significant contributions during the developmental phase of CAO.

I am thankful to China National Aviation Fuel Supply Co., Ltd, our suppliers and other business partners for their support. I look forward to strengthening our cooperation further in the coming year.

I would like to thank our associated companies – SPIA, TSN-PEKCL and Xinyuan for their good performance over the past year, which contributed to CAO's record performance in 2009.

I would also like to extend my sincere thanks to the staff of CAO for their cooperation, understanding and support. CAO would not have been able to achieve its performance in 2009 without the dedication and hard work of the staff at all levels.

Meng Fanqiu

CEO/Executive Director

15 March 2010

扬帆挥桨 激流勇进

615 万吨业务量



在挑战中寻机遇，
在危机中求发展。

2009年，CAO经历了自2001年上市以来最为复杂的外部经营环境。金融海啸对全球经济的影响持续显现，H1N1甲型流感的爆发，对脆弱的全球经济无疑又是雪上加霜。

面对严峻的经营形势，CAO“在挑战中寻机遇，在危机中求发展”，紧紧围绕航油采购供应这一核心业务，继续大力推进实施公司发展战略。以拓展航油自营贸易为重点，积极寻求战略突破口；以严格控制风险为核心，努力夯实基础管理；以打造企业核心价值观为手段，进一步提升团队凝聚力和素质。

经过全体员工的共同努力，公司成功克服各种不利因素，超额完成了年初董事会确定的主要经营目标，做到了实施战略起步之年有进步，取得了历年来最好的经营业绩：

- 全年航油供应与贸易量为615万吨，在中国进口量保持稳定的情况下，同比增长18%，继2008年以来连续两年创历史新高。
- 全年实现毛利3070万美元，同比增长36%，为历史最高。
- 全年实现净利润4520万美元，同比增长18%，扣除2006年和2007年一次性非经营性收益，为历史最高。
- CAO无带息负债，整体财务状况继续保持稳健。随着公司的信誉持续恢复，CAO的信用额度在银行收紧信贷的环境下持续增加，有力地支持了贸易业务的拓展。

航油采购供应模式优化收效显著

2009年，公司的采购模式发生了根本性转变。由单一的招标方式，转变为长期合同、招标、临时采购等灵活多样

的组合采购方式。在提升供应保障能力的同时，创造了更多的贸易机会，实现了航油采购供应与贸易的有机结合，通过供应优化，创造出更大的贸易附加价值。

公司每日向用户提供市场信息，不断为国内用户提供增值服务，进一步巩固了客户关系。公司也与主要炼厂、船东建立起稳定、良好的合作关系。通过租用油库增强运作能力，产品质量和船期得到严格控制。公司出色地完成了中国60年国庆等重大活动的供油保障任务。

航油自营贸易实现突破性增长

在继续进行供应优化贸易的基础上，2009年强化自营贸易，即购买和销售完全在中国境外的贸易。除新加坡外，贸易范围开始拓展到澳大利亚、中国香港等国家和地区，并且开始租赁储罐。航油自营贸易的增加，驱动公司2009年航油供应与贸易总量取得双位数的增幅。

CAO特别关注中国的航油出口，建立航油业务“能进能出”的完整业务链，巩固了CAO在中国市场的地位。CAO与中国海洋石油总公司分销公司（以下简称“中海油”）签署合作框架协议，取得中海油惠州炼厂航油出口销售权。CAO也与中国大连西太平洋石油化工有限公司（以下简称“大连西太”）签署框架合作协议，实现了为大连西太出口航油。

公司稳步推进油品国际贸易业务，包括开展柴油贸易、不断改进化工贸易模式、开展小规模燃料油贸易，以及加强市场研究，制订柴油、燃料油业务拓展策略。

首席执行官报告

自营贸易活动的拓展，拓宽了公司利润来源渠道，2009年公司贸易利润首次超过为中国国内采购供应航油的利润，利润结构发生了重大变化，标志着公司的贸易能力和市场竞争力显著提高。

实业投资基础管理显著增强

公司2009年年初成功完成了收购中国航油集团津京管道运输有限责任公司（以下简称“管输公司”）49%股权项目；协同国际贸易的拓展，在东北亚和东南亚地区实施仓储战略；加强对中等规模炼厂项目的评估，为获取有竞争力的、稳定的资源拓宽渠道；开展对周边国家机场供油的市场调研，为新的业务增长寻找切入点。

