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

A subsidiary of China National Aviation Fuel Group Limited
中国航空油料集团有限公司子公司

坚守承诺
成就未来

ENDURING COMMITMENT, DELIVERING RESULTS

2023年度报告 | ANNUAL REPORT 2023

ENDURING COMMITMENT, DELIVERING RESULTS

坚守承诺 成就未来

As the largest physical jet fuel buyer in the Asia Pacific region and key importer of jet fuel to the civil aviation industry of the PRC, operating in a world emphasising environment, social and governance factors, CAO is strengthening its commitment to create long-term value in a financially, environmentally and socially responsible manner. In this respect, CAO is making steady progress in embedding sustainability in our businesses and establishing high standards of corporate governance along with a robust risk management and compliance management framework, enhancing our ability to deliver sustainable growth.

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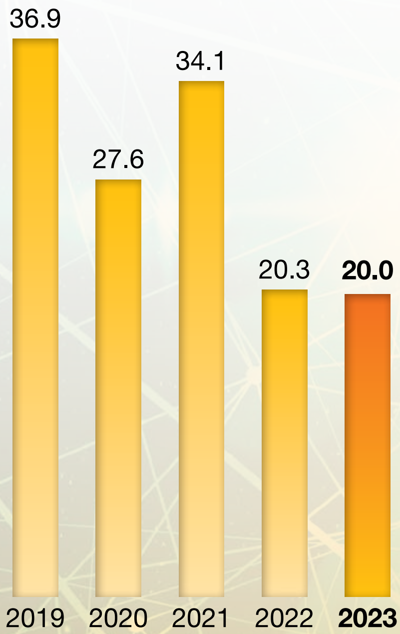
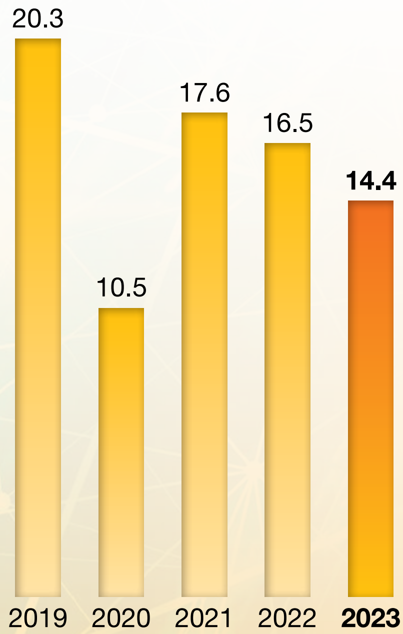
FINANCIAL HIGHLIGHTS
业绩亮点

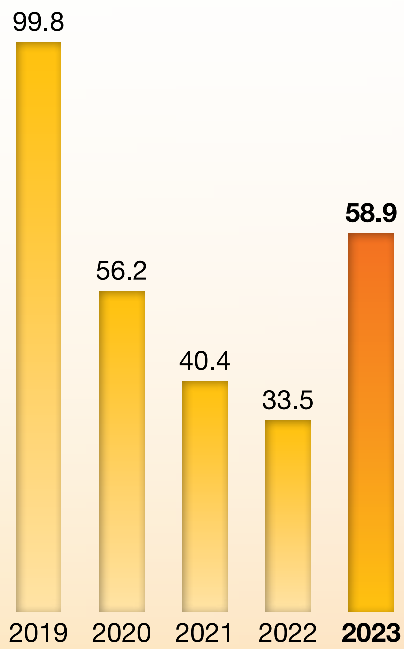
Total Supply and Trading Volume
(million metric tonnes)
总业务量（百万吨）



Revenue
(US$ billion)
收入（十亿美元）



Net Profit*
(US$ million)
净利润（百万美元）



Total Supply and Trading Volume
总业务量
20.0 million metric tonnes
百万吨

Revenue
收入
US$ **14.4** billion
十亿美元

Net Profit*
净利润
US$ **58.9** million
百万美元

Return on Equity*
净资产回报率
6.36%

Return on Assets
资产回报率
4.03%

Net Asset Value/Share*
每股净资产值
US **110.26¢**
美分

* Relates to the amount attributable to equity owners of the Company 数额归属于本公司所有者

CAO AT A GLANCE
公司简介

China Aviation Oil (Singapore) Corporation Ltd ("CAO" or the "Company") was incorporated in Singapore on 26 May 1993 and listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 6 December 2001. CAO is the largest physical jet fuel buyer in the Asia Pacific region and a key supplier of imported jet fuel to the civil aviation industry of the People's Republic of China ("PRC").

Headquartered in Singapore and with a strong presence in China, CAO possesses a well-established global oil supply and trading network, contributing actively to the advancement of efficient and sustainable global aviation.

Leveraging on its core competencies, CAO and its wholly owned subsidiaries (collectively, the "Group") namely, China Aviation Oil (Hong Kong) Company Limited ("CAOHK"), North American Fuel Corporation ("NAFCO") and China Aviation Fuel (Europe) Limited ("CAFEU") supply jet fuel to airline companies in Asia Pacific, North America, Europe and the Middle East.

Working through its subsidiary, CNAF Hong Kong Refuelling Limited ("CNAF HKR"), the third licensed refueller at Hong Kong International Airport, CAOHK supplies jet fuel to its airline customers at the Hong Kong International Airport. CAOHK also supplies jet fuel to its airline customers at other key airports in the Asia Pacific region. Incorporated in the United States of America in April 2008, NAFCO, is a major jet fuel supplier at Los Angeles International Airport. In 2023, NAFCO expanded its jet fuel cargo import business to Ted Stevens Anchorage International Airport. CAFEU, a fueling concessionaire at Amsterdam Airport Schiphol, is also an independent jet fuel supplier at Amsterdam, Frankfurt, Brussels and Stuttgart airports.

Under the astute leadership of the CAO Management, the Group also engages in international trading of jet fuel and other oil products, as well as in carbon credits trading in line with its ongoing efforts to offset carbon emissions from its trading and ship chartering activities, to provide added sustainable value for its customers and other stakeholders.

OUR KEY SHAREHOLDERS

China National Aviation Fuel Group Limited ("CNAF"), the single largest shareholder of CAO, holds 51.31% of the total issued shares of CAO (excluding treasury shares). As a state-owned enterprise, CNAF is the largest aviation transportation logistics services provider in the PRC, providing aviation fuel procurement, storage, transportation and refuelling services at over 200 airports in China. BP Investments Asia Limited, a subsidiary of oil major, BP Plc, is a strategic investor of CAO and holds 20.17% of the total issued shares of CAO (excluding treasury shares).

OUR BUSINESSES

Jet Fuel Supply & Trading

CAO supplies jet fuel to international airports across the PRC, including Beijing Capital International Airport, Shenzhen Baoan International Airport, Shanghai Pudong and Hongqiao International Airports as well as Guangzhou Baiyun International Airport. Supporting global air travel demand, the Group has been marketing and supplying jet fuel to its airline customers at international airports worldwide since 2011. As part of the Company's ongoing efforts to drive its sustainability objectives, CAO has also expanded its product offerings to include sustainable aviation fuel ("SAF").

Trading of Other Oil Products

CAO has a diversified oil products portfolio and trading network spanning fuel oil, gasoil, gasoline, crude oil and condensates. Capitalising on its extended global reach, CAO has entrenched its market presence as an active supplier of these oil products in Asia Pacific and continues to build and optimise structural advantages in these products globally.

Investments in Oil-related Assets

The Group owns investments in oil-related businesses that are synergistic to its supply and trading activities, with a portfolio of assets along an integrated global supply and trading value chain, comprising storage, pipelines and airport refuelling facilities.

The Group currently holds equity stakes in:

- Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd
  (CAO holds a 33% equity stake)
- China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd
  (CAO holds a 49% equity stake)
- Shenzhen Zhenghe Petrochemicals Co. Ltd
  (CAO holds a 39% equity stake)
- Oilhub Korea Yeosu Co., Ltd
  (CAO holds a 26% equity stake)
- CNAF Hong Kong Refuelling Limited
  (CAO holds a 68% equity stake through its wholly owned subsidiary, CAOHK)
- Aircraft Fuel Supply B.V.
  (CAFEU holds a 12.5% equity stake)

CAO AT A GLANCE
公司简介

CAO has been marketing and supplying jet fuel to airline companies at international airports since 2011.
中国航油新加坡公司自2011年以来，积极拓展国际航空公司供油业务。

中国航油（新加坡）股份有限公司（简称"中国航油新加坡公司"或"公司"）于1993年5月26日在新加坡注册成立，并于2001年12月6日在新加坡证券交易所主板上市，是亚太地区最大的航油实货采购商和中国最重要的航油进口商。

依托于中国市场，公司拥有一个庞大且稳固的全球航油供应和贸易网络，为推进高效与可持续发展的全球航空业做出了积极贡献。

中国航油新加坡公司及其全资子公司（统称"中国航油新加坡公司"），即中国航油（香港）有限公司（简称"香港公司"）、北美航油有限公司（简称"北美公司"）和中国航油（欧洲）有限公司（简称"欧洲公司"）充分发挥其核心竞争力，向位于亚太、北美、欧洲和中东的航空公司供应航油。

香港公司与其子公司香港供油公司（香港国际机场的主要航油加注服务商之一）紧密合作，为香港国际机场的航司供应航油。此外，香港公司也为亚太地区其他主要机场的航司供应航油。北美公司于2008年4月在美国注册成立，是洛杉矶国际机场的主要航油供应商，并于2023年成功将航油货船进口业务拓展至安格雷奇国际机场。欧洲公司不但是阿姆斯特丹史基浦机场的特许加注经营商，也是阿姆斯特丹、法兰克福、布鲁塞尔和斯图加特机场的独立航油供应商。

在中国航油新加坡公司管理层的积极领导下，公司也开展航油和其它油品的国际贸易。为了进一步抵消公司在贸易和船舶租赁活动中的碳排放量，公司也积极开展碳权交易，致力于为顾客和其他利益相关方创造可持续价值。

主要股东

中国大型中央企业中国航空油料集团有限公司（简称"集团公司"）是公司的最大股东，共持有中国航油新加坡公司全部发行股票（不包含库存股）的51.31%。此外，集团公司也是中国最大的航空运输服务保障企业，为中国超过200家机场提供有关航空油料的采购、存储、运输和加注服务。石油巨头BP旗下子公司BP投资亚洲有限公司是中国航油新加坡公司的战略投资伙伴，持有公司全部发行股票（不包含库存股）的20.17%。

业务概况

航油业务

公司向中国各地的国际机场供应航油，如北京首都机场、深圳宝安国际机场、上海浦东机场、上海虹桥机场和广州白云机场。受全球需求推动，公司自2011年以来，积极拓展国际航空公司供油业务。作为可持续发展战略的一部分，公司也积极探索环保相关业务，如可持续航空燃料。

油品贸易业务

公司执行多元化战略，通过打造全球供应与贸易网络，拓展包括燃料油、柴油、汽油、原油和凝析油业务在内的其它油品业务，以实现创收增效。公司凭借其活跃的油品业务，在亚太地区奠定了稳固根基。放眼国际市场，公司将继续打造和优化油品业务的结构性优势。

油品相关实业投资

公司投资与其供应和贸易活动有协同性的油品相关资产，包括储罐、管线、机场加注设施等，以拓展全球一体化供应与贸易链。

公司的现有实业投资包括：

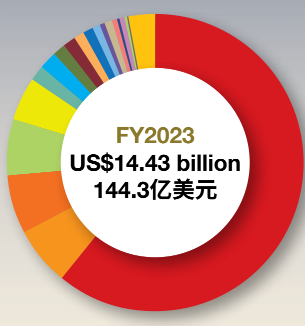
- 上海浦东国际机场航空油料有限责任公司（中国航油新加坡公司持股33%）
- 中国航油集团津京管道运输有限责任公司（中国航油新加坡公司持股49%）
- 深圳正和石化有限公司（中国航油新加坡公司持股39%）
- 韩国丽水枢纽油库有限公司（中国航油新加坡公司持股26%）
- 中国航油香港供油有限公司（中国航油新加坡公司通过全资子公司香港公司持股68%）
- 阿姆斯特丹机场航油供应公司（欧洲公司持股12.5%）

INTERNATIONAL REACH
国际触角

DIVERSIFIED GEOGRAPHIC BASE
地理多元化

Group Revenue by Geographical Locations
总销售收入(按地区划分)

