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## Responses to substantial and relevant questions raised for China Aviation Oil (Singapore) Corporation Ltd's 32<sup>nd</sup> Annual General Meeting

The Board of Directors of China Aviation Oil (Singapore) Corporation Ltd (the “**Company**”) would like to thank shareholders, as well as the Securities Investors Association (Singapore) (“**SIAS**”), for submitting questions ahead of the Company's 32<sup>nd</sup> Annual General Meeting to be held at Room 700, Stephen Riady Auditorium @NTUC, One Marina Boulevard, Singapore 018989 on Thursday, 23 April 2026 at 3:00 p.m. (Singapore time).

Responses to substantial and relevant questions have been set out via the following topics:

1. Market Environment and Outlook
2. Growth Strategy and Sustainable Aviation Fuel (“**SAF**”) Development
3. Financial Performance and Capital Management
4. Restructuring of Controlling Shareholder.

Please refer to the Company's responses set out in **Appendix 1**.

By Order of the Board

Liang Fei  
Company Secretary  
20 April 2026

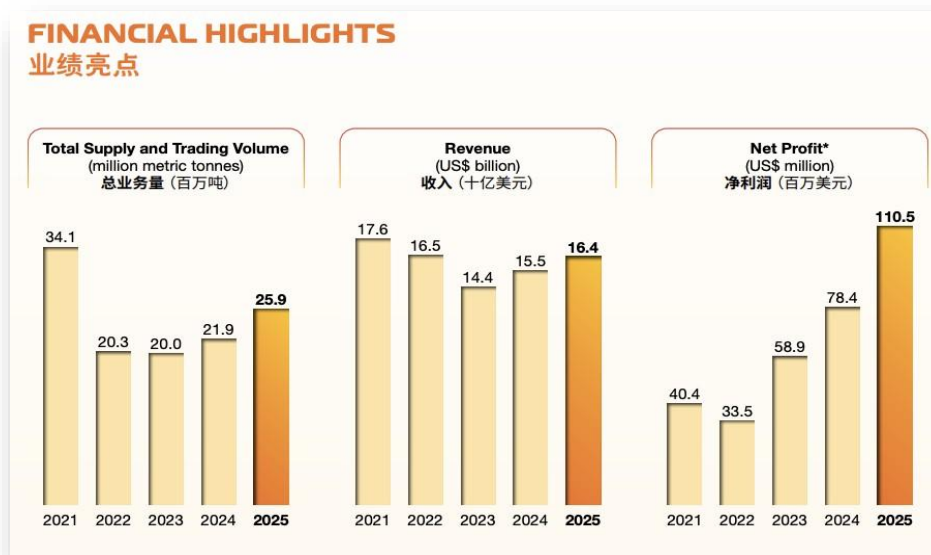


## Appendix 1

### Market Environment and Outlook

#### Question 1.1

As shown in the Financial Highlights of the Company's 2025 Annual Report, total supply and trading volume for the Group has increased for three consecutive years, reaching 25.9 million metric tonnes ("mt") in FY2025. This recovery follows a sharp decline from 2021 to 2022.



(Source: CAO's 2025 Annual Report)

Recent geopolitical developments in the Middle East have disrupted oil supply and pricing dynamics, with jet fuel markets moving into steep backwardation and regional price spreads widening across Asia, Europe and North America. **How have these disruptions affected the Group's trading volumes, supply chains and margins? What specific measures has management implemented to manage sourcing risks, pricing volatility and counterparty exposure?**

#### Response:

As previously disclosed, both the industry and CAO continue to face challenges arising from escalating geopolitical risks and heightened oil market risks. Tensions between the United States, Israel and Iran further intensified and escalated into conflict on 28 February this year (the "Conflict").