公司成立了由首席执行官、财务总监等相关公司管理层人员组成、业务发展部主管为主席的投资管理委员会，制定了《CAO投资管理准则》，完善了项目评估审查报批流程，明晰项目选择的区域、类型、指标优先顺序，明确项目评价的关键指标参数；公司制定了未来5年实业投资规划和2010年的实施计划，明确了实业投资方向和策略；实业投资基础管理工作显著增强。

联营公司效益大幅改善

CAO密切关注各联营公司的经营情况，对联营公司的预算、决策以及经营中的重大事项进行认真评估、严格审核、谨慎决策。利用自身优势，积极协助联营公司加强风险管理和拓展业务，联营公司的客户关系、资金和风险管理工作取得了明显的进步，2009年的业绩均有良好的表现。

2009年，公司对联营公司的累计投资收益同比增长130%，达2420万美元。其中上海浦东国际机场航空油料有限责任公司（以下简称“浦东航油”）遏制了第一季度效益大幅下滑的不利局面，全年取得了较好的经营业绩，仍是CAO利润最重要的来源之一；管输公司完成了项目收购时中国航空油料集团公司（以下简称“CNAF”）的担保利润；中国航油集团新源石化有限责任公司（以下简称“新源公司”）在2008年扭亏为盈的基础上，2009年继续保持盈利。

与BP战略合作不断深入

CAO与战略投资者BP的业务合作关系不断加强，双方在

2009年扩大了业务合作范围。CAO和BP积极就长期战略合作进行磋商。CAO与BP新加坡于2008年12月签定的临时贸易协议实施一年来卓有成效，实现了对双方的互惠互利，双方同意将此业务合作延长多一年，于2009年12月签定了新的临时贸易协议。

风险管控水平进一步提升

公司继续积极推行全员风险控制理念。在公司管理的各个环节严格执行风险管理的工作流程，结合全员培训，培育良好的风险管理文化；全面建立和实施企业风险管理体系，识别出公司面临的10大风险点，并对这些关键风险点对公司的影响进行了全面评估，同时制定了相应的风险控制措施。

鉴于2009年外部环境，加强对交易对家的信用评估，争取更多的信用工具，增加信用风险消除工具的应用，控制信用风险；针对贸易业务需要，模拟不同贸易情景和油价走势进行压力测试，提高公司应对风险的预见力；健全新业务和项目评估审查流程；强化资金管理，结合业务进展进行滚动预测，有效地防范了资金风险。

日常运作合规高效

CAO不断完善预算的编制、监督、分析、报告和考核工作，大力压缩非经营性支出，公司总的成本费用得到有效控制。

CAO也加强了公司的制度流程建设。对公司现有的风险管理和贸易手册、人事管理手册、信用审查流程、授权制度等进行审查、修订和完善。

以风险管理、国际贸易、项目管理等为重点开展普及性和有针对性的员工专业知识培训，并强化针对高级管理人员的领导力培训。公司继续根据业务发展需求聘用高素质人才，员工队伍结构不断优化，员工整体素质稳步提升，为本集团下一个发展阶段做好准备。

企业文化逐步形成

通过引导员工参与公司管理、团队建设、文体活动等丰富多彩的方式，推动在多元文化背景下逐步形成得到全体员工普遍认同的企业文化——包括民主文化、和谐文化、创新文化、风险意识文化。2009年，全员参与制定了公

司2010年—2014年的发展规划，形成共同的战略目标；全员参与提出了“携手同心，共创未来”企业口号；“公平、诚信、创新、透明”的企业核心价值观得到了普遍认同。

通过企业文化建设，使员工个人的职业发展与公司的前途紧密联系起来，大大增加了凝聚力、忠诚度和主动性，成为有效实施公司发展战略的重要保障。

在媒体和投资者关系方面，我们采取公开的态度，继续致力于加强与媒体、分析师和投资者的沟通。CAO股价在2009年上涨48%，截至2009年12月底市值约8.24亿新元(5.87亿美元)。