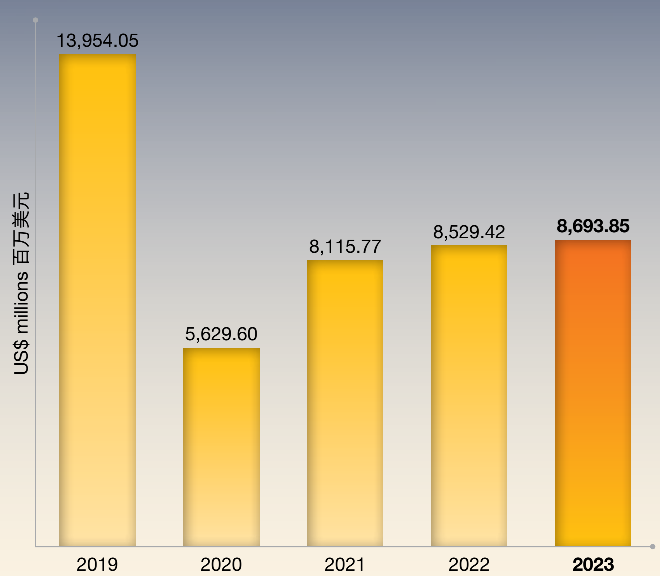
- China 中国............................80.0%
- Singapore 新加坡....................9.0%
- South Korea 韩国.....................5.0%
- Other Regions 其它地区...........6.0%



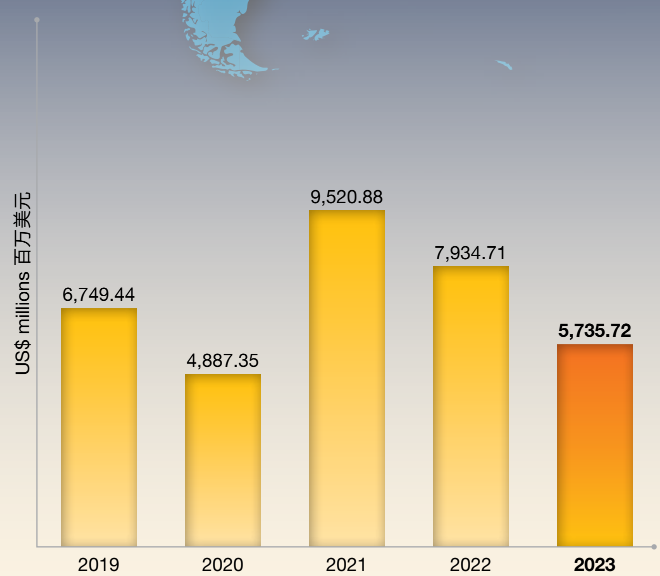
- China 中国............................60.84%
- Netherland 荷兰 6.52%
- Singapore 新加坡 6.49%
- USA 美国...............................6.15%
- Hong Kong SAR 香港特区 4.55%
- Germany 德国 1.81%
- Myanmar 缅甸 1.73%
- Malaysia 马来西亚..................1.62%
- South Korea 韩国 1.35%
- Indonesia 印尼 1.07%
- France 法国............................0.93%
- Philippines 菲律宾..................0.89%
- Australia 澳大利亚..................0.74%
- Spain 西班牙 0.65%
- Japan 日本 0.59%
- Belgium 比利时 0.45%
- Bangladesh 孟加拉 0.43%
- Vietnam 越南 0.19%
- Austria 奥地利 0.14%
- Other Regions 其它地区.........2.86%

DIVERSIFIED PRODUCT BASE
产品多元化

Revenue – Middle Distillates
收入 — 中馏分



Revenue – Other Oil Products
收入 — 其它油品



SUSTAINABLE BUSINESS MODEL
可持续发展的业务模式

We procure internationally and deliver cargoes to customers globally.

我们在全球范围内采购货物，交付至不同区和客户手中。

INTERNATIONAL OIL MARKETS
国际油品市场

PROCUREMENT
采购

OPTIMISATION & TRADING
优化与贸易

At CAO, we strive to integrate our supply and trading activities, leveraging on our increasing scale and market presence to enhance the profitability of the Group.

新加坡公司致力于实现供应与贸易一体化，利用不断扩大的业务规模和市场占有率，加强公司的盈利能力。

Secure Resources
锁定资源

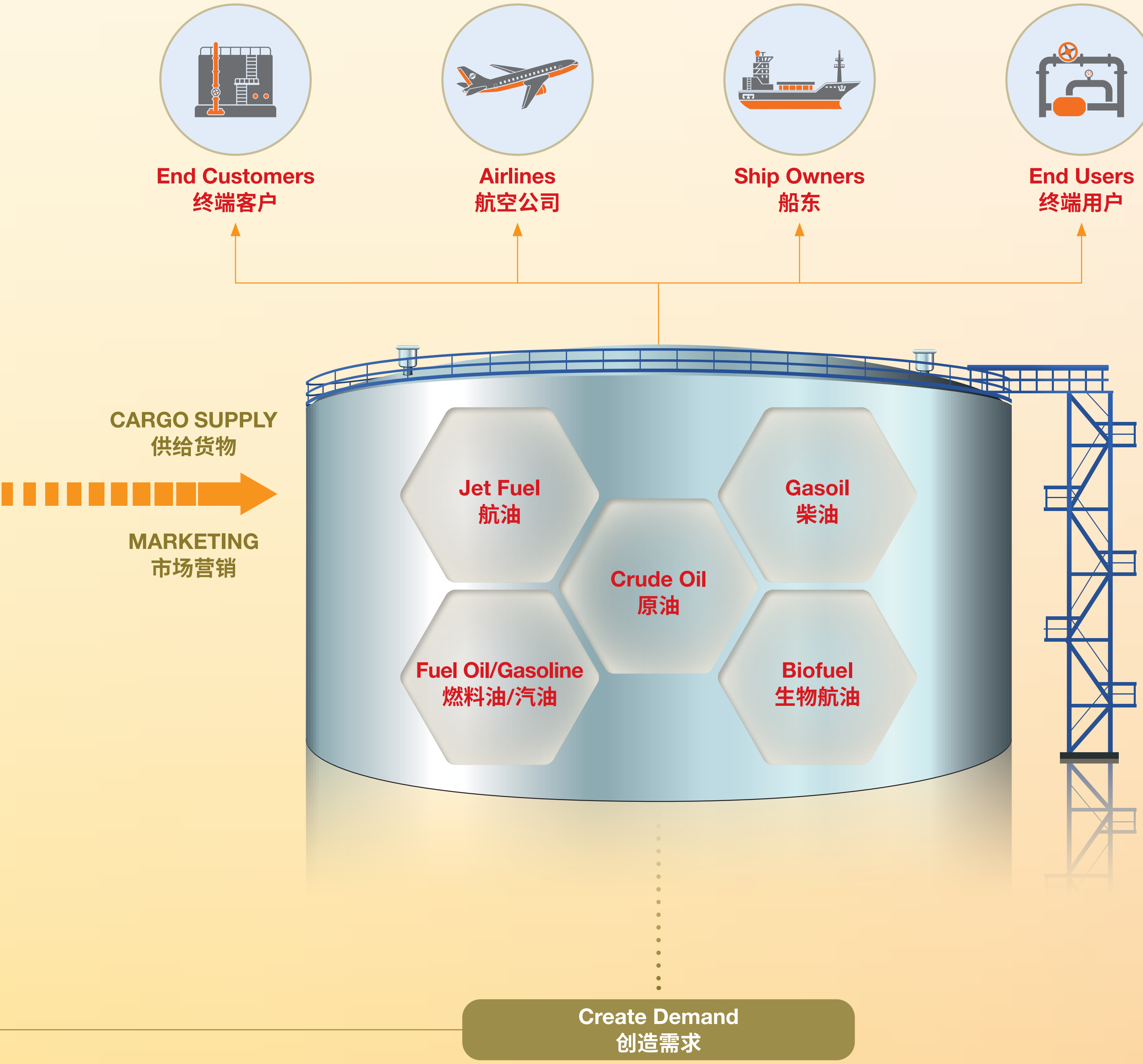
Optimise Logistics
优化物流

Enhancing integrated supply chain through oil-related asset investments
通过实业投资强化一体化供应链

Storage
储罐

OKYC
韩国丽水枢纽油库
有限公司

Zhenghe
正和石化



Pipelines
管线

TSN-PEKCL
管输公司

Airport Refuelling Facilities
机场加注设施

SPIA
浦东航油

CNAF HKR
香港供油公司

AFS
阿姆斯特丹机场
航油供应公司

OUR CORE VALUES
核心价值理念体系

OUR MISSION

To Create Value for Shareholders
To Provide Professional Development for Employees
To Contribute to Society

使命

为股东创价值
为员工谋发展
为社会做贡献

OUR VISION

To be an innovative top-tier company, underpinned by oil-related investments and fuelled by our “twin engines growth strategy” in the jet fuel and other oil products businesses.

愿景

以实业投资为引擎，以航油业务和油品贸易为双翼，
努力成为富有创造力、竞争力的优质公司

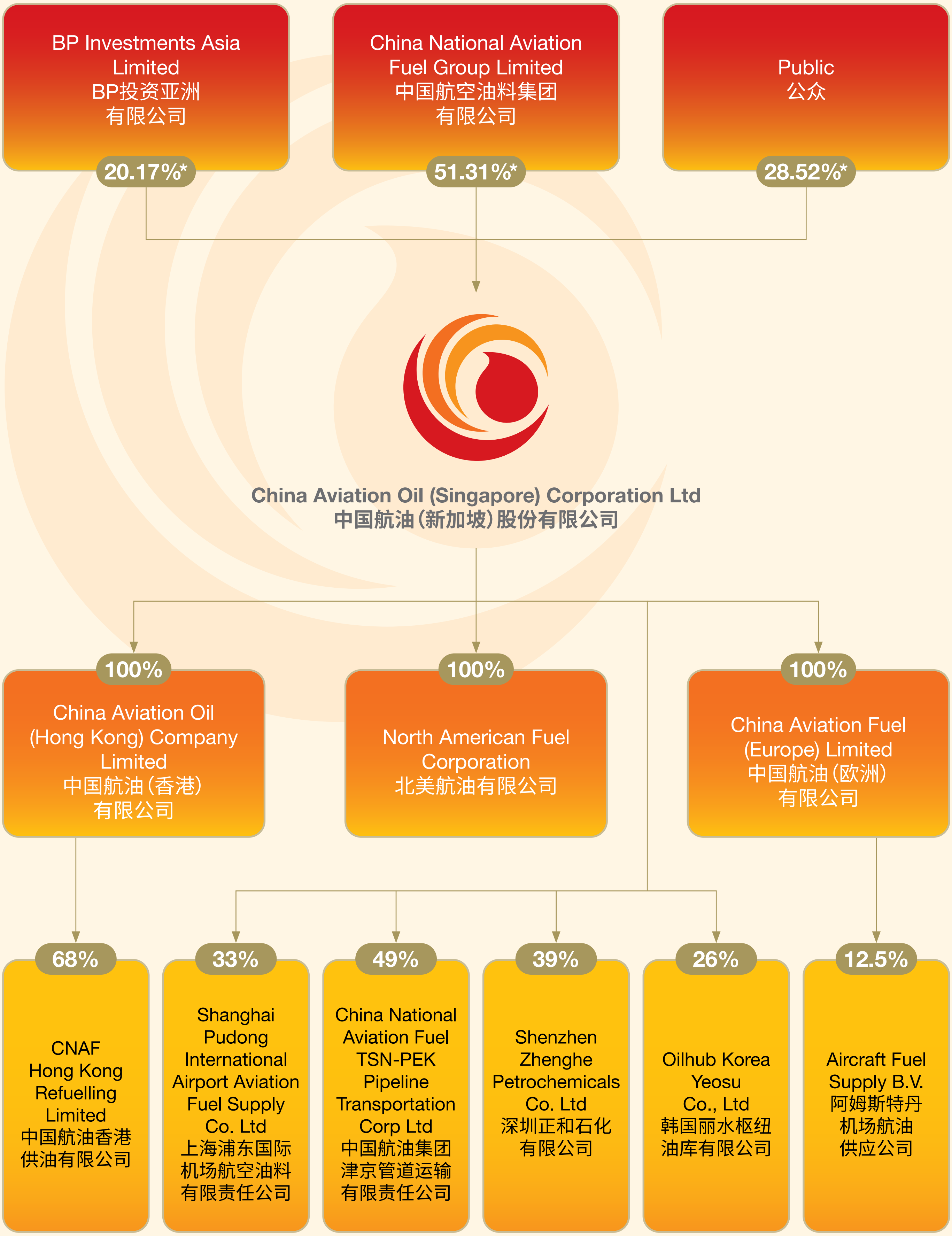
CORPORATE VALUES

Excellence: To Strive for Excellence in Every Detail
Innovation: Proponent and Leader of Innovation and Change
Diversity: Respecting and Valuing Differences
Integrity: Growing our Businesses through Trust and Honesty

核心价值观

卓越：精益求精，追求极致
创新：突破固有，存新求变
多元：尊重差异，兼容并包
诚信：待人以诚，经商以信

GROUP STRUCTURE (as of 31 March 2024)
公司结构图（截至2024年3月31日）



* Excluding treasury shares 不包括库存股


中国航油
中国航油

STAYING COMMITTED

Anchored in our belief that operating responsibly will create sustainable value for stakeholders and the community, we remain committed to our sustainability strategy and high standards of corporate governance, risk and compliance management as well as safeguarding the well-being of our people.