At this juncture, the Company does not expect the Conflict to have a material impact on its overall business, based on information currently available and barring unforeseen circumstances or further material developments, supported by factors including, but not limited to, the following:



- **Limited Direct Exposure:** CAO's direct exposure to the Middle East is limited, as its business presence in the region is not significant.
- **Robust Fundamentals:** The impact of the Conflict on CAO's operations in its core China market remains limited, and the Group's overall fundamentals continue to be robust.
- **Diversified Strategic Investments:** CAO's strategic investments across Asia, Europe and North America continue to provide important diversification and risk-mitigating benefits.
- **Midstream Advantages:** As the largest buyer of physical jet fuel in Asia Pacific and a key midstream supplier, CAO is structurally positioned to pass cost movements downstream, supporting the resilience of its business model.
- **Proven Resilience, Stability and Reliability:** With strong financial capability and zero interest-bearing debt, CAO's resilience, stability and reliability has been tested and proven during the pandemic and other large-scale crises, and stands out in the global market.

In addition to the aforementioned fundamental factors, to proactively address the relevant challenges, the management continues to leverage its capabilities and strengths in the following areas:

- **Professional Management Skills and Extensive Experience:** Our management, trading and operations teams are highly experienced, having successfully weathered multiple market cycles and geopolitical crises in the past. This deep industrial knowledge enables us to mitigate supply shocks and adjust our positions proactively.
- **Prudent Risk Management Capabilities:** The Company continues to adopt prudent hedging strategies and credit monitoring to manage counterparty exposure. Our diversified portfolio ensures that we are not overly reliant on any single market, preserving our trading volumes and maintaining operational resilience amid regional supply volatility.
- **Refined Procurement and Inventory Management Capabilities:** The Company responds to price volatility through proactive and refined inventory management measures. Our operational flexibility allows us to precisely time and pace deliveries to our clients, ensuring security of supply while preserving margins.

In addition, CAO is closely monitoring the second-order effects of the Conflict, in terms of the impact on supply disruptions, airline operations, the wider global economy, etc. The situation in the Middle East remains highly fluid and uncertain. CAO will continue to monitor developments closely and calibrate its response as appropriate.



## Question 1.2

In FY2022, supply and trading volume of middle distillates declined 40% from 13.85 million mt to 8.33 million mt, while trading volume for other oil products (namely crude oil and fuel oil) fell by 41% from 20.3 million mt to 11.9 million mt. The subsequent recovery has been gradual before volumes increased by 18% in FY2025 to 25.9 million mt.

**Can management help shareholders recall the reasons for the significant drop in volume from FY2021 to FY2022, and what have been the challenges in restoring volumes to the pre-pandemic levels? Specifically, in FY2025, what caused the 18% jump in volume to 25.9 million mt?**

### Response:

The significant decline in trading volumes during FY2021 and FY2022 was a direct result of the unprecedented collapse in global aviation travel caused by the COVID-19 pandemic. Lockdowns and border closures across the globe halted international air traffic, reducing the demand for jet fuel. Restoring these volumes to pre-pandemic levels has been a gradual process, challenged by the staggered reopening of different regions and the time required for airlines to rebuild their flight capacities.

The 18% jump in volume to 25.9 million mt in FY2025 was underpinned by a healthy recovery across the global aviation sector and the resurgence of post-pandemic economic activity. This growth was driven in particular by the strong rebound in China, which saw total passenger volumes grow by 5.5% to 770 million and international route passengers surge by 21.6%.

This resurgence in passenger traffic has translated directly into higher fuel demand, allowing us to leverage our supply chain strengths to capture increased market share while maintaining a stable growth momentum.

## Question 1.3

**With regard to Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd (“SPIA”), what are the observable trends in international flight volumes, and how do these compare with pre-pandemic levels?**

### Response:

Overall, the jet fuel supply volumes at SPIA have shown sustained recovery and steady growth trend.

In particular, Chinese airlines have seen a more pronounced recovery and growth in their international routes, with the overall jet fuel volume supplied in 2025 already exceeding pre-pandemic levels (reaching 115.22% of 2019 levels). Meanwhile, international airlines, affected by policy-related factors, have yet to fully restore long-haul routes to the Americas and Europe. Nonetheless, the overall jet fuel volume supplied to international airlines in 2025 has nearly returned to pre-pandemic levels (recovered to 96.32% of 2019 levels).