我们积极履行企业社会责任，配合2010年1月实施的CAO企业社会责任计划，加强公司对社会的贡献。

扬帆挥桨，激流勇进

2010年，全球经济逐渐复苏，但前景仍不明朗。亚洲地区航油需求疲软，市场供过于求的现象在短期内恐无根本性改变，市场竞争也将更加激烈，预期将给公司的核心业务——航油采购带来一定的冲击。

虽然还有许多不确定因素，但我认为整体外部经营环境对公司还是有利因素居多。中国以及其他新兴经济体已有效遏止了经济明显下滑态势，特别是中国在全球率先实现了整体经济状况回升向好，目前已确定2010年经济增速目标仍为8%左右。中国举办的上海世博会和广州亚运会，将拉动航空运输周转量，促进中国国内航油需求的增长，为公司发展创造了良好机遇。

2010年公司将一如既往地大力实施发展战略，以初步建立具有和贸易协同的资产优势为目标，继续实施“稳健”的贸易策略和“积极”的投资策略，努力实现“三个突破”：一是海外贸易拓展取得新的突破；二是实业投资取得实质性突破；三是与BP的长期战略合作取得突破。

同时，我们将进一步促进公司“从航油供应保障型向市场贸易型转变，从业务单一型向相关多元化转变，从贸易型公司向工贸结合型公司转变”的战略转型，为实现在

2014年将公司打造成为“亚太地区航油贸易的领先者、其他油品贸易的有力竞争者”的战略目标起好步、布好局、奠好基。

机遇蕴含精彩，创新成就伟业。展望2010年，我们将满怀信心朝着更高的目标迈进，只争朝夕，勇往直前，扬帆挥桨，激流勇进，续写中国航油（新加坡）股份有限公司新的篇章！

致谢

公司的发展离不开股东的理解和支持。在此，我首先代表全体员工向全体股东表示感谢！我要特别感谢母公司CNAF给予公司巨大而无私的支持；我也要特别感谢BP在国际贸易和风险控制方面所给予的帮助，希望今后能进一步加强与BP的合作。

我也非常感谢王家园博士领导的董事会一年来卓有成效的工作，董事会的正确决策，是我们能够取得业绩的决定因素。各位董事的专业经验，也使我个人获益匪浅。

我要特别感谢林日波先生，作为公司的高级顾问，他的建议对公司发展十分有益。特别感谢离任的执行董事/总经理（贸易）张振启先生，他对公司的恢复重建工作作出很大贡献。

感谢中国航空油料有限公司以及各大供应商等商业伙伴对公司的支持，期待我们不断加深合作。

感谢浦东航油、管输公司和新源公司，联营公司的良好业绩，为公司2009年业绩创历史新高作出重大贡献。

我要衷心感谢CAO全体员工对我的理解、配合和支持，公司取得的优良业绩是全体员工共同努力和辛勤付出的结果。

孟繁秋

首席执行官兼执行董事

2010年3月15日

Board of Directors

Steering with Clear Direction



From left to right 左到右:

(standing 站) Timothy Bullock Liu Fuchun 刘福春
(sitting 坐) Meng Fanqiu 孟繁秋 Wang Kai Yuen 王家园 Sun Li 孙立



From left to right 左到右:

(standing 站) Luo Qun 罗群 Chen Liming 陈黎明

(sitting 坐) Ang Swee Tian 汪瑞典 Zhao Shousen 赵寿森

Corporate Information

As at 15 March 2010

Directors

Wang Kai Yuen

(Independent Chairman)

Sun Li

(Deputy Chairman / Non-Independent, Non-Executive Director)

Meng Fanqiu

(Chief Executive Officer/Executive Director)

Ang Swee Tian

(Independent Director)

Timothy Bullock

(Non-Independent, Non-Executive Director)

Chen Liming

(Non-Independent, Non-Executive Director)

Liu Fuchun

(Independent Director)

Luo Qun

(Non-Independent, Non-Executive Director)

Zhao Shousen

(Non-Independent, Non-Executive Director)

Board Committees

Audit Committee

Ang Swee Tian *(Chairman)*

Zhao Shousen *(Vice Chairman)*

Wang Kai Yuen

Liu Fuchun

Timothy Bullock

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

Timothy Bullock *(Chairman)*

Zhao Shousen

Ang Swee Tian

Company Secretary

Doreen Nah

Auditors

KPMG LLP

Partner in charge: Tay Puay Cheng

(Appointed on 28 April 2006 – 4 years)