CHAIRMAN'S STATEMENT
董事长致辞

Shi Yanliang
Executive Chairman

史延亮
执行董事长

CHAIRMAN'S STATEMENT
董事长致辞

China Aviation Oil (Singapore) Corporation Ltd ("CAO") marked its 30th anniversary year of establishment in Singapore in 2023. CAO had since its incorporation in 1993, leveraged on its base in Singapore to drive internationalisation as part of its growth strategy. In its relentless pursuit of excellence, the Company has successfully established itself as the largest physical jet fuel buyer in the Asia Pacific region and a key supplier of imported jet fuel to the civil aviation industry of the People's Republic of China.

Testament to its enduring commitment to high standards of corporate governance, the Company was awarded the "Most Transparent Company" (Energy Category) award at the Securities Investors Association (Singapore) 2023 Investors' Choice Awards as well as the "Industry Champions of the Year" award at the 2023 Asia Corporate Excellence & Sustainability Awards. In addition, CAO is a member of the Global Trader Programme and a SGX Fast Track company. On behalf of the Board of Directors, I would like to express our gratitude towards our shareholders, customers and business partners for their unwavering support and confidence in CAO. I would also like to express the Board's appreciation to the Management and staff of CAO for their hard work and dedication.

2023 was a turbulent year with the global economy struggling to recover post-pandemic amidst macroeconomic headwinds and elevated inflation. At the same time, the negative effects of climate change had brought about serious economic challenges. Crises such as the Russia-Ukraine war and the Israeli-Palestinian conflict deeply disrupted energy markets, causing higher oil price fluctuations while reducing international trade flows. Despite the extremely challenging external environment, the Group has, as a cohesive team, established an integrated global oil trading network, making timed-to-market adjustments to its strategies to optimise the deployment of resources, while building on its core trading competitive advantage as well as strengthening strategic partnerships. In doing so, we have managed to achieve operational stability and sustainable growth in a rapidly changing global economic environment.

As of 31 December 2023, the Group recorded a total net profit of US$58.37 million, an increase of 76% year-on-year. Earnings per share attributable to the owners of the Company similarly rose 75% year-on-year to 6.84 US cents. The Group continues to maintain a healthy financial position with sufficient capital, strong asset liquidity and no interest-bearing debt.

In appreciation of the continued support of our shareholders, the Board of Directors has recommended the declaration and payment of a one-tier, tax-exempt final ordinary dividend of 2.71 Singapore cents per share, and a one-off, tax exempt special dividend of 2.34 Singapore cents per share (i.e. total dividend of 5.05 Singapore cents per share) for approval by shareholders at the upcoming 30th Annual General Meeting of the Company. We remain committed to delivering long-term shareholder value and sharing the fruits of our success with our shareholders.

The Group has established an integrated global supply and trading value chain, comprising storage, pipelines and airport refuelling facilities.
中国航油新加坡公司打造了一个涵盖储罐、管线、机场加注设施等的全球一体化供应与贸易链。

CHAIRMAN'S STATEMENT
董事长致辞

The Group extended its global jet fuel supply and trade supply chain, and conducted arbitrage jet fuel trading from Asia to Europe and North America.
公司拓展全球航油供应与贸易供应链，并开展了从亚洲到欧洲、亚洲到北美的航油跨区贸易业务。

In 2023, as part of our ongoing efforts to uphold high standards of corporate governance, we further strengthened our Board governance practices, enhanced risk management processes and conducted all business activities, compliant with applicable laws, regulations and policies. Additionally, we remained steadfast in fulfilling our corporate social responsibilities and steadily advanced our digital transformation. The Company has also put in place an effective four-tier sustainability governance structure which comprises the Board of Directors, Sustainability Committee, CAO Management and Sustainability Task Force, to facilitate the transformation and development of the Company's emerging new energy business, strengthening our ESG capability and governance practices as well as improving information disclosure. This would help ensure the Company's sustainable business growth and the creation of long-term value for our stakeholders.

Like an evergreen pine tree withstanding harsh wintry conditions, CAO is prepared to thrive in challenging times. Although growth in the global economy is expected to gain traction in 2024 with inflation abating gradually, the overall economic outlook remains highly uncertain due to persistent economic, financial, geopolitical, and climate change risks. Standing on the cusp of CAO's next phase of growth after 30 years of its establishment, the Board of Directors will continue to lead the Management and staff in striving to become a top-tier company prioritising innovation and sustainable growth, underpinned by its integrated network in the jet fuel supply and trading business, trading of other oil products and oil-related investments.

Mr Gong Feng stepped down as Chairman of the Company on 15 December 2023, having served as the Non-Executive Chairman of CAO since 9 December 2020. During his term as Chairman, he had led the Company in achieving commendable growth and surmounting challenges posed by the complex geopolitical landscape as well as the global pandemic. On behalf of the Board, I would like to express my deep gratitude to Mr Gong for his invaluable contributions to the Company.

Shi Yanliang
Executive Chairman

CHAIRMAN'S STATEMENT
董事长致辞

2023年是中国航油(新加坡)股份有限公司(简称"中国航油新加坡公司")成立的第三十年。1993年,在国际化发展战略的引领下,中国航油走出国门,立足南洋,服务全球。经过30年的不懈奋斗,中国航油新加坡公司取得并保持了亚太地区最大航油实货采购商、中国民航最重要进口航油供应商的市场地位。凭借良好的公司治理实践,中国航油新加坡公司荣获新加坡证券投资者协会颁发的2023年上市公司"最透明奖"(能源组冠军)、2023年亚洲卓越企业暨永继发展奖"年度行业领袖奖项",同时也是新加坡全球贸易商计划成员以及新加坡交易所快速通道计划成员。在此我谨代表董事会感谢所有股东、客户和各方合作伙伴对公司的支持和信任,衷心感谢管理层和全体员工的辛勤付出!

2023年,世界经济在新冠疫情后艰难复苏,宏观经济面临下行压力,通货膨胀维持在高位,与此同时气候变化带来的负面效应也为经济增长带来了严峻挑战。俄乌战争、巴以冲突等危机扰乱了能源市场,油价高位震荡,全球贸易疲软。面对极具挑战的外部环境,中国航油新加坡公司坚持全球油品贸易一体化运作,通过适时调整经营策略、优化资源调配、发挥贸易优势、强化战略合作,保持了稳健的经营态势,实现了国际化发展水平的全面提升。

截至2023年12月31日,公司2023财年累计实现净利润5,837万美元,同比增加76%;每股收益6.84美分,同比上涨75%。2023财年公司的资金充裕,资产流动性强,无付息借贷,财务状况保持稳健。在即将召开的第30次常年股东大会上,董事会将提请股东批准派发年终普通股息每股0.0271新元,以及一次性特别股息每股0.0234新元,股息合计每股0.0505新元。公司铭记为股东创造价值的使命,始终与股东共享发展成果。

2023年,我们践行高标准公司治理,加强董事会建设,严守合规经营,强化风险管控,履行社会责任,稳促数字转型。"董事会-可持续发展委员会-经营管理层-可持续发展工作小组"四层可持续发展治理架构有效运行,促进了公司新能源业务的转型发展,强化了ESG制度建设、治理实践和信息披露,为公司的可持续发展和为利益相关创造长期价值保驾护航。

青松寒不落,碧海阔逾澄。2024年全球经济呈现回温态势,通货膨胀压力逐步减轻,但由于经济、金融、地缘政治和气候变化风险持续存在,经济前景仍极不确定。站在公司新的三十年的起点,中国航油新加坡公司董事会将继续带领管理层和全体员工以创新和可持续发展为核心,为成为航油供应、油品贸易和实业投资一体化的行业领先能源企业而不懈奋斗。

龚丰先生于2023年12月15日卸任中国航油新加坡公司董事长。龚先生自2020年12月9日担任公司非执行董事长以来,带领公司克服了复杂地缘政治局势和新冠疫情为公司带来的严峻挑战,实现了公司的战略发展。在此我代表董事会对龚先生为公司所作出的贡献表示衷心感谢。

史延亮
执行董事长

Testament to its enduring commitment to high standards of corporate governance and leadership qualities, the Company was awarded the "Industry Champions of the Year" award from the 2023 Asia Corporate Excellence & Sustainability Awards.
凭借良好的公司治理实践和领导能力,中国航油新加坡公司荣获2023年亚洲卓越企业暨永继发展奖"年度行业领袖奖项"。

KEY HIGHLIGHTS AND MILESTONES
重要亮点及里程碑

2023 was the commemorative year that marked the 30th anniversary of CAO's establishment in Singapore.

Forging ahead, CAO will continue to leverage on its inherent competitive advantages, strengthen its global oil supply and trading network, as well as optimise and diversify its business portfolios, paving the way towards a sustainable business transformation.

2023年对中国航油新加坡公司而言，意义深远，是我们在新加坡成立的30周年。

展望未来，公司将继续借助其竞争优势，巩固与强化现有的全球油品供应和贸易网络，优化与构建多样化的业务组合，进而实现可持续的业务模式转型。

1993 KEY HIGHLIGHTS AND MILESTONES

26 May 1993
China National Aviation Fuel Supply joined venture with Sinotrans and NOL to set up China Aviation Oil (Singapore) Pte Ltd
1993年5月26日
中国航空油料总公司、中国对外贸易运输总公司和新加坡海皇轮船合资成立中国航空油料运输（新加坡）私人有限公司


海皇和中国两公司在本地设联营机构
采购与运输飞机燃油给中国机场

14 February 1995
CAO became a wholly owned subsidiary of CNAF
1995年2月14日
成为中国航油总公司的全资子公司

12 August 1999
Obtained oil products trading qualifications
1999年8月12日
获得油品贸易资质证书

6 December 2001
Listed on the mainboard of the Singapore Exchange Securities Trading Limited
2001年12月6日
于新加坡证券交易所主板上市

23 July 2002
Announced acquisition of 33% stake in Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("SPIA")
2002年7月23日
宣布收购上海浦东国际机场航空油料有限责任公司（简称"浦东航油"）33%股权

29 March 2006
Completion of restructuring with CAO's shares resuming trading on the SGX under the leadership of a new Board
2006年3月29日
完成重组并在新一届董事会的领导下，恢复股票交易

14 November 2006
CAO adopts new logo of parent company
2006年11月14日
公司采用母公司的新企业标识

17 May 2007
Completed and terminated Creditors' Scheme with full repayment of outstanding debt of US$73.3 million four years ahead of schedule
2007年5月17日
提前四年偿还全部债款余额7330万美元，完成债务重组计划

4 October 2007
Awarded "Most Transparent Company" (Runner-up in Foreign Listings Category) by Securities Investors Association Singapore ("SIAS")
2007年10月4日
荣获新加坡证券投资者协会颁发的"最透明公司奖"（国外上市公司组第二名）

1 October 2008
Diversified into other oil products with the establishment of petrochemicals trading team
2008年10月1日
成立石化产品贸易团队，开展其他油品贸易

23 February 2009
Completed acquisition of 49% of equity capital in China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL")
2009年2月23日
完成收购中国航油津京管道运输有限责任公司49%股权的交割

17 May 2010
Established fuel oil trading team
2010年5月17日
建立燃料油团队

重要亮点及里程碑

2023

4 August 2011

Established an aviation marketing arm; announced its first foray into airlines jet fuel supply and marketing with contracts to supply jet fuel directly to Hainan Airlines Co. Ltd and Turkish Airlines at specified international airports outside the PRC

2011年8月4日

建立航空市场营销部；宣布首次直接与航空公司签订长期航油供应合约，首批客户包括海南航空公司和土耳其航空公司，为其在中国以外的指定国际机场供应航油

8 October 2011

Acquired 26% stake in Oilhub Korea Yeosu Co., Ltd ("OKYC")

2011年10月8日

收购韩国丽水枢纽油库有限公司26%的股权

1 March 2012

Expanded footprint with acquisitions of China Aviation Oil (Hong Kong) Company Limited and North American Fuel Corporation to build a global supply and trading network

2012年3月1日

通过收购中国航油（香港）有限公司和北美航油有限公司，构建全球供应与贸易网络

8 July 2015

Awarded "Best Investor Relations" (Gold Award, Mid Cap Category) at the Singapore Corporate Awards 2015

2015年7月8日

荣获2015年新加坡企业大奖之"最佳投资者关系奖"（金奖，中型企业组别）

16 September 2016

Awarded "Most Transparent Company" (Winner in Energy Category) by SIAS

2016年9月16日

荣获新加坡证券投资者协会颁发的"最透明公司奖"（能源行业组冠军）

19 September 2017

Awarded Winner of "Singapore Corporate Governance" (Energy Category) by SIAS

2017年9月19日

荣获新加坡证券投资者协会颁发的"新加坡企业治理奖"（能源行业组冠军）

29 June 2018

Acquired Navires Aviation Limited (now renamed as China Aviation Fuel (Europe) Limited) as a wholly owned subsidiary to expand its footprint in Europe

2018年6月29日

收购全资子公司Navires Aviation Limited（现更名为中国航油（欧洲）有限公司），以扩大其欧洲业务版图

18 July 2018

Awarded "Best Investor Relations" (Gold Award, Big Cap Category) at the Singapore Corporate Awards 2018