## Question 2

**How is the Company dealing with the recent shortage? Is CAO still on a bigger than average stockpile, and is the Company able to exert good pricing power given the shortages?**

**Response:**

The Company continues to closely monitor market dynamics in supply and demand, and has implemented a series of prudent operational and risk management measures to ensure business continuity and the fulfilment of its obligations. Leveraging its diversified global supply network and long-term business partnerships, the Company adopts a flexible approach towards allocation of resources to address periodic supply fluctuations.

Regarding inventory and pricing, the Company is not able to disclose specific commercial or operational details. Overall, the Company will continue to adhere to prudent business principles, ensuring operational stability while safeguarding supply to clients and sustaining long-term partnerships. We will also continue to monitor the potential impact of market changes on our operations.

## Question 3

**Does the Company see profits being higher than normal during this time because of your ability to price better, and still having a good reserve?**

**Response:**

As usual, the Company does not issue any performance forecast nor earnings guidance. As the largest physical jet fuel buyer in the Asia-Pacific region and a key supplier of jet fuel in the Chinese market, the Company possesses industry-leading operational resilience and risk resistance. The Company's operating performance is determined by a number of factors, including but not limited to, changes in market supply and demand, fluctuations in oil prices, logistics arrangements, and the overall operating environment.



## Growth Strategy and Sustainable Aviation Fuel

### Question 4.1

The Group has positioned itself well in the sustainable aviation fuel (“SAF”) market. It has established an integrated value chain covering procurement, transportation, blending, sales, and compliance. All overseas subsidiaries have obtained the necessary ISCC EU and ISCC CORSIA certifications, which are key enablers for the group’s expansion into the regulated global green SAF market.



(Source: CAO’s 2025 Annual Report)

**Can management elaborate on the key regulatory and policy drivers supporting the growth of sustainable aviation fuel globally? Which region is currently contributing the most to SAF demand and revenue?**

### Response:

We are seeing a decisive shift in the regulatory landscape from voluntary corporate commitments to binding government mandates, which is the primary driver for SAF adoption globally.

Several key regional policy trends are shaping this growth:

- **Europe:** As the early mover, Europe is leading the transition with the ReFuelEU Aviation initiative, which rolled out a 2% mandatory SAF blend in 2025.
- **Asia-Pacific:** Rapid policy catch-up. Singapore has announced a 1% mandate starting in 2027, aiming for 3% to 5% by 2030. Japan is targeting a 10% usage rate by 2030, while South Korea has set a target of 7% to 10% SAF usage in 2035.

In terms of market contribution, Europe is currently the largest contributor to global SAF demand and revenue. This dominance is directly linked to it being the first region to implement a compulsory mandate. At the same time, the Company’s forward-looking strategy to secure access to upstream SAF resources is expected to further entrench its first-mover advantage in the SAF business and enhance its market position and operational performance in the SAF sector.



## Question 4.2

**What is the total addressable market for SAF and its expected growth trajectory? What is the Group's target market share in this segment, and what level of investment is required to achieve it?**

### **Response:**

To reach the 2050 net-zero carbon emissions target, the International Air Transport Association (“IATA”) estimates the aviation sector will need an annual supply of roughly 500 million mt of SAF. With current global production at just 2 million mt as of 2025, a massive supply gap exists, representing a prime growth opportunity. The Company will proactively build its presence in the SAF market to capture this emerging potential.

## Question 5

**As the aviation industry progressively transitions toward SAF, could management share how CAO is positioning itself within the SAF value chain, whether through trading capabilities, supply partnerships, or infrastructure investments?**

### **Response:**

We will actively secure SAF resources, including establishing long-term procurement partnerships with refineries, exploring investment opportunities, leasing or investing in storage tanks in target markets, and building long-term, stable blending, logistics, and end-to-end supply capabilities. At the same time, we will fully leverage existing aviation marketing channels and systems to secure supply of SAF to Chinese and international airlines. We seek to build a comprehensive end-to-end supply and sales network covering procurement, logistics, blending, storage, refuelling, sales, and the transfer of carbon credits. This will enable us to meet the carbon reduction requirements set by various countries, satisfy airlines' demand for SAF, and generate new profit opportunities.