Share Registrar and Share Transfer Office

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place #32-01

Singapore Land Tower

Singapore 048623

Principal Bankers

Calyon, Singapore Branch

ING Bank N.V., Singapore Branch

Fortis Bank S.A./N.V., Singapore Branch

Rabobank International, Singapore Branch

Bank of Communications Co., Ltd, Singapore Branch

Agricultural Bank of China, Singapore Branch

Bank of China, Singapore Branch

United Overseas Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

Overseas Chinese Banking Corporation

Registered Office

8 Temasek Boulevard

#31-02 Suntec Tower Three

Singapore 038988

Tel: (65) 6334 8979

Fax: (65) 6333 5283

Website: www.caosco.com

SUMMARY FINANCIAL STATEMENT

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Summary Financial Statement / Summary Directors' Report

Year ended 31 December 2009

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 2009 should be consulted. Shareholders may request for a copy of the annual report at no cost.

Directors

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

Wang Kai Yuen – Chairman

Sun Li – Deputy Chairman

Meng Fanqiu – Chief Executive Officer/Executive Director

Ang Swee Tian

Timothy Bullock

Liu Fuchun

Zhao Shousen

Chen Liming

(Appointed on 5 August 2009)

Luo Qun

(Appointed on 26 February 2010)

* Michael Bennetts and Zhang Zhenqi resigned as directors on 5 August 2009 and 26 February 2010 respectively

Principal activities

The principal activities of the Company and its subsidiary (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.

Arrangements to enable directors to acquire shares and debentures

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.

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), no director 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.

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 for salaries, bonuses and fees and those benefits that are disclosed in this report, 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 of which he is a member, or with a company in which he has a substantial financial interest.

Summary Directors' Report

Year ended 31 December 2009

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.

Share options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiary to any person to take up unissued shares in the Company or its subsidiary; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiary.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiary under option.

Share repurchases

During the financial year, the Company purchased 921,000 of its own shares by way of market acquisition pursuant to the authority given to the directors under the Share Purchase Mandate approved by the shareholder at the Extraordinary General Meeting of the Company held on 18 September 2009.

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
- Timothy Bullock, non-executive, non-independent director

The Summary Financial Statement was approved by the board of directors on 17 March 2010 and was signed on its behalf by:

Wang Kai Yuen
Chairman

Meng Fanqiu
Chief Executive Officer/Executive Director

17 March 2010

Auditors' Statement

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

We have examined the Summary Financial Statement set out on pages 22 to 32, which has been prepared by the Directors of the Company.

In our opinion, the Summary Financial Statement is consistent, in all material respects, with the full financial statements and directors' report of China Aviation Oil (Singapore) Corporation Ltd for the year ended 31 December 2009, and complies with the requirements of Section 203A of the Companies Act, Chapter 50 (the Act), and regulations made thereunder, applicable to Summary Financial Statement.

We have issued an unqualified audit report dated 17 March 2010 on the full financial statements of China Aviation Oil (Singapore) Corporation Ltd for the year ended 31 December 2009. The audit report is reproduced below:

"Independent auditors' report

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

We have audited the accompanying financial statements of China Aviation Oil (Singapore) Corporation Ltd (the Company) and its subsidiary (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2009, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages # to #.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes:

- (a) 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;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

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 whether the financial statements are free from material misstatement.

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

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

Auditors' Statement

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

Opinion

In our opinion:

- (a) 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 2009 and the results, changes in equity and cash flows of the Group for the year ended on that date; and
- (b) 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."

KPMG LLP

*Public Accountants and
Certified Public Accountants*

Singapore

17 March 2010

Note: # The page numbers are stated in the Auditors' Report dated 17 March 2010 which is included in China Aviation Oil (Singapore) Corporation Ltd's Annual Report for the financial year ended 31 December 2009.

Statements of Financial Position

As at 31 December 2009

	Group		Company	
	2009 US\$'000	2008 US\$'000	2009 US\$'000	2008 US\$'000
Non-current assets				
Property, plant and equipment	8,061	8,296	8,061	8,296
Intangible assets	100	174	100	174
Subsidiary	–	–	–	–
Associates	150,934	82,005	81,236	35,911
	<u>159,095</u>	<u>90,475</u>	<u>89,397</u>	<u>44,381</u>
Current assets				
Inventories	37,606	–	37,606	–
Trade and other receivables	379,833	251,522	379,833	251,522
Cash and cash equivalents	182,192	153,102	182,178	153,081
	<u>599,631</u>	<u>404,624</u>	<u>599,617</u>	<u>404,603</u>
Total assets	<u>758,726</u>	<u>495,099</u>	<u>689,014</u>	<u>448,984</u>
Equity attributable to owners of the parent				
Share capital	215,573	215,573	215,573	215,573
Reserves	94,162	60,127	24,454	14,016
Total equity	<u>309,735</u>	<u>275,700</u>	<u>240,027</u>	<u>229,589</u>
Current liabilities				
Trade and other payables	448,991	219,399	448,987	219,395
Total liabilities	<u>448,991</u>	<u>219,399</u>	<u>448,987</u>	<u>219,395</u>
Total equity and liabilities	<u>758,726</u>	<u>495,099</u>	<u>689,014</u>	<u>448,984</u>

Consolidated Income Statement

Year ended 31 December 2009

	2009 US\$'000	2008 US\$'000
Revenue	3,634,324	5,370,244
Cost of sales	(3,603,617)	(5,347,712)
Gross profit	30,707	22,532
Other income	(657)	5,838
Administrative expenses	(7,815)	(5,512)
Other operating expenses	(444)	619
Results from operating activities	21,791	23,477
Finance costs	(767)	(542)
Share of profits of associates (net of income tax)	24,175	10,516
Profit before income tax	45,199	33,451
Income tax credit	–	4,894
Profit for the year	45,199	38,345
Attributable to:		
Owners of the parent	45,199	38,345
Earnings per share:		
Basic and diluted earnings per share (cents)	6.25	5.30

Consolidated Statement of Comprehensive Income

Year ended 31 December 2009

	2009 US\$'000	2008 US\$'000
Profit for the year	45,199	38,345
Other comprehensive income/(expense)		
Translation differences relating to financial statements of foreign associates	(569)	5,456
Other comprehensive income/(expense) for the year, net of income tax	(569)	5,456
Total comprehensive income for the year	44,630	43,801
Attributable to:		
Owners of the parent	44,630	43,801

Consolidated Statement of Changes in Equity

Year ended 31 December 2009

	Share capital US\$'000	Foreign currency translation reserve US\$'000	Statutory reserve US\$'000	Accumulated profits US\$'000	Total equity US\$'000	
At 1 January 2008	215,573	7,288	7,033	38,688	268,582	
Total comprehensive income for the year						
Profit for the year	-	-	-	38,345	38,345	
Other comprehensive income						
Translation differences relating to financial statements of foreign associates	-	5,456	-	-	5,456	
Total other comprehensive income	-	5,456	-	-	5,456	
Total comprehensive income for the year	-	5,456	-	38,345	43,801	
Contributions by and distributions to owners						
Dividends to equity holders	-	-	-	(36,683)	(36,683)	
Total transactions with owners	-	-	-	(36,683)	(36,683)	
At 31 December 2008	215,573	12,744	7,033	40,350	275,700	
	Share capital US\$'000	Foreign currency translation reserve US\$'000	Statutory reserve US\$'000	Reserve for own shares US\$'000	Accumulated profits US\$'000	Total equity US\$'000
At 1 January 2009	215,573	12,744	7,033	-	40,350	275,700
Total comprehensive income for the year						
Profit for the year	-	-	-	-	45,199	45,199
Other comprehensive expense						
Translation differences relating to financial statements of foreign associates	-	(569)	-	-	-	(569)
Total other comprehensive expense	-	(569)	-	-	-	(569)
Total comprehensive income/(expense) for the year	-	(569)	-	-	45,199	44,630
Contributions by and distributions to owners						
Transfer of retained earnings to statutory reserve	-	-	344	-	(344)	-
Own shares acquired	-	-	-	(721)	-	(721)
Dividends to equity holders	-	-	-	-	(9,874)	(9,874)
Total transactions with owners	-	-	344	(721)	(10,218)	(10,595)
At 31 December 2009	215,573	12,175	7,377	(721)	75,331	309,735

Notes to the Summary Financial Statement

Year ended 31 December 2009

1 Basis of preparation

The Group has applied the same accounting policies which are consistent with those used in the previous financial year.

1.1 Adoption of new and revised financial reporting standards

The Group has adopted the new and revised FRSs and interpretations which became effective for the current financial year. With the adoption of the new and revised FRSs and interpretations, the Group has changed its disclosures in the following areas:

- Determination and presentation of operating segments
- Presentation of financial statements

Determination and presentation of operating segments

As of 1 January 2009, the Group determines and presents operating segments based on the information that internally is provided to the Chief Executive Officer (CEO), who is the Group's chief operating decision maker. This change in present of operating segments is due to the adoption of FRS 108 *Operating Segments*. Previously, operating segments were determined and presented in accordance with FRS 14 *Segment Reporting*. The new FRS in respect of operating segment disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of such standard. Since the change only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and head office expenses.

Segmental capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Presentation of financial statements

The Group applies revised FRS 1 *Presentation of Financial Statements (2008)*, which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change only impacts presentation aspects, there is no impact on earnings per share.

2 Associates

On 23 February 2009, the Company completed the acquisition of 49% equity interest in China National Aviation Fuel TSN-PEK Pipeline Transportation Centre (TSN-PEKCL) from China National Aviation Fuel Group Corporation ("CNAF"), the immediate holding company, for a consideration of RMB309.4 million. Following the completion of the acquisition, TSN-PEKCL becomes an associate of the Group.

Notes to the Summary Financial Statement

Year ended 31 December 2009

3 Dividends

The Directors proposed a final (one-tier tax exempt) dividend of S\$0.02 (2008: S\$0.02) per share, amounting to a net dividend of US\$10,280,000 (2008: US\$9,874,000). The dividends have not been provided for.

4 Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and monitoring the activities of the Group. The directors of the Company and the executive officers of the Group are considered as key management personnel of the Group.

Key management personnel compensation comprises:

	Group	
	2009 US\$'000	2008 US\$'000
Directors' fees	330	326
Directors' remuneration	818	729
Key executive officers' remuneration	1,337	938
	<u>2,485</u>	<u>1,993</u>

The remuneration disclosed above for the Executive Directors and the 5 key executives exclude the 2009 variable bonuses payable in relation to profit targets achieved for the Company's oil trading activities.

The quantum of the said 2009 variable bonuses are being considered by the Remuneration Committee and will be decided in the financial year ending 31 December 2010.

5 Other related party transactions

There were the following transactions carried out on terms agreed with related parties:

	Group	
	2009 US\$'000	2008 US\$'000
Related corporation of a corporate shareholder		
Sale of jet fuel	133,567	50,395
Sale of gas oil	18,827	–
Sale of petrochemical products	10,636	–
Purchase of jet fuel	732,891	35,132
Purchase of gas oil	17,765	–
Related corporations		
Sale of jet fuel	1,351,619	2,703,673
Sale of fuel oil	38,127	–
Associate		
Sale of jet fuel	1,285,768	2,581,039
A firm in which a former director is a member		
Professional fees paid	–	156

Supplementary Information

Interested Person Transactions

	Aggregate value of interested person transactions excluding transactions conducted under shareholders mandate pursuant to Rule 920 of the SGX Listing Manual		Aggregate value of interested person transactions conducted under shareholders mandate pursuant to Rule 920 of the SGX Listing Manual	
	2009 US\$'000	2008 US\$'000	2009 US\$'000	2008 US\$'000
Sales revenue from related corporations	–	–	1,389,746	2,703,673
Sales revenue from related corporation of a corporate shareholder	–	–	163,030	50,395
Purchases from related corporation of a corporate shareholder	–	35,132	750,656	–
Supply chain services rendered from related corporation	–	–	779	–
Supply chain services rendered from related corporation of a corporate shareholder	–	–	1,397	–
Transportation revenue earned by associate from related corporations	–	–	5,707	–
Other revenue earned by associate from related corporations	–	–	1,517	–
Special fees paid to a Director	–	207	–	–

Shareholding Information

As at 15 March 2010

Number of Issued Shares	:	722,820,537
Number of Issued Shares (excluding Treasury Shares)	:	719,160,537
Number/Percentage of Treasury Shares	:	3,660,000 (0.51%)
Class of Shares	:	Ordinary Shares
Voting Rights (excluding Treasury Shares)	:	1 vote per share

Based on information available to the Company as at 15 March 2010, approximately 28.76% 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.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	2,880	16.58	1,419,765	0.20
1,000 - 10,000	11,300	65.05	49,017,384	6.82
10,001 - 1,000,000	3,179	18.30	115,581,705	16.07
1,000,001 AND ABOVE	12	0.07	553,141,683	76.91
TOTAL	17,371	100.00	719,160,537	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO.OF SHARES	%
1	DBS VICKERS SECURITIES (S) PTE LTD	370,085,099	51.46
2	BP INVESTMENTS ASIA LIMITED	144,564,119	20.10
3	UNITED OVERSEAS BANK NOMINEES PTE LTD	6,339,800	0.88
4	DBS NOMINEES PTE LTD	5,934,582	0.83
5	OCBC SECURITIES PRIVATE LTD	5,502,610	0.77
6	CITIBANK NOMINEES SINGAPORE PTE LTD	5,302,251	0.74
7	UOB KAY HIAN PTE LTD	3,839,676	0.53
8	HSBC (SINGAPORE) NOMINEES PTE LTD	3,735,391	0.52
9	PHILLIP SECURITIES PTE LTD	2,576,173	0.36
10	LEE FOOK CHOY	2,342,000	0.33
11	OCBC NOMINEES SINGAPORE PTE LTD	1,912,782	0.27
12	CIMB-GK SECURITIES PTE. LTD.	1,284,200	0.18
13	LER HOCK SENG	1,000,000	0.14
14	LAM YEW CHONG	938,000	0.13
15	CITIBANK CONSUMER NOMINEES PTE LTD	899,868	0.13
16	KANG HIAN SOON	866,000	0.12
17	BANK OF CHINA NOMINEES PTE LTD	771,116	0.11
18	KIM ENG SECURITIES PTE. LTD.	707,883	0.10
19	TAN ROSALIND	700,000	0.10
20	KHNG GUAN LENG STEPHEN	610,000	0.08
	TOTAL	559,911,550	77.88

SUBSTANTIAL ORDINARY SHAREHOLDERS

(As shown in the Register of Substantial Shareholders as at 15 March 2010)

No.	Name	No. of Shares		%
		Direct Interest	Deemed Interest	
1	China National Aviation Fuel Group Corporation	-	367,777,427*	51.14
2	BP Investments Asia Limited	144,564,119	-	20.10

* China National Aviation Fuel Group Corporation is deemed to have an interest in 367,777,427 shares of CAO held by DBS Vickers Securities (S) 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 16th Annual General Meeting of the Company will be held at DBS Auditorium, 6 Shenton Way, Level 3, DBS Building Tower One, Singapore 068809 on Friday, 23 April 2010 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 2009 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 2009. (Resolution 2)
3. To approve Directors' Fees of S\$455,167 for the year ended 31 December 2009. (2008: S\$491,131) (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:-

Mr Sun Li (Resolution 4)
Dr Zhao Shousen (Resolution 5)
Mr Meng Fanqiu (Resolution 6)
5. To re-elect the following Directors, each of whom will retire in accordance with Article 97 of the Company's Articles of Association and who, being eligible, will offer themselves for re-election:-

Mr Chen Liming (Resolution 7)
Mr Luo Qun (Resolution 8)
6. To re-appoint Messrs KPMG LLP as the Company's auditors and to authorise the Directors to fix their remuneration. (Resolution 9)

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 20% 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 10)

8. 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
29 March 2010

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 21 April 2010.

Notice of Annual General Meeting

Explanatory Notes:

- Resolution 4** Mr Sun Li will upon re-appointment, continue as Deputy Chairman of the Board. He is considered a Non-Executive, Non-Independent Director.
- Resolution 5** Dr Zhao Shousen will upon re-appointment continue as Vice Chairman of the Audit Committee and a member of the Risk Management Committee. He is considered a Non-Executive, Non-Independent Director.
- Resolution 6** Mr Meng Fanqiu, the Chief Executive Officer/Executive Director, is an Executive, Non-Independent Director.
- Resolution 7** Mr Chen Liming will upon re-appointment continue as a member of the Remuneration Committee and Nominating Committee. He is considered a Non-Executive, Non-Independent Director. He was appointed as a Director on 5 August 2009.
- Resolution 8** Mr Luo Qun will upon re-appointment continue as Vice Chairman of the Remuneration Committee and the Nominating Committee. He is considered a Non-Executive, Non-Independent Director. He was appointed as a Director on 26 February 2010.
- Resolution 10** The ordinary resolution proposed in item 7 above, if passed, will empower 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 twenty per cent. (20%) 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 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.

Notice of Book Closure Date and Payment Date for First and 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 from 10 May 2010 to 11 May 2010, both dates inclusive, for the preparation of dividend warrants. The Register of Members and the Transfer Books will re-open on 12 May 2010. 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 7 May 2010, 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 21 May 2010.

CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

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

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.

PROXY FORM

I/We, _____

of _____

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

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. 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 16th Annual General Meeting of the Company, to be held at DBS Auditorium, 6 Shenton Way, Level 3, DBS Building Tower One, Singapore 068809 on Friday, 23 April 2010 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	Directors' Report and Audited Accounts		
2	Declaration of Dividend		
3	Directors' fees		
4	Re-election of Mr Sun Li as a Director		
5	Re-election of Dr Zhao Shousen as a Director		
6	Re-election of Mr Meng Fanqiu as a Director		
7	Re-election of Mr Chen Liming as a Director		
8	Re-election of Mr Luo Qun as Director		
9	Auditors and their remuneration		
	Special Business		
10	Authority to Directors to issue new shares pursuant to Section 161 of the Companies Act, Cap. 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited		

Dated this _____ day of _____ 2010

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

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

* 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.
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.

Fold along this line (1)

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 (2)

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

29 March 2010

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 2009 ("FY 2009"). The SR contains a review of the CAO Group for FY 2009. It also contains a summary of the Audited Financial Statements of the Company and the Group for FY 2009.

The full Audited Financial Statements of the Company and of the Group for FY 2009 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 2009 is an example of the SRs that you will receive in the future), unless you indicate otherwise in the request form below or have previously requested otherwise.

For shareholders receiving this SR for the first time, and for shareholders who did not previously request for copies of the AR, if you wish to receive a printed copy of the AR for FY 2009 and for future financial years for as long as you are a shareholder, please complete the request form below by ticking the appropriate box and returning it to us by 1 April 2010. If we did not receive your request form, it would indicate that you do not wish to receive the AR for FY 2009 and for future financial years.

Please note that if you have indicated previously that you wish/do not wish to receive the SR and/or the AR, you may change your wishes by ticking the relevant box in the request form below and returning it to us by 1 April 2010. If we do not receive your request form, it would indicate that you do not wish to change your previous request.

Your latest request will supersede the earlier requests received by us.

For the convenience of shareholders, the AR for FY 2009 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.

<input type="checkbox"/>	I/We wish to receive the Annual Report in addition to the Summary Report for FY 2009. (CPFIS account holders can only choose this option)
<input type="checkbox"/>	I/We do not wish to receive the Annual Report and the Summary Report for FY 2009 and for as long as I/we am/are a shareholder/s of China Aviation Oil (Singapore) Corporation Ltd
<input type="checkbox"/>	I/We wish to receive the Annual Report for FY 2009 in addition to the Summary Report for as long as I/we am/are a shareholder/s of China Aviation Oil (Singapore) Corporation Ltd

Name of shareholder(s)		
NRIC/Passport Number(s)		
Mailing Address		
Signature(s)		
Date		

The shares are held under or through:

<input type="checkbox"/>	CDP Securities Account Number	
<input type="checkbox"/>	CPFIS Account Number	
<input type="checkbox"/>	Physical scrips	



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China Aviation Oil (Singapore) Corporation Ltd

c/o The Central Depository (Pte) Limited
4 Shenton Way, #02-01, SGX Centre 2
Singapore 068807

Second fold

First fold



China Aviation Oil (Singapore) Corporation Ltd

A Subsidiary of China National Aviation Fuel Group Corporation

Company Registration No. 199303293Z

8 Temasek Boulevard, #31-02 Suntec Tower Three, Singapore 038988

Tel: (65) 6334 8979 Fax: (65) 6333 5283

Email: admin@caosco.com

Website: www.caosco.com