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Update on Financial Performance for the period ended 31 March 2020

The Covid-19 pandemic has presented unprecedented challenges for the global aviation industry - the potent combination of a growing list of countries imposing country-specific travel restrictions on international flights and trip cancellations, have led to air travel demand plummeting at dramatic levels. As Covid-19 pandemic continues to intensify globally, the airline industry has been hit hard, demand for transportation fuel (including jet fuel) continues to decline significantly, global demand for jet fuel has plummeted to unprecedented levels and international oil prices have fallen sharply.

As the slump in the aviation industry during the Covid-19 pandemic and sharp declines in oil prices have impacted the business operations of China Aviation Oil (Singapore) Corporation Ltd ("**CAO**"), its subsidiaries and associated companies (the "**CAO Group**"), the Board of Directors of CAO would like to provide a brief update on the financial performance of the CAO Group for the period ended 31 March 2020 ("**1Q 2020**").

Shanghai Pudong International Airport Aviation Fuel Supply Company ("**SPIA**"), a 33-percent owned associated company of CAO, has been one of the main profit contributors to the CAO Group. SPIA posted a significantly lower net earnings of US\$16.843 million for 1Q 2020 as compared to the corresponding period last year due to a steep decline in the demand for jet fuel by its airline customers as a result of disruptions from the Covid-19 pandemic. Also, the three subsidiaries of CAO with business operations in Hong Kong, USA and Europe have been adversely affected by the Covid-19 disruptions. Taking into account the CAO Group's share of net earnings from SPIA of US\$5.558 million for 1Q 2020, net earnings of the CAO Group declined by 59% to US\$10.782 million for 1Q 2020 as compared to net earnings of US\$26.335 million in the corresponding period last year.

The ongoing slump in the aviation industry, oil price uncertainty and the constantly evolving Covid-19 situation are expected to have a material adverse impact on the financial performance of the CAO Group for the current financial year. Notwithstanding this, the CAO Group has been managing its businesses through this unprecedented period by implementing detailed protocols across the CAO Group's operations to ensure minimal operational disruptions, sustaining business continuity and keeping its personnel safe from Covid-19 infection.

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



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Further details of the CAO Group's financial performance will be disclosed when CAO announces its unaudited consolidated financial results for the half-year ended 30 June 2020 on 30 July 2020.

By Order of the Board

Doreen Nah
Company Secretary
21 April 2020