## Question 6

**Given increasing regulatory momentum for SAF adoption across major aviation hubs including Singapore and China, does management see SAF as a strategic growth pillar for CAO, and does management expect SAF trading margins to differ meaningfully from conventional jet fuel over the medium term?**

### **Response:**

The Company continues to monitor market trends and regulatory developments relating to SAF, recognising SAF as a pivotal catalyst in the aviation industry's energy transition. In terms of business strategy, the Company entered the European SAF supply market in 2023, and established a comprehensive supply chain capability at the Hong Kong International Airport in 2024, covering SAF procurement, blending, logistics, sales, and airport refuelling. Following the mandatory 2% SAF blend requirement at airports in the European Union in 2025, various regions began rolling out their own SAF roadmaps and related requirements. On that note, the Company will continue to seek opportunities to



expand the scale of its SAF supply business. All our overseas subsidiaries have successfully renewed and obtained the necessary ISCC EU and ISCC CORSIA certifications in 2025, laying a solid foundation for the Company's expansion into the global green aviation market. As the Company continues to grow its SAF business in 2026, it is expected to become a new contributor of profit growth for the Company. In the medium term, however, the profit margins of our SAF business will remain significantly influenced by uncertainties such as market conditions, policies, supply chains, and costs. As such, it is still premature for the Company to provide a definitive outlook.



## Financial Performance and Capital Management

### Question 7

**FY2025 results benefited from stronger contributions from associates alongside improved trading performance. Could management elaborate on how much of the recent earnings growth is structural versus cyclical, and what initiatives are being taken to strengthen recurring earnings from the core jet fuel supply and trading business as well as key associate SPIA?**

#### **Response:**

The Group's total net profit for fiscal year 2025 was US\$110.6 million, an increase of US\$32.55 million from US\$78.09 million in the same period last year, representing a year-on-year increase of 41.69%. This was primarily attributable to the following factors:

1. The civil aviation sector, both in China and globally, continues to demonstrate sustained upward momentum, underpinned by a well-defined and stable long-term outlook;
2. Historic profitability for each of our subsidiaries;
3. SAF, as a new driver of profit growth for the Company, has been strategically positioned since 2023. Over the past two years, the Company has established its SAF business's operational qualifications, business model, and physical operations. The SAF business of our European subsidiary, China Aviation Fuel (Europe) Limited ("**CAFEU**"), has been expanding steadily, with new opportunities unfolding as the Group positions itself to enter the newly opened Asia-Pacific market;
4. Our associates, SPIA and Oilhub Korea Yeosu Co., Ltd ("**OKYC**"), delivered robust performance.

In terms of strengthening recurring earnings from the Company's core jet fuel supply and trading business, the Company continues to advance the development of its 'Twin Hub' strategic platforms—Global Jet Fuel Trading and Aviation Marketing Centres, while refining its global jet fuel supply chain network, which covers major markets across the Asia-Pacific, Europe, and the Americas. The synergistic strength of the "Twin Hub" has not only enhanced the Company's global resource allocation capabilities but also significantly strengthened the resilience and security of its supply chain, laying a solid foundation for stable operations and sustainable growth in a complex international environment.

At the same time, the Company is actively expanding into the new energy business sector. In addition to optimising the physical supply chain for SAF, we also extending the generation and trading framework for carbon credits and Scope 1 and Scope 3 emissions attributes. This allows for a more coordinated operation of physical SAF delivery and associated carbon emissions reduction benefits, while optimising interactions between mandatory and voluntary frameworks, providing strong support for the establishment of a mature and stable SAF business model, as well as laying the foundation for the supply chain of our new energy business. The Company will continue to seize opportunities to further drive business growth.



Regarding SPIA, the Company has continued to make active contributions as one of its main shareholders, while closely monitoring enhancements in its operations and management and steadily deepening business cooperation with SPIA. Through various approaches, the Company has supported and overseen SPIA's initiatives to enhance operational efficiencies, safety management capabilities and cost control, in order to jointly achieving safety and business objectives and capitalise on business synergies to further strengthen our partnership and drive mutual growth.

Benefiting from the sustained recovery and continued rapid growth of China's civil aviation industry, as well as Shanghai Pudong International Airport's status as an international aviation hub, the Company remains cautiously optimistic about its overall outlook in 2026.

## Question 8

**With continued strong cash generation and improving profitability in FY2025, how does management prioritise capital deployment between dividends, strategic investments in oil-related infrastructure assets, and expansion of the trading platform?**

### Response:

Delivering shareholder value is a key priority of our Board of Directors and management. The Board of Directors' Dividend Policy has always been based on steady performance growth and will continue to distribute 30% of the Company's net profit as dividends to shareholders, in line with the Company's latest relevant resolutions and regulations to fulfil its promise to create value for shareholders. Future dividend adjustments will be evaluated based on a comprehensive assessment of the Company's earnings performance, cash flow position, and capital utilisation.

The Company's strong liquidity position allows it to effectively address and balance the needs of both its strategic investments and working capital requirements. We adhere to a rigorous investment framework, whether capital is allocated to investments or operations, the shared objective is to maximise shareholder value. The Company's ample liquidity and zero interest-bearing debt constitute one of its key competitive strengths in the oil trading business. As the global geopolitical landscape continues to evolve with trade conditions remaining highly complex and volatile, the Company's strong cash holdings serve as a strategic asset, enabling it to maintain a strong financial position to withstand external shocks during periods of market turbulence.

Especially amid ongoing global instability, sufficient internal capital also serves as a strong credit endorsement for trading partners and financial institutions, helping to reduce counterparties' credit premiums and associated transaction costs. In general, the expansion of our business footprint necessitates a commensurate increase in capital earmarking for protective liquidity purposes.

Secondly, maintaining sufficient internal capital also enables the Company to seize



potential investment opportunities quickly. When a suitable opportunity arises, the Company will be able to swiftly deploy its internal capital to secure the deal, without being constrained by lengthy financing processes or secondary due diligence by external financiers. This enables the Company to better capitalise on investment opportunities and serve the long-term interests of its shareholders.



## **Restructuring of Controlling Shareholder**

### **Question 9.1**

The State-owned Assets Supervision and Administration Commission of the State Council approved the corporate restructuring between China National Aviation Fuel Group Limited (“**CNAF**”), the Company’s controlling shareholder, and China Petrochemical Corporation (“**Sinopec**”).

CNAF holds a 51.31% interest in the Company. The Company had previously provided an update in October 2025 and subsequently confirmed the merger in January 2026. The Company has stated that the Board will continue to provide strategic oversight as the restructuring progresses.

**Since the announcement of the restructuring, has the Group deferred or slowed any major investments, capital allocation decisions or strategic initiatives? How is management ensuring continuity in executing its business plans during this period?**

#### **Response:**

This restructuring is being carried out at the parent-entity level by our controlling shareholder, CNAF. CAO, as one of CNAF’s subsidiaries, is cooperating with the relevant aspects of the restructuring. At present, in accordance with applicable regulations, the relevant parties are carrying out the necessary approval and filing procedures. As disclosed in the Company’s SGX announcement dated 8 January 2026, this restructuring is not expected to have any material impact on the normal business operations of the Company and its subsidiaries.

### **Question 9.2**

**Can the Board provide clarity on the expected implications of the controlling shareholder restructuring on the group’s listing status? At what stage will shareholders have clarity on whether the merger could trigger a mandatory general offer under the Singapore Takeover Code? What is the Board’s current assessment of this risk?**

#### **Response:**

This is not a restructuring of CAO, but a restructuring being carried out at the parent-entity level by our controlling shareholder, CNAF. At present, in accordance with applicable regulations, the relevant parties are carrying out the necessary approval and filing procedures. The Company will continue to monitor relevant developments in relation to the restructuring and fulfil its disclosure obligations as and when appropriate.