2018年7月18日

荣获2018年新加坡企业大奖之"最佳投资者关系奖"（金奖，大型企业组别）

23 July 2019

Awarded "Best Risk Management" (Gold Award, Mid Cap Category) at the Singapore Corporate Awards 2019

2019年7月23日

荣获2019年新加坡企业大奖之"最佳风险管理奖项"（金奖，中型企业组别）

6 September 2019

Named "Best-Performing Stock" by The Edge Billion Dollar Club 2019

2019年9月6日

荣获2019年The Edge Billion Dollar Club颁发的"最佳表现股奖"

26 September 2019

Awarded "Most Transparent Company" (Winner in Energy Category) by SIAS

2019年9月26日

荣获新加坡证券投资者协会颁发的"最透明公司奖"（能源行业组冠军）

6 May 2021

Featured in RHB's Small Cap Top 20 Jewels 2021 Edition

2021年5月6日

入选兴业研究发布的2021年新加坡"瑰宝"小市值股20大榜单

31 May 2022

CAO increased its shareholding in CNAF HKR from 39% to 68% through its wholly owned subsidiary, CAOHK, making CNAF HKR a majority-owned subsidiary of CAOHK

2022年5月31日

中国航油新加坡公司通过香港公司对香港供油公司进行增资扩股，将持股比例从39%增加至68%，使得香港供油公司成为香港公司的控股子公司

22 September 2022

CAO successfully obtained both ISCC CORSIA and ISCC EU certifications

2022年9月22日

公司首次获得ISCC CORSIA和ISCC EU两大资质认证

8 November 2023

Awarded "Most Transparent Company" (Winner in Energy Category) by SIAS (CAO's 10th win at the SIAS Investors' Choice Awards)

2023年11月8日

荣获新加坡证券投资者协会颁发的"最透明公司奖"（能源行业组冠军）（中国航油新加坡公司第十次获此殊荣）

24 November 2023

Awarded "Industry Champions of the Year" at the Asia Corporate Excellence & Sustainability Awards 2023

2023年11月24日

荣获2023年亚洲卓越企业暨永继发展奖"年度行业领袖奖"

BOARD OF DIRECTORS
董事会

Left to right: **Richard Yang Minghui, Lin Yi, Zhang Yuchen, Shi Lei, Shi Yanliang, Teo Ser Luck, Hee Theng Fong, Fu Xingran, Jeffrey Goh Mau Seong**
从左至右：**杨明辉，林奕，张宇尘，石磊，史延亮，张思乐，许廷芳，付星然，吴茂松**

BOARD OF DIRECTORS
董事会

SHI YANLIANG, 52
Executive Chairman

Date of first appointment as a director:
15 December 2023

Date of last re-election as a director:
N.A.

Length of service as director:
N.A.
(as at 31 December 2023)

Board Committee(s) served on:
N.A.

Academic and Professional Qualification(s):
- Master's Degree in Petroleum and Natural Gas Engineering, Yangtze University, China
- Qualified Engineer

Present Directorships:

Other Listed Companies:
Nil

Other Principal Directorships:
- China National Aviation Petrochemicals Pipeline Co., Ltd (Chairman)

Other Principal Commitments:
Nil

Past Directorships held over the preceding 3 years (from 1 January 2021 to 31 December 2023):
Nil

Others:
- Former General Manager of China National Aviation Petrochemicals Pipeline Co., Ltd
- Former General Manager of China Aviation Oil Import and Export Co., Ltd

史延亮，52岁
执行董事长

首次当选董事日期：
2023年12月15日

上次董事重选日期：
不适用

供职董事年限：
不适用
（截至2023年12月31日）

供职董事委员会：
不适用

学术和专业资历：
- 长江大学油气田开发工程硕士学位
- 专业工程师

现任董事席位：

其他上市公司：
无

其他主要董事席位：
- 中航油石化管道有限公司（董事长）

主要任职：
无

过去三年曾任董事席位（2021年1月1日至2023年12月31日）：
无

其他：
- 曾任中航油石化管道有限公司总经理
- 曾任中国航油进出口有限公司总经理

BOARD OF DIRECTORS
董事会

TEO SER LUCK, 55
Lead Independent Director

Date of first appointment as a director:
24 April 2019

Date of last re-election as a director:
27 April 2022

Length of service as director:
4 years 8 months
(as at 31 December 2023)

Board Committee(s) served on:
Audit Committee (Chairman)
Sustainability Committee (Chairman)
Risk Management Committee (Member)
Nominating Committee (Member)

Academic and Professional Qualification(s):
- Degree in Accountancy, Nanyang Technological University, Singapore

Present Directorships:

Other Listed Companies:
- BRC Asia Limited (Chairman)
- Serial System Ltd (Deputy Chairman)
- Straco Corporation Limited (Independent Director)
- Yanlord Land Group Limited (Independent Director)
- Super Hi International Holding Ltd. (Independent Director)

Other Principal Directorships:
Nil

Other Principal Commitments:
- President of the Institute of Singapore Chartered Accountants (ISCA)

Past Directorships held over the preceding 3 years (from 1 January 2021 to 31 December 2023):
- Lead Independent Director of MindChamps PreSchool Limited

Others:
- Former Minister of State for Trade and Industry
- Former Senior Parliamentary Secretary in the Ministry of Transport and Ministry of Community Development, Youth and Sports
- Former Minister of State for Manpower
- Former Mayor of the North East District
- Former Member of Parliament

张思乐，55岁
首席独立董事

首次当选董事日期：
2019年4月24日

上次董事重选日期：
2022年4月27日

供职董事年限：
四年零8个月
（截至2023年12月31日）

供职董事委员会：
审计委员会（主席）
可持续发展委员（主席）
风险管理委员会（成员）
提名委员会（成员）

学术和专业资历：
- 新加坡南洋理工大学，会计学位

现任董事席位：

其他上市公司：
- BRC亚洲有限公司（董事长）
- 新晔集团（副董事长）
- 星雅集团（独立董事）
- 仁恒置地集团有限公司（独立董事）
- 特海国际控股有限公司（独立董事）

其他主要董事席位：
无

主要任职：
- 新加坡特许会计师协会主席

过去三年曾任董事席位（2021年1月1日至2023年12月31日）：
- 迈杰思幼儿园有限公司（首席独立董事）

其他：
- 曾任贸工部政务部长
- 曾任社会发展、青年及体育部和交通部高级政务次长
- 曾任人力部政务部长
- 曾任东北区市长
- 曾任新加坡国会议员

BOARD OF DIRECTORS
董事会

SHI LEI, 59
Non-Executive, Non-Independent Director

Date of first appointment as a director:
1 September 2021

Date of last re-election as a director:
27 April 2022

Length of service as director:
2 years 3 months
(as at 31 December 2023)

Board Committee(s) served on:
Nominating Committee (Vice Chairman)
Remuneration Committee (Vice Chairman)
Risk Management Committee (Member)

Academic and Professional Qualification(s):
- Radio-Electronics, School of Electronics, Shandong University
- Master of Business Administration, Shandong University
- Qualified Senior Engineer

Present Directorships:

Other Listed Companies:
Nil

Other Principal Directorships:
- China National Aviation Fuel Corporation Limited (Director)

Other Principal Commitments:
- Assistant to General Manager of China National Aviation Fuel Group Limited
- General Manager, Human Resource Department of China National Aviation Fuel Group Limited

Past Directorships held over the preceding 3 years (from 1 January 2021 to 31 December 2023):
Nil

Others:
- Former General Manager of China National Aviation Fuel Corporation Ltd, North-West Branch
- Former Deputy General Manager of China National Aviation Fuel Corporation Ltd, East China Branch
- Former General Manager of China National Aviation Fuel Corporation Ltd, Shandong Branch
- Former Deputy General Manager of China National Aviation Fuel Corporation Ltd, Shandong Branch
- Head of Human Resources of China National Aviation Fuel Corporation Ltd, Shandong Branch
- Worked in CAAC Shandong Regional Administration

石磊，59岁
非执行、非独立董事

首次当选董事日期：
2021年9月1日

上次董事重选日期：
2022年4月27日

供职董事年限：
2年3个月
（截至2023年12月31日）

供职董事委员会：
提名委员会（副主席）
薪酬委员会（副主席）
风险管理委员会（成员）

学术和专业资历：
- 山东大学电子系无线电电子学专业
- 山东大学工商管理硕士研究生
- 高级工程师

现任董事席位：

其他上市公司：
无

其他主要董事席位：
- 中国航空油料有限责任公司（董事）

主要任职：
- 中国航空油料集团有限公司总经理助理
- 中国航空油料集团有限公司人力资源部总经理

过去三年曾任董事席位（2021年1月1日至2023年12月31日）：
无

其他：
- 曾任中国航空油料有限责任公司西北公司总经理
- 曾任中国航空油料有限责任公司华东公司副总经理
- 曾任中国航空油料有限责任公司山东分公司总经理
- 曾任中国航空油料有限责任公司山东分公司副总经理
- 曾任中国航空油料有限责任公司山东分公司人劳科科长
- 曾任职于民航山东省管理局

BOARD OF DIRECTORS
董事会

ZHANG YUCHEN, 50
Non-Executive, Non-Independent Director

Date of first appointment as a director:
1 November 2020

Date of last re-election as a director:
27 April 2023

Length of service as director:
3 years 2 months
(as at 31 December 2023)

Board Committee(s) served on:
Audit Committee (Vice Chairman)
Risk Management Committee (Vice Chairman)
Sustainability Committee (Vice Chairman)
Nominating Committee (Member)

Academic and Professional Qualification(s):
- Bachelor of Engineering
- Qualified Engineer

Present Directorships:

Other Listed Companies:
Nil

Other Principal Directorships:
Nil

Other Principal Commitments:
- Safety Director and General Manager of Safety, Quality and Environment Department of China National Aviation Fuel Group Limited

Past Directorships held over the preceding 3 years (from 1 January 2021 to 31 December 2023):
Nil

Others:
- Former General Manager of Procurement Management Department, China National Aviation Fuel Group Limited
- Former General Manager of South China Bluesky Corporation Ltd, Hubei branch
- Former Deputy General Manager of South China Bluesky Corporation Ltd, Hubei branch
- Former Manager of Safety Monitoring Technology Development Department, South China Bluesky Corporation Ltd
- Former Assistant to the General Manager, South China Bluesky Corporation Ltd, Hubei branch

张宇尘，50岁
非执行、非独立董事

首次当选董事日期：
2020年11月1日

上次董事重选日期：
2023年4月27日

供职董事年限：
3年2个月
（截至2023年12月31日）

供职董事委员会：
审计委员会（副主席）
风险管理委员会（副主席）
可持续发展委员会（副主席）
提名委员会（成员）

学术和专业资历：
- 工学学士
- 高级工程师

现任董事席位：

其他上市公司：
无

其他主要董事席位：
无

主要任职：
- 中国航空油料集团有限公司安全总监兼安全质量环保部总经理

过去三年曾任董事席位（2021年1月1日至2023年12月31日）：
无

其他：
- 曾任中国航空油料集团有限公司采购管理部总经理
- 曾任华南蓝天航空油料有限公司湖北分公司总经理
- 曾任华南蓝天航空油料有限公司湖北分公司副总经理
- 曾任华南蓝天航空油料有限公司安全技术监督开发部经理
- 曾任华南蓝天航空油料有限公司湖北分公司总经理助理

BOARD OF DIRECTORS
董事会

LIN YI, 54
Chief Executive Officer/ Executive Director

Date of first appointment as a director:
15 March 2023

Date of last re-election as a director:
27 April 2023

Length of service as director:
9 months
(as at 31 December 2023)

Board Committee(s) served on:
Nil

Academic and Professional Qualification(s):
- Bachelor of Engineering Studies
- Qualified Senior Engineer, China

Present Directorships:

Other Listed Companies:
Nil

Other Principal Directorships:
- China Aviation Oil (Hong Kong) Company Limited (Chairman/Director)
- North American Fuel Corporation (Chairman/Director)
- China Aviation Fuel (Europe) Limited (Chairman/Director)
- Oilhub Korea Yeosu Co., Ltd (Chairman)
- Shanghai Pudong International Airport Aviation Fuel Supply Corporation Ltd (Deputy Chairman)

Other Principal Commitments:
Nil

Past Directorships held over the preceding 3 years (from 1 January 2021 to 31 December 2023):
Nil

Others:
- Former General Manager of China National Aviation Fuel South China Bluesky Corporation Ltd
- Former General Manager of China National Aviation Fuel South China Bluesky Corporation Ltd, Guangdong Branch
- Former Adviser of China National Aviation Fuel South China Bluesky Corporation Ltd

林奕，54岁
首席执行官/执行董事

首次当选董事日期
2023年3月15日

上次董事重选日期
2023年4月27日

供职董事年限：
9个月
（截至2023年12月31日）

供职董事委员会：
无

学术和专业资历：
- 大学本科学历工学学士
- 中国高级工程师

现任董事席位：

其他上市公司：
无

其他主要董事席位：
- 中国航油（香港）有限公司（董事长/董事）
- 北美航油有限公司（董事长/董事）
- 中国航油（欧洲）有限公司（董事长/董事）
- 韩国丽水枢纽油库有限公司（董事长）
- 上海浦东国际机场航空油料有限责任公司（副董事长）

主要任职：
无

过去三年曾任董事席位（2021年1月1日至2023年12月31日）：
无

其他：
- 曾任华南蓝天航空油料有限公司总经理
- 曾任华南蓝天航空油料有限公司广东分公司总经理
- 曾任华南蓝天航空油料有限公司总经理顾问

BOARD OF DIRECTORS
董事会

HEE THENG FONG, 69
Non-Executive,
Independent Director

Date of first appointment as a director:
24 April 2019

Date of last re-election as a director:
27 April 2022

Length of service as director:
4 years 8 months
(as at 31 December 2023)

Board Committee(s) served on:
Risk Management Committee (Chairman)
Audit Committee (Member)
Remuneration Committee (Member)
Sustainability Committee (Member)

Academic and Professional Qualification(s):
- L.L.B. (Honours), National University of Singapore
- Diploma in PRC Law, Suzhou University

Present Directorships:

Other Listed Companies:
- Straco Corporation Limited (Independent Director)
- Yanlord Land Group Limited (Independent Director)
- Haidilao International Holding Ltd (Independent Director)
- H World Group Limited (Independent Director)

Other Principal Directorships:
- Green Link Digital Bank Pte. Ltd.

Other Principal Commitments:
- Independent Arbitrator and Mediator with The Arbitration Chambers

Past Directorships held over the preceding 3 years (from 1 January 2021 to 31 December 2023):
- Independent Director of Zheneng Jinjiang Environment Holding Company Limited

Others:
- Deputy Chairman of Singapore Medishield Life Council
- Member of ACRA's Complaints and Disciplinary Panel
- Member of Advisory Committee for "China Ready Programme" under the Ministry of Law
- Member of Experts Team under Ministry of Law and China Council for the Promotion of International Trade
- Member of Traditional Chinese Medicine Practitioners Board

许廷芳，69岁
非执行、独立董事

首次当选董事日期：
2019年4月24日

上次董事重选日期：
2022年4月27日

供职董事年限：
4年零8个月
（截至2023年12月31日）

供职董事委员会：
风险管理委员会（主席）
审计委员会（成员）
薪酬委员会（成员）
可持续发展委员（成员）

学术和专业资历：
- 新加坡国立大学，法学（荣誉）学士
- 苏州大学，中国法律文凭

现任董事席位：

其他上市公司：
- 星雅集团（独立董事）
- 仁恒置地集团有限公司（独立董事）
- 海底捞国际控股有限公司（独立董事）
- 华住集团有限公司（独立董事）

其他主要董事席位：
- 绿联数码银行

主要任职：
- The Arbitration Chambers独立仲裁员及调解员

过去三年曾任董事席位（2021年1月1日至2023年12月31日）：
- 浙能锦江环境控股有限公司（独立董事）

其他
- 新加坡终身健保理事会副主席
- 新加坡会计与企业管理局投诉纪律小组委员
- 新加坡律政部"中国通识"计划咨询委员会委员
- 新加坡律政部和中国国际贸易促进委员会联合机制工作组专家团委员
- 新加坡中医管理委员会委员

BOARD OF DIRECTORS
董事会

FU XINGRAN, 46
Non-Executive, Independent Director

Date of first appointment as a director:
30 September 2021

Date of last re-election as a director:
27 April 2022

Length of service as director:
2 years 3 months
(as at 31 December 2023)

Board Committee(s) served on:
Nominating Committee (Chairman)
Audit Committee (Member)
Remuneration Committee (Member)
Sustainability Committee (Member)

Academic and Professional Qualification(s):
- Doctor of Philosophy in Financial Engineering Heriot-Watt University

Present Directorships:

Other Listed Companies:
Nil

Other Principal Directorships:
- Beijing Rongyi Investment and Management Co., Ltd (Director)
- Beijing Jingcheng Zhitong Robot Technology Co., Ltd (Director)
- Beijing Jingguochuang Funds Management Co., Ltd (Director)
- Beijing Ba Yue Gua Technology Co., Ltd (Director)
- Beijing Foreign Enterprise Human Resources Service Co., Ltd (Director)
- Beijing Environment Co., Ltd (Director)

Other Principal Commitments:
- General Manager of Beijing Rongyi Investment and Management Co., Ltd
- General Manager of Beijing Jingguochuang Funds Management Co., Ltd

Past Directorships held over the preceding 3 years (from 1 January 2021 to 31 December 2023):
- Director of Beijing Tianshi Kaiyun Equity Fund Management Co., Ltd.

Others:
- Former Deputy General Manager of Beijing Innovation Industry Investment Co., Ltd.
- Former Deputy General Manager of Beijing Tianshi Kaiyuan Equity Fund Management Co., Ltd.
- Former Deputy General Manager of Funds Investment Department, Beijing State-owned Capital Operation and Management Center
- Former Investment Manager of Business Innovation Department of PICC Asset Management Company Limited/PICC Capital Insurance Asset Management

付星然，46岁
非执行、独立董事

首次当选董事日期：
2021年9月30日

上次董事重选日期：
2022年4月27日

供职董事年限：
2年3个月
（截至2023年12月31日）

供职董事委员会：
提名委员会（主席）
审计委员会（成员）
薪酬委员会（成员）
可持续发展委员（成员）

学术和专业资历：
- 英国赫瑞－瓦特大学金融工程专业博士学位

现任董事席位：

其他上市公司：
无

其他主要董事席位：
- 北京融溢投资管理有限公司（董事）
- 北京京城智通机器人科技有限公司（董事）
- 北京京国创基金管理有限公司（董事）
- 北京八月瓜科技有限公司（董事）
- 北京外企人力资源服务有限公司（董事）
- 北京环境有限公司（董事）

主要任职：
- 北京融溢投资管理有限公司总经理
- 北京京国创基金管理有限公司总经理

过去三年曾任董事席位（2021年1月1日至2023年12月31日）：
- 北京天时开元股权基金管理有限公司（董事）

其他：
- 曾任北京创新产业投资有限公司副总经理
- 曾任北京天时开元股权基金管理有限公司副总经理
- 曾任北京国有资本经营管理中心基金投资部副总经理
- 曾任中国人保资产管理股份有限公司/人保资本投资管理有限公司创新业务部投资经理

BOARD OF DIRECTORS
董事会

JEFFREY GOH MAU SEONG, 55
Non-Executive, Independent Director

Date of first appointment as a director:
31 December 2021

Date of last re-election as a director:
27 April 2022

Length of service as director:
2 years
(as at 31 December 2023)

Board Committee(s) served on:
Remuneration Committee (Chairman)
Risk Management Committee (Member)
Nominating Committee (Member)
Sustainability Committee (Member)

Academic and Professional Qualification(s):
- Doctor of Philosophy - Principles and Policies of Regulating Airline Competition, University of Sheffield, United Kingdom
- Bachelor of Laws, University of Hull, Hull, United Kingdom

Present Directorships:

Other Listed Companies:
Nil

Other Principal Directorships:
- Bahrain Airport Services Company B.S.C. (c) (Deputy Chairman/Director)

Other Principal Commitments:
- Chief Executive Officer of Gulf Air Group Holding Company (Bahrain)

Past Directorships held over the preceding 3 years (from 1 January 2021 to 31 December 2023):
- Director of Star Alliance (SG) Pte. Ltd.
- Director of Airline Passenger Experience Association (US)

Others:
- Former Chief Executive Officer of Star Alliance (Germany/Singapore)
- Former Chief Operating Officer & General Counsel of Star Alliance (Germany)
- Former General Counsel & VP Corporate Services of Star Alliance (Germany)

吴茂松，55岁
非执行、独立董事

首次当选董事日期：
2021年12月31日

上次董事重选日期：
2022年4月27日

任职董事年限：
2年
（截至2023年12月31日）

任职董事委员会：
薪酬委员会（主席）
风险管理委员会（成员）
提名委员会（成员）
可持续发展委员（成员）

学术和专业资历：
- 哲学博士，规范航空公司竞争的原则和政策，英国谢菲尔德大学
- 法学学士，英国赫尔大学

现任董事席位：

其他上市公司：
无

其他主要董事席位：
- 巴林机场服务公司（副董事长/董事）

主要任职：
- 海湾航空控股公司（巴林）首席执行官

过去三年曾任董事席位（2021年1月1日至2023年12月31日）：
- 星空联盟（新加坡）私人有限公司（董事）
- 航空公司乘客体验协会（美国）（董事）

其他：
- 曾任星空联盟（德国/新加坡）首席执行官
- 曾任星空联盟（德国）首席运营官兼总法律顾问
- 曾任星空联盟（德国）总法律顾问兼企业服务副总裁

BOARD OF DIRECTORS
董事会

RICHARD YANG MINGHUI, 54
Non-Executive,
Non-Independent Director

Date of first appointment as a director:
31 May 2021

Date of last re-election as a director:
27 April 2023

Length of service as director:
2 years 7 months
(as at 31 December 2023)

Board Committee(s) served on:
Audit Committee (Member)
Remuneration Committee (Member)

Academic and Professional Qualification(s):
- PHD in Business Administration West Coast University (USA)
- Master of Business Administration Columbia South University (USA)
- Bachelor Degree in Mechanical Engineering Huazhong University of Science & Technology (China)

Present Directorships:

Other Listed Companies:
Nil

Other Principal Directorships:
- Shenzhen Cheng Yuan Aviation Oil Co., Ltd (Vice Chairman)
- South China Bluesky Aviation Oil Co., Ltd (Vice Chairman)

Other Principal Commitments:
- General Manager (China Aviation Sector) of BP (China) Holding Company

Past Directorships held over the preceding 3 years (from 1 January 2021 to 31 December 2023):
Nil

Others:
- Former Board Director, General Manager of ABC Company
- Former Part-time Consultant in Automobile Business
- Former Asia Senior Vice President and General Manager (China) of TPI Composites Group
- Former Vice President (Heavy Industries & Services) of SKF Sales Ltd
- Former Director (Strategic Industries) of SKF China Ltd
- Former General Manager of SKF (Shanghai) Automotive Bearings Co., Ltd

杨明辉，54岁
非执行、非独立董事

首次当选董事日期：
2021年5月31日

上次董事重选日期：
2023年4月27日

供职董事年限：
2年7个月
（截至2023年12月31日）

供职董事委员会：
审计委员会（成员）
薪酬委员会（成员）

学术和专业资历：
- 美国西海岸大学工商管理博士学位
- 美国南哥伦比亚大学工商管理硕士学位
- 中国华中科技大学机械工程学士

现任董事席位：

其他上市公司：
无

其他主要董事席位：
- 深圳承远航空油料有限公司（副董事长）
- 华南蓝天航空油料有限公司（副董事长）

主要任职：
- 碧辟（中国）投资有限公司（中国航空部）总经理

过去三年曾任董事席位（2021年1月1日至2023年12月31日）：
无

其他：
- 曾任ABC公司董事兼总经理
- 曾任汽车行业特约顾问
- 曾任美国TPI复合材料构件公司亚洲区高级副总裁兼中国区总经理
- 曾任瑞典SKF斯凯孚销售公司重工业销售和服务市场副总裁
- 曾任瑞典SKF斯凯孚中国区战略工业部总裁
- 曾任瑞典SKF斯凯孚（上海）汽车技术有限公司总经理

CORPORATE INFORMATION (as at March 2024)
公司信息（截至2024年3月）

DIRECTORS

Shi Yanliang
(Executive Chairman)

Teo Ser Luck
(Lead Independent Director)

Shi Lei
(Non-Executive, Non-Independent Director)

Zhang Yuchen
(Non-Executive, Non-Independent Director)

Lin Yi
(Chief Executive Officer/ Executive Director)

Hee Theng Fong
(Independent Director)

Fu Xingran
(Independent Director)

Jeffrey Goh Mau Seong
(Independent Director)

Richard Yang Minghui
(Non-Executive, Non-Independent Director)

AUDIT COMMITTEE

Teo Ser Luck *(Chairman)*
Zhang Yuchen *(Vice Chairman)*
Hee Theng Fong
Fu Xingran
Richard Yang Minghui

REMUNERATION COMMITTEE

Jeffrey Goh Mau Seong *(Chairman)*
Shi Lei *(Vice Chairman)*
Hee Theng Fong
Fu Xingran
Richard Yang Minghui

NOMINATING COMMITTEE

Fu Xingran *(Chairman)*
Shi Lei *(Vice Chairman)*
Teo Ser Luck
Zhang Yuchen
Jeffrey Goh Mau Seong

RISK MANAGEMENT COMMITTEE

Hee Theng Fong *(Chairman)*
Zhang Yuchen *(Vice Chairman)*
Teo Ser Luck
Shi Lei
Jeffrey Goh Mau Seong

SUSTAINABILITY COMMITTEE

Teo Ser Luck *(Chairman)*
Zhang Yuchen *(Vice Chairman)*
Hee Theng Fong
Fu Xingran
Jeffrey Goh Mau Seong

COMPANY SECRETARY

Doreen Nah

AUDITORS

Deloitte & Touche LLP
(Appointed on 20 April 2016)
6 Shenton Way #33-00
OUE Downtown 2
Singapore 068809
Partner in charge: Seah Gek Choo
(Since financial year 2022)

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

PRINCIPAL BANKERS

Australia and New Zealand Banking Group Limited
Agricultural Bank of China Limited
Bank of China Limited
Bank of Communications Co., Ltd
China Construction Bank Corporation Limited
Industrial and Commercial Bank of China Limited
Overseas-Chinese Banking Corporation Limited
Shanghai Pudong Development Bank Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

REGISTERED OFFICE

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

董事

史延亮
（执行董事长）

张思乐
（首席独立董事）

石磊
（非执行、非独立董事）

张宇尘
（非执行、非独立董事）

林奕
（首席执行官/执行董事）

许廷芳
（独立董事）

付星然
（独立董事）

吴茂松
（独立董事）

杨明辉
（非执行、非独立董事）

审计委员会

张思乐 *（主席）*
张宇尘 *（副主席）*
许廷芳
付星然
杨明辉

薪酬委员会

吴茂松 *（主席）*
石磊 *（副主席）*
许廷芳
付星然
杨明辉

提名委员会

付星然 *（主席）*
石磊 *（副主席）*
张思乐
张宇尘
吴茂松

风险管理委员会

许廷芳 *（主席）*
张宇尘 *（副主席）*
张思乐
石磊
吴茂松

可持续发展委员会

张思乐 *（主席）*
张宇尘 *（副主席）*
许廷芳
付星然
吴茂松

公司秘书

蓝肖蝶

外部审计师

德勤有限责任合伙人制
（受聘于2016年4月20日）
珊顿大道6号，OUE Downtown 2，33楼
新加坡邮区068809
负责合伙人：佘玉珠
（从2022财年起）

股票登记处和转让处

宝德隆企业与咨询服务有限公司
港湾道1号，吉宝湾大厦14楼7号，
新加坡邮区098632

主要银行

澳大利亚和新西兰银行集团有限公司
中国农业银行股份有限公司
中国银行股份有限公司
交通银行股份有限公司
中国建设银行股份有限公司
中国工商银行股份有限公司
华侨银行有限公司
上海浦东发展银行股份有限公司
香港上海汇丰银行有限公司
大华银行有限公司

注册办公室

淡马锡林荫道8号新达城第3大厦31楼2号
新加坡邮区038988
电话：(65) 6334 8979
传真：(65) 6333 5283
网址：www.caosco.com

SUSTAINING PERFORMANCE

Harnessing the synergies of our oil-related businesses and supply and trading activities, we will continue to improve operational efficiency across our value chain, optimise resource utilisation and strengthen partnerships to sustain our performance and maintain our market leadership.

CEO'S MESSAGE
首席执行官致辞

Lin Yi
Chief Executive Officer/
Executive Director

林奕
首席执行官/执行董事

CEO'S MESSAGE
首席执行官致辞

The complex geopolitical and economic environment compounded by volatile oil prices and elevating business risks continued to exacerbate operational challenges for China Aviation Oil (Singapore) Corporation Ltd ("CAO") in 2023. Despite the challenges and difficulties faced, the Company remained steadfast in executing the strategic direction of the Board of Directors. Under the leadership of the Management, our staff rose to the occasion with a keen focus on business innovation and strengthening strategic partnerships, underpinned by the Company's mission to create value for its stakeholders as well as adhering to the principle of deriving sustainable growth.

As of 31 December 2023, our operating profit rose 80% year-on-year and accounted for 54% of CAO's total profit. Gross profit derived from the international trading of oil products increased 21% year-on-year contributing 58% of the Company's total gross profit. As evident from our financial results, in addition to optimising our revenue structure, the Company had also increased the profitability of its proprietary international trading business.

CAO's accomplishments would not be possible without the strong support and guidance from our parent company, China National Aviation Fuel Group Limited ("CNAF"), along with the cooperation and trust from our suppliers, trading counterparties, banks and other business partners. On behalf of the Management and all staff of CAO, I would like to express my heartfelt gratitude to all our shareholders and industry partners.

The Group remained committed to effective risk management while undertaking business transformation last year. We adhered strictly to our four-tier risk management framework and upheld high compliance standards and robust risk control measures across all operations. The Group actively analyses market structures and trends to conduct profitable jet fuel arbitrage trading from Asia to North America and Europe. Our newly expanded proprietary jet fuel supply business at Ted Stevens Anchorage International Airport ("ANC") not only served to enhance and complete our integrated supply chain at ANC, but had also strengthened the Group's globalised trading network, allowing us to supply jet fuel and refuelling services to 32 airports and 57 airlines outside of mainland China.

To deepen our strategic partnership, the Company signed a letter of intent with China Eastern Airlines at the 2023 China International Import Expo to supply jet fuel to China

The Company signed a letter of intent with China Eastern Airlines at the 2023 China International Import Expo to supply jet fuel to China Eastern Airlines' aircrafts and explore further collaboration opportunities in the global aviation industry.
公司与中国东方航空公司在中国国际进口博览会期间签订航油采购意向书，携手在全球航空市场共谋发展。

CEO'S MESSAGE
首席执行官致辞

Image courtesy of Ministry of Transport
照片来源：新加坡交通部

At our 30th anniversary celebrations graced by the presence of Mr Chee Hong Tat, Minister for Transport and Second Minister for Finance, CAO made a donation to non-profit social service organisation, HUG Community Services Limited.
在新加坡交通部部长兼财政部第二部长徐芳达先生的见证下，公司于成立三十周年庆晚宴上向非盈利组织"拥抱社区服务"进行捐赠。

Eastern Airlines' aircrafts and explore further collaboration opportunities in the global aviation industry. As the Company strives towards becoming a green enterprise, we have established a comprehensive business model of "physical cargo procurement, logistics and sales" for biofuels contributing to a 4,679-tonne reduction in CO_2eq emissions, which is a significant milestone for the Company as we transition into a green, low-carbon emissions corporation.

In 2023, we continued to fulfil our corporate social responsibility while steadily advancing the digital transformation of the Company. At our 30th anniversary celebrations graced by the presence of Mr Chee Hong Tat, Minister for Transport and Second Minister for Finance, CAO made a donation to non-profit social service organisation, HUG Community Services Limited, to support its social welfare initiatives to forge a better environment for troubled youths. The Company increased its efforts in embracing digital technology and had filed a patent application for its self-developed aviation market bidding management system with the Intellectual Property Office of Singapore. The Company had also successfully completed the software copyright registration for the aforesaid system with the Copyright Protection Centre of China.

With 2023 behind us, we stand ready to embrace new challenges in 2024. Moving forward, the complex business environment and macro-economy will continue to exacerbate operational risks for the Company. On that note, Management will continue to lead all staff in adhering to prudent business strategies as we pursue growth opportunities. We will also strive to further strengthen our risk controls, expand the Group's globalised jet fuel supply and trading network, digitise the Company's management services, and establish a green energy supply chain as well as develop a business model for the trading of sustainable oil products. We remain steadfast in executing the strategic directions of the Board of Directors and delivering a creditable performance for our shareholders in the year ahead.

Lin Yi
Chief Executive Officer/Executive Director

CEO'S MESSAGE
首席执行官致辞

2023年世界地缘政治形势严峻，国际油价高位震荡，经营风险持续扩大。面对困难与挑战，中国航油（新加坡）股份有限公司（简称"中国航油新加坡公司"）管理层按照董事会指明的战略方向，以可持续发展为原则，以为利益相关方创造价值为使命，带领全体员工迎难而上，坚持业务模式创新，强化多方战略合作。截至2023年12月31日，营业利润同比增加80%，占利润总额的54%；国际油品贸易毛利同比增加21%，占总毛利的58%。实现了利润结构显著优化，国际贸易创效能力显著提升。

中国航油新加坡公司的发展得到了母公司中国航空油料集团有限公司的大力支持和悉心指导，以及供应商、贸易对家、银行及其它商业伙伴的支持和信任。在此，我谨代表公司管理层和全体员工对各位股东和业界同仁表达最诚挚的感谢！

2023年，我们严控经营风险，强化业务转型发展。严格执行"四重双线"风险管控机制，严守业务合规、风险可控底线。我们研判市场结构，拓展亚洲到北美、亚洲到欧洲的航煤跨区贸易，打通了在美国安克雷奇机场的全链条供应业务，进一步完善了公司全球化贸易网络布局，为海外32个机场、57家航空公司提供航油供应加注服务。我们深化战略协同，与中国东方航空公司在中国国际进口博览会期间签订航油采购意向书，双方深化战略合作，携手在全球航空市场共谋发展。我们推动绿色转型，实现生物航煤"采购+物流+销售"全链条业务"零"的突破，减排二氧化碳当量4,679吨，向绿色低碳转型迈出铿锵步伐。

2023年，我们履行企业社会责任，稳促数字创新升级。恰逢公司成立三十周年，在新加坡交通部部长兼财政部第二部长徐芳达先生的见证下，公司向非盈利组织"拥抱社区服务"进行了捐赠，支持其开展一系列帮助青少年成长的社会公益活动。我们加大科技投入，开拓性自主研发公司级业务综合管理平台，突破性取得中国版权保护中心软件著作权，首次完成向新加坡知识产权局提交发明专利申请。

关山初度尘未洗，策马扬鞭再奋蹄。展望2024，市场环境复杂严峻，宏观经济依然充满挑战。公司管理层将带领全体员工坚持稳健发展的战略定力，强化全面风险管理，推动航煤供应与贸易全球化、管理服务数字化，打造绿色能源供应链，建立稳定油品贸易结构。踔厉奋发、艰苦奋斗，全力以赴完成董事会下达的各项目标任务，向股东交出一份满意的答卷。

林奕
首席执行官/执行董事

CAO was presented the "Most Transparent Company" (Energy Category) at the SIAS Investors' Choice Awards last year; it was CAO's 10th win at the SIAS Investors' Choice Awards.
公司荣获新加坡证券投资者协会年度"投资者选择奖"的"最透明公司奖"（能源组冠军）；这也是中国航油新加坡公司第十次获此殊荣。

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JET FUEL MARKET REVIEW

The reopening of borders in China was the main growth driver for jet fuel demand in Asia-Pacific region in 2023. With the rapid recovery of the domestic civil aviation market, China's jet fuel demand surged 73% or 340,000 barrels per day ("bpd") to 810,000 bpd from the low base level seen in 2022. The overall jet demand in Asia-Pacific region rose to 2.38 million bpd in 2023 up 599,000 bpd compared to 1.78 million bpd in 2022 largely driven by demand from China. However, regional spot supply of jet fuel remained ample. In 2023, Asia-Pacific jet fuel supply grew by 608,000 bpd compared to 2022.

In a nutshell, Asian Jet fuel market oscillated downwards amid significant volatility in 2023 as supply growth outstripped demand growth and arbitrage windows from Asia-Pacific to Europe were largely unavailable. Average jet fuel price in 2023 based on Singapore Platts was US$104.57 per barrel in 2023, down by U$22.32 per barrel or 17.6% compared to annual average jet fuel price of US$126.89 per barrel in 2022.

Highlights of Jet fuel supply and trading activities in 2023

The import demand from China remained relatively low in 2023 as the recovery of China's international flight volume was lower than expected recovering to about 50% of pre-pandemic levels. On the other hand, procurement cost and inventory cost increased significantly due to the backwardation structure on jet fuel spot prices, which squeezed supply margins. The jet fuel team surmounted the challenges of reduced jet fuel imports and rising procurement costs through effective resource optimisation and timely decision-making. By consistently lowering procurement and supply costs, the Company successfully maintained a comparably stronger position for jet fuel import into China.

CAO plays an active role in strengthening coordination between our subsidiaries to secure competitive jet fuel resources in Asia, seizing limited opportunity when arbitrage windows between East and West are open and driving cross-regional jet fuel trading from Asia to North America and Europe. The jet fuel team continually enhances its effectiveness in cross-regional jet fuel trading, aiming for sustained improvement.

Jet fuel market outlook and trading strategies in 2024

On the supply side, Asian jet fuel supply is expected to increase by 316,000 bpd to 3.26 million bpd in 2024 driven by output expansion in China, according to data from Platts. Furthermore, growth in jet demand mainly led by China, India, and Southeast Asia, will push the overall demand for jet fuel in the Asia-Pacific to reach 2.64 million bpd in 2024, an increase of approximately 264,000 bpd from 2023. However, uncertainties in the macroeconomic outlook and expectations of geopolitical conflicts may limit the growth of jet fuel demand in the Asia-Pacific region and increase procurement cost and market volatility. In view of all these factors, Asian jet fuel market is expected to maintain backwardation structure amid market fluctuations in 2024

The Company will actively pursue jet fuel export opportunities from Chinese and other Asian refineries.
公司会积极抢抓中国和其它亚洲炼厂的航煤出口机会。

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CAO will continue to maintain close communication with domestic jet fuel end users to understand their needs and enhance service offerings. We will also actively seize market opportunities, focus on our jet fuel supply business in Pudong, flexibly adjust domestic and international supply resources and logistics methods to reduce procurement costs and enhance supply efficiency. In addition, the team will actively pursue jet fuel export opportunities from Chinese and other Asian refineries, coordinate and optimise jet fuel resources in Asia, support cross-regional trades, and explore new trade flows. The team will further strengthen the optimisation of existing cross-regional jet fuel supply and explore new profit growth opportunities to augment the Group's trading capabilities.

AVIATION MARKETING REVIEW

Airline profitability improved significantly in 2023 as the global aviation industry recovered rapidly post-pandemic. Passenger air travel saw the number of passenger flights reaching 98% of 2019 levels, while cargo flights was 90% of 2019 levels. However, recovery in the Asia-Pacific region lagged behind other markets reaching 93% of 2019 levels.

The conflicts in Ukraine, Russia, and the Middle East briefly pushed up oil prices and logistics costs. Based on the data released by IATA, the global passenger revenue in 2023 reached US$642 billion. However, cargo revenue continued declines to reach US$134.7 billion in 2023 down from peak levels of US$210 billion in 2021.

Highlights of Aviation Marketing Activities in 2023

In 2023, total sales volume in aviation marketing reached 2.07 million mt, representing a 24% increase from 1.667 million mt in 2022. This is mainly due to the increase in the number of flights between Asia and Europe/USA, which in turn contributed to the significant growth in NAFCO's and CAFEU's back-to-back supply business as well as the Group's supply business in Asia.

To further advance CAO's sustainability initiatives, we actively pursued business opportunities in the sustainable aviation fuel ("SAF"). In 2023, the Company successfully completed the purchase, shipment and into-plane supply of SAF at Amsterdam Airport. This also included sustainability registration of the SAF supplied and transferring the carbon credits to end users.

Aviation Market Outlook and trading strategies in 2024

Despite continued geopolitical uncertainties, the global economy is expected to expand around 3.1% in 2024 driven by the slowing pace of U.S. interest rate hikes, easing inflationary pressures, and further economic recovery in China based on data from the international Monetary Fund. Commercial flights for both passengers and cargo are similarly expected to grow in tandem and reflects the growing resilience of the aviation industry.

According to data from IATA, 2024 is expected to be a record-breaking year for airline profits and passenger numbers, with an estimated 4.7 billion people surpassing the 2019 pre-pandemic peak by 200 million travellers. Global air passenger revenue is projected to increase by 7.6% to reach a record US$964 billion, while cargo is projected to grow rapidly to reach US$111 billion.

The aviation marketing team will continue to adhere to strict risk assessment of airline companies in 2024 and prudently carry out its aviation marketing business. At the same time, the team will strive to retain contracts and market shares with existing airlines, and carefully evaluate and promote the supply business to new airlines and new airports. The Company also seek to carry out global strategic cooperation with several major aviation fuel suppliers, expand supply channels, enrich supply means, and improve our global aviation supply capacity.

As an important new business development target, we will actively develop our SAF business, establish a sustainable SAF supply and trade structure led by CAFEU by leveraging Europe's policy advantage in SAF (European Union mandates a 2% SAF blending ratio by 2025). The team will also pay close attention to China's SAF-related policies and demands, making all necessary preparation for its SAF supply business.

OTHER OIL PRODUCTS MARKET REVIEW

In 2023, international crude oil market experienced sharp swings in volatility amidst a clear downward trend. Annualised average price of U.S. West Texas Intermediate ("WTI") and Brent crude futures fell 17.6% and 16.9% year-on-year to US$77.7 and US$82.3 per barrel respectively. This was in part driven by geopolitical conflicts such as the Russia-Ukraine war, the Israel-Palestine conflict, and the Red Sea shipping crisis, and further exacerbated by a slowdown in global oil demand growth and increased oil production market share in non-OPEC+ countries such as the United States. In all, 2023 was a very volatile year, with large fluctuations in benchmark Brent prices, ranging between US$71.0 and US$96.0 per barrel. Furthermore, the continued adaptation of renewable energy sources and the structural changes in global energy institutions have deeply influenced the outlook of global energy markets.

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The aviation marketing team will continue to adhere to strict risk assessment of airline companies in 2024.
航空市场营销团队将在2024年继续坚持严格的航司对家风险评估。

Highlights of other oil products trading activities in 2023

The Group overcame the impact of Russian oil on the Asian market to actively expand our fuel oil, condensate, and naphtha procurement business to supply our clients and end-users in China and the greater Asia-Pacific region. Leveraging on our expertise in trading, operations and chartering, we augmented our diverse trade flows through integrating our resource procurement, logistics and end-user sales proficiencies to further enhance our trading profits. In 2023, the cumulative trading volume for other oil products reached 10.19 million mt.

Other Oil Products Market outlook and trading strategies in 2024

Volatilities in international oil market are expected to persist in 2024. Muted global oil demand growth coupled with supply concerns driven by non-OPEC+ oil producers, led by the United States which is expected to maintain high production growth will continue to dominate global oil market fundamentals and place downward pressure on oil prices. On the other hand, there is a certain market expectation that Saudi Arabia and other OPEC+ members will extend existing production reduction measures until the end of the year, aiming to offset this downward pressure on oil prices.

Furthermore, the complex geopolitical situation, in particular continuation of the Russia-Ukraine war and escalation of tensions in the Middle East, alongside the delicate balance between tightening and easing sanctions on oil exporters such as Iran and Venezuela, may amplify the price fluctuations in the international oil market.

However, from an oil trading perspective, there are still many opportunities we can capitalise on. The gradual economic recovery in China will spur greater demand for raw materials against the backdrop of the Red Sea crisis restricting Russian and Western oil supplies to Asia. This means that barrels from the Middle East will play a crucial, defining role in maintaining the demand-supply balance in Asia. The oil trading team will capitalise on our strong expertise and deep experience in resource procurement in the Middle East to seize this unique opportunity in enhancing our ability to supply end-users and clients in Asia, thereby generating greater trading profits.

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INVESTMENTS IN OIL-RELATED ASSETS

Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("SPIA")

Established in 1997, SPIA is the exclusive supplier of jet fuel and into-plane services at Shanghai Pudong International Airport ("Pudong Airport"), one of the busiest airports in the PRC in terms of air passenger numbers.

It owns and operates all refuelling facilities at Pudong Airport, including a full suite of hydrant systems, a fleet of dispensers and refuelling trucks, refuelling stations, an airport tank farm, a 42-km dedicated jet fuel pipeline connecting Pudong Airport to Waigaoqiao terminal with storage facilities of 200,000 m^3 in capacity. CAO owns a 33% stake in SPIA, with Shanghai International Airport Co., Ltd owning 40% and Sinopec Shanghai Gaoqiao Petrochemical Co., Ltd owning 27% respectively.

As a major international aviation hub in East Asia, Pudong Airport is one of the best connected airport hubs in China. Pudong Airport had shown remarkable growth in 2023, with a passenger throughput of 54.25 million passengers, an increase of 282% year-on-year. SPIA's total sales (refuelling) volume of jet fuel for FY2023 was 3.26 million mt, a year-on-year increase of 83.88%. SPIA is expected to benefit from the increase of international and domestic flights, leading to better business performance for FY2024.

China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL")

Established in 2008, TSN-PEKCL is a pipeline company supplying jet fuel to Beijing Capital International Airport ("Beijing Capital Airport") and Tianjin Binhai International Airport ("Tianjin Airport"). China National Aviation Fuel Group Logistics Co., Ltd. and CAO hold 51% and 49% stakes in TSN-PEKCL respectively. Its key asset is a 185-km long jet fuel transportation pipeline which links Tianjin Tanggu Nanjiang Port, Tianjin Airport and Beijing Airport.

In 2023, TSN-PEKCL's total aviation fuel transportation volume increased 123% year-on-year to 1.36 million mt.

Shenzhen Zhenghe Petrochemicals Co., Ltd ("Zhenghe")

Engaged in the business of storage tank leasing and trading of oil products, Zhenghe's key asset is a storage tank farm located in the city of Maoming, Guangdong Province, China, with a total storage capacity of 79,000 m^3.

Zhenghe's shareholders include Zhenghe Juzhengyuan Co., Ltd, CAO and CNAF, holding 60%, 39% and 1% stakes, respectively. In 2023, Zhenghe continued to be affected by the slower-than-expected recovery and recorded minor losses.

Oilhub Korea Yeosu Co., Ltd ("OKYC")

OKYC, the largest independent storage tank terminal in Yeosu, South Korea, was incorporated under a joint venture agreement with six other companies including Korea National Oil Corporation ("KNOC"), GS Caltex, SK Incheon Petrochem, Samsung C&T, SL Corporation (formerly known as Seoul Line Corporation) and LG International. CAO is the second largest shareholder with 26% equity stake after KNOC, which holds 29% of the total issued shares of OKYC.

Strategically located at the centre of the North-East Asian region with easy access to major oil consuming countries and well equipped for very large crude carriers (VLCC) loading and discharging at berth up to 17.7 metres, OKYC owns and operates a commercial storage tank terminal with a total capacity of 1.3 million m^3, capable of storing crude oil and oil products including jet fuel.

Following the recovery of global oil demand in 2023, OKYC saw a steady rise in its business volume and recorded an increase of 8.98% in its annual operating income.

CAO Management inspecting the oil storage facilities at OKYC.
中国航油新加坡公司管理层到现场考察OKYC的库区设施。

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CNAF Hong Kong Refuelling Limited ("CNAF HKR")

CNAF HKR provides high quality into-plane fuelling services at Hong Kong International Airport ("HKIA") at Chek Lap Kok. As the third licensed refueller at HKIA, CNAF HKR is well-equipped with a fleet of specialised hydrant dispensers and bowsers which are supported by a refuelling station that comes with an administration building and scheduling office sited in a 3,000 m^2 compound. Shareholders of CNAF HKR include CAOHK, Shenzhen Cheng Yuan Aviation Oil Company, China United Petroleum (Holding) Company Limited and Cheer Luck Investment Limited. Upon the completion of capital injection in May 2022, CAO's shareholding in CNAF HKR through CAOHK increased from 39% to 68%, making CNAF HKR a majority-owned subsidiary of CAOHK. The remaining three shareholders of CNAF HKR currently hold equity stakes of 18.5%, 8.5% and 5% respectively.

As the Hong Kong SAR government gradually lifted entry quarantine and other testing requirements, passenger throughput at HKIA rebounded significantly. Overall, HKIA handled a total of 39.5 million passengers in 2023, a six-fold increase from the previous year. While CNAF HKR has yet to reach profitability, its financial performance had improved significantly compared to 2022.

Aircraft Fuel Supply B.V. ("AFS")

AFS, incorporated in the Netherlands, holds the concession from the Schiphol Airport Authority to manage the storage and distribution of jet fuel on behalf of its shareholders to airlines at Amsterdam Airport Schiphol ("Schiphol Airport"). CAO holds 12.5% of AFS's issued shares while the other shareholders include major airline companies and several oil majors.

As one of the best connected airport hubs in Europe and the main international airport of the Netherlands, Schiphol Airport, is equipped with the capacity to handle up to 500,000 flights annually. Following the easing of travel restrictions since 2022, Schiphol Airport's passenger throughput in 2023 was 61.7 million, a year-on-year increase of 17.52%. With more borders now open and travel demand soaring, Schiphol Airport is expected to achieve better performance in 2024.

The team from CAOHK conducting safety inspections at CNAF HKR.
香港公司率队赴香港供油公司进行安全检查。

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航煤市场回顾

随着中国于2023年重开边境，亚太航煤需求取得了显著增长。中国国内民航市场的迅速复苏不但推动中国航煤需求从2022年较低的基数水平大幅上扬至每日81万桶的水平（增幅为每日34万桶或73%），也带动整个亚太航煤需求从2022年的每日178万桶攀升到2023年的每日238万桶，增幅为每日59.9万桶。然而，区域内航煤现货供应充裕，2023年亚太航煤供应较2022年每日增加60.8万桶。

总体而言，由于供应增幅大于需求增幅且亚太到欧洲的套利窗口基本不存在，导致2023年亚太航煤市场在震荡波动中走低。2023年新加坡普氏航煤实货均价收报每桶104.57美元，较2022年每桶126.89美元的全年均价下挫每桶22.32美元，或17.6%。

2023年航油业务工作亮点

由于中国国际航班量恢复低于预期，仅恢复到疫情前的50%左右，因此2023年中国航煤进口需求依然低迷。此外，由于航煤实货价格全年处于现货溢价结构，大幅增加了采购成本和库存成本，挤压了供应利润。公司通过有效的资源优化和把握市场机遇，克服了航煤进口量减少和采购成本不断上升的挑战，持续管控采购供应成本，较好的开展了对中国的航煤进口业务。

中国航油新加坡公司强化与子公司的协同联动，锁定有竞争力的亚洲航煤资源，抓住东西方套利窗口打开的有限时机，开展亚洲到北美、亚洲到欧洲的航煤跨区贸易，持续提升航油贸易跨区创效能力。

2024年航煤市场展望及贸易策略

根据普氏所提供的数据，在航煤供应方面，受中国航煤产出增加的推动，2024年亚太航煤供应预计将达每日326万桶，较2023年每日增长31.6万桶。另外，受中国、印度、东南亚航煤需求上涨推动，预期整个亚太航煤需求在2024年将达每日264万桶，较2023年上涨约每日26.4万桶。然而，不确定的宏观经济前景展望以及地缘政治冲突预期会限制亚太航煤需求增幅，推升航煤采购价格并加剧市场的波动性。综合来看，2024年亚太航煤市场仍将在震荡波动中保持现货溢价结构。

公司将继续与国内航煤终端客户保持密切沟通，了解其需求并提供更多优质服务。与此同时，公司也会积极抢抓市场机遇，围绕浦东供应，灵活调整国内外供应资源及物流手段，降低采购成本，提高供应效益。我们也会积极跟进中国和其它亚洲炼厂的航煤出口机会，统筹优化亚洲航煤资源，支持跨区贸易并争取开拓新贸易流；同时加强现有跨区航煤供应优化，寻找新的利润增长点，进一步提高贸易能力。

航空市场营销回顾

2023年全球航空业从疫情中快速复苏，航空公司盈利能力随之增强。其中，客运航班次已达2019年的98%，而货运航班次则为2019年的90%，但亚太地区复苏速度落后，仍处在2019年水平的93%。

俄乌战争和以巴冲突短暂推升油价和物流价格，据国际航协统计，2023年全球客运收入达6,420亿美元，但货运收入相比2021年的2,100亿美元峰值大幅下降至1,347亿美元。

2023年航空市场营销业务亮点

2023年航空市场营销累计销售量达207万吨，较2022年的166.7万吨上升了24%。这主要是因为亚洲和欧美之间的航班量增加，进而促进欧洲公司、北美公司的直供业务以及公司于亚洲的供应业务的显著增长。

为了进一步推进公司的可持续发展目标，公司积极在可持续航空燃料领域寻找商机。2023年公司不但成功在阿姆斯特丹机场实现可持续航空燃料的采购、运输和终端销售，也完成了相关的可持续证书注册和给终端用户的碳汇传递。

2024航空市场展望和业务计划

尽管存在诸多的地缘政治不确定性，但随着美元加息步伐的放缓、通胀压力的减缓以及中国经济的进一步复苏，国际货币基金组织预计2024年全球经济增速将保持在3.1%左右。客运和货运的商业航班也预期将进一步增加，体现航空业的经营韧性。

根据国际航协的数据，2024年有望成为航空公司利润和旅客人数创纪录的一年。国际航协表示，预计2024年将有47亿人次出行，较2019年疫情前的高峰水平增加2亿人次。全球航空客运收入也预计增加7.6%至9,640亿美元新高，而货运也将呈现较快增长势头，预计收入将达1,110亿美元。

航空市场营销团队将在2024年继续坚持严格的对家风险评估，审慎开展航空市场营销业务，努力保留与现有航空公司的合约及市场份额，同时审慎评估和推进对新航空公司和新机场的供应业务。公司也计划与几家主要航油供应商和主要航空公司开展全球战略合作，拓展供应渠道，丰富供应手段，提高我司在全球范围内的航油供应能力。

作为公司重要的新业务发展方向，我们也将积极推进可持续航空燃料业务的发展，利用欧洲在可持续航空燃料方面的政策优势（欧盟规定从2025年起可持续航空燃料掺混比例为2%），以欧洲公司为主导，建立可持续的可持续航空燃料供应与贸易结构；同时关注中国的可持续航空燃料相关政策和需求，做好供应准备。

CEO'S STRATEGIC REPORT – OPERATIONS REVIEW
首席执行官战略报告——经营概况

CAO is the largest physical jet fuel buyer in Asia Pacific and a key importer of jet fuel to the civil aviation industry of the PRC.
中国航油新加坡公司是亚太地区最大的航油实货采购商和中国最重要的航油进口商。

其他油品贸易市场回顾

2023年国际石油市场震荡下行，WTI原油全年均价为每桶77.7美元，较上年下跌17.6%；Brent原油全年均价为每桶82.3美元，较上年下跌16.9%。俄乌战争、以巴冲突、红海航运危机等地缘政治冲突热点频发，加上全球石油需求增速放缓、美国等非欧佩克+产油国提升产量抢占市场份额等市场基本面因素影响，使Brent原油价格在每桶71.0美元至96.0美元之间宽幅震荡。此外，新兴能源的崛起以及全球能源体系的重塑，正在深刻影响着全球能源市场的格局和发展趋势。

2023年其他油品贸易业务亮点

公司克服俄油对亚洲市场的冲击，积极开拓燃料油、凝析油和石脑油供应资源，销售给中国及其它亚洲炼厂终端用户，充分利用多年来累计的贸易、运作和租船专业知识和经验，形成了从资源采购、物流运作和终端销售为一体的完整贸易链，提高了贸易盈利空间。2023年油品贸易累计贸易量为1,019万吨。

2024年油品贸易业务市场展望和贸易策略

相较过去一年，2024年国际石油市场将面临更大不确定性。 一方面，供应过剩的忧虑将主导基本面。全球石油需求增长较2023年放缓，但以美国为首的非欧佩克产油国继续保持产量高增长，使国际油价不断承压。另一方面，市场预期沙特及OPEC+其他成员国将延长现有减产措施到年底，最大限度减缓油价下行压力。

此外，俄乌战争延续、以巴冲突升级扩大等地缘政治局势的演变及发展将扩大国际油品市场的价格震荡；而美国对伊朗、委内瑞拉石油出口的制裁松紧将作为调节市场供应的平衡阀。

尽管如此，我们仍在油品贸易市场看到商机，例如中国经济逐渐复苏所带来的对炼油原材料需求的增长和红海危机所导致的俄罗斯及欧美对亚洲市场的油品供应中断，将使得亚洲油品市场供需基本面变得更加紧张，这会大大提升中东油品资源的竞争力。油品贸易组会继续发挥公司在中东的资源和运输优势，开拓更多远东用户终端市场，争取创造更高的盈利。

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油品相关实业投资

上海浦东国际机场航空油料有限责任公司（简称"浦东航油"）

浦东航油成立于1997年，是上海浦东国际机场（简称"浦东机场"）的唯一航油供应商和加注服务商；浦东机场是中国最繁忙机场之一。

浦东航油拥有并经营浦东机场所需全部飞机加油设施，包括一整套机坪管网、管线和罐式加油车队、航空加油站、机场内油库，并设有库容量达20万立方米的储罐设施及连接浦东机场与外高桥码头的42公里专用航油管线。公司拥有浦东航油33%的股份，其余由上海国际机场股份有限公司持股40%，中国石化上海高桥石油化工有限公司持股27%。

作为亚太主要的国际航空枢纽，浦东机场是中国枢纽机场中最佳的机场之一。2023年，浦东机场经营业绩稳步增长，旅客吞吐量为5,425万人次，较2022年增长282%。浦东航油2023财年航油总销售（加注）量为326.24万吨，同比增加83.88%。

得益于国际国内航班需求的增长，浦东航油2024财年的业务量预计也将稳步上升。

中国航油集团津京管道运输有限责任公司（简称"管输公司"）

管输公司成立于2008年，是保障北京首都国际机场（简称"首都机场"）和天津滨海国际机场（简称"天津机场"）飞机供油的专业化管道运输公司。中国航油集团物流有限公司和中国航油新加坡公司为管输公司两大股东，分别持股51%和49%。其主要资产为一条全长185公里，连接天津塘沽南疆码头、天津机场及首都机场的航油运输管道。

2023财年，管输公司的总航油运输量为136万吨，同比增加123%。

深圳正和石化有限公司（简称"正和石化"）

正和石化主要经营储库租赁和油品贸易业务，其主要资产为位于中国广东省茂名市总库容为7.9万立方米的油库罐区。正和石化的股东包括巨正源股份有限公司、中国航油新加坡公司和中国航空油料集团有限公司，分别持股60%、39%和1%。

2023年，正和石化持续受到行业恢复不及预期的影响，出现小额亏损。

韩国丽水枢纽油库有限公司（简称"OKYC"）

OKYC是韩国最大的独立仓储设施，由中国航油新加坡公司与韩国国家石油公司、加德士、SK仁川石化、三星物产、SL Corporation（原名为Seoul Line Corporation）和LG国际合资成立。中国航油新加坡公司是OKYC的第二大股东，持股26%，仅次于持股29%的韩国国家石油公司。OKYC位于东北亚中心地带的战略要冲，便于油品运往主要石油消费国，并配备接纳超大型油轮的装卸设施，吃水最深达17.7米。OKYC也拥有总库容达130万立方米的商业储罐和码头，可储存原油、航油及其它油品。

2023年，随着全球石油需求回暖，OKYC的业务量也稳步增长，全年营业收入上涨8.98%。

中国航油香港供油有限公司（简称"香港供油公司"）

香港供油公司专为香港赤腊角国际机场（简称"香港国际机场"）提供高质量的航油加注服务。作为香港国际机场第三家获得加注牌照的航油加注服务商，香港供油公司配有专业的管线加油车和罐式加油车，并设有占地3,000平方米的加注站、行政楼和调度室。其股东包括香港公司、深圳承远航空油料有限公司、中国联合石油集团有限公司和展裕投资有限公司。2022年5月，中国航油新加坡公司通过香港公司对香港供油公司进行增资扩股，将持股比例从39%增加至68%，使得香港供油公司成为香港公司的控股子公司；其余三家公司分别持有香港供油公司全部已发行股票的18.5%、8.5%和5%。

随着香港特区政府逐步放宽入境检疫等防疫政策，香港国际机场的旅客吞吐量显著回升，全年客运量为3950万人次，同比增长了6倍。虽然香港供油公司仍未达到盈亏平衡，但其业绩较2022年已大幅改善。

阿姆斯特丹机场航油供应公司（简称"AFS"）

AFS为荷兰注册公司，持有史基浦机场管理局发出的特许经营权，代表其股东在阿姆斯特丹史基浦机场为航空公司提供航油供应服务。公司持有AFS所发行普通股的12.5%，其他股东包括大型航空公司和石油巨头。

作为荷兰主要的国际机场，史基浦机场是欧洲连通性最好的枢纽机场之一，其年均通行航班能力达50万架次。随着全球政府自2022年逐步放宽旅行限制，史基浦机场2023年的旅客吞吐量达6,170万人次，同比增长17.52%。随着多个国家陆续开放国界以及旅行需求的激增，史基浦机场预计将在2024年取得更好的业绩。

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The Company's Board of Directors and management team addressed questions from shareholders at the 2023 AGM of CAO.
公司董事会和管理层通过线下方式解答了股东们的提问。

Upholding high standards of corporate governance and transparency are strategic management priorities for CAO. We remained steadfast in our commitment to maintain active and open communication with our shareholders and as we moved towards a post-COVID environment, the Group stepped up efforts to communicate and engage with the investment community. To ensure a sustained and prompt flow of communication with the investment community about the Group's business operations and performance, we organised three investor group meetings with the CAO management and participated in five investor conferences organised by international financial institutions in Singapore and Thailand during the year.

In line with SGX-ST's Corporate Disclosure Policy, the Company continued to engage with investors globally, addressing key global and industry-specific issues on the Group and the various measures taken to mitigate challenges posed by the pandemic on several of the Group's key markets. At the 2023 Annual General Meeting ("AGM") of CAO, the Company's Board of Directors and management team presented the FY2022 business performance and addressed questions from shareholders who attended the AGM in person. Updates on the Group's business, financial performance and market outlook were also provided through an analysts briefing held at CAO's office following the announcement of the Group's FY2022 financial results.

On the last trading day of the year, CAO's share price closed at S$0.88 per share, with a market capitalisation of S$757 million. CAO continued to remain as a constituent in major benchmark indices including FTSE ST China, FTSE ST Small Cap, FTSE Singapore Shariah Index and MSCI Singapore Small Cap Indexes.

CAO remains committed to delivering shareholder value with a dividend payout based on 30% of the Group's annual consolidated net profit attributable to shareholders. At the upcoming AGM, the Board of Directors will propose a one-tier, tax-exempt first and final dividend of 2.71 Singapore cents per share, and a one-off, tax exempt special dividend of 2.34 Singapore cents per share.

GLOBAL BASE OF INTERNATIONAL SHAREHOLDERS

As at 31 December 2023, China National Aviation Fuel Group Limited remains our largest shareholder holding 51.31% of the total issued shares of CAO (excluding treasury shares). BP Investments Asia Limited, a subsidiary of oil major BP Plc, is the second largest shareholder holding 20.17% of total issued shares of CAO (excluding

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treasury shares). Total number of treasury shares held by CAO remained unchanged at 6,000,000 for the financial year 2023. The number of registered shareholders was approximately 12,380 in 2023. An analysis of the shareholding structure carried out as at 31 December 2023 showed that institutional holdings accounted for over 12.45% of the total issued shares, comprising institutional investors predominantly from Singapore, the United Kingdom, Malaysia, United States, Hong Kong SAR, Australia and Europe.

PROACTIVE & OPEN COMMUNICATION WITH