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**RESPONSE TO SGX REGCO'S QUERY ON THE COMPANY'S ANNOUNCEMENT
RELEASED ON 30 JULY 2021**

China Aviation Oil (Singapore) Corporation Ltd (the "**Company**") refers to the queries from Singapore Exchange Regulation ("**SGX RegCo**") on 6 August 2021 relating to the Company's unaudited results for the half-year ended 30 June 2021 which was released on 30 July 2021, and wishes to respond as follows:

SGX RegCo's Query 1:

Page 3: Inventories

Provide a breakdown and explain the large increase to US\$270,188,000, noting Revenue increased 61.60% year on year.

The Company's Response:

Breakdown of inventories:

	The Group and the Company			
	Group		Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Trading inventories at fair value				
less costs to sell	221,193	75,063	221,193	75,063
Inventories at the lower of cost and net realisable value	48,995	16,312	-	-
Total	270,188	91,375	221,193	75,063

Inventories were US\$270.19 million as at 30 June 2021 compared to US\$91.38 million as at 31 December 2020, an increase of US\$178.81 million mainly due to the increase in oil prices as well as trading inventories in transit amounting to US\$89.92 million held as at 30 June 2021. The sale of these trading inventories in transit were subsequently completed in July 2021. As at 31 December 2020, the Group did not hold any inventory in transit.



SGX RegCo's Query 2:

Page 12: Trade and other receivables: Amounts due from related corporation of a corporate shareholder (trade)

Provide details of this related corporation, and elaborate on the nature of and disclose details of the US\$119,774,000 due from related corporation of a corporate shareholder. Provide the reasons for this significant amount vs NIL amount as at 31 December 2020.

The Company's Response:

Amounts of US\$119,774,000 were due from BP Oil International Ltd and BP Singapore Pte Ltd as at 30 June 2021, arising mainly from sales of jet fuel and gasoil. The increase is mainly due to the increase in gasoil sales volume. We had also entered into similar transactions with these related corporations in 2020 and there was no outstanding amount due from these related corporations as at 31 December 2020.

SGX RegCo's Query 3:

Page 13: Trade and other payables: Amounts due to related corporation of a corporate shareholder (trade)

Disclose the identity of this related corporation of a corporate shareholder, and reasons for the significant increase from US\$8,584,000 as at 31 December 2020 to US\$103,083,000 as at 30 June 2021. Elaborate on the nature of the underlying transaction/s which gave rise to this significant amount outstanding.

The Company's Response:

Amounts of US\$103,083,000 were due to BP Sinopec Marine Fuels Pte Ltd, BP Oil International Ltd and BP Europa SE as at 30 June 2021, arising mainly from purchases of jet fuel and fuel oil. The increase was mainly due to purchases of fuel oil from BP Sinopec Marine Fuels Pte Ltd in June 2021 while there was no such purchase in December 2020.

Issued by China Aviation Oil (Singapore) Corporation Ltd on 11 August 2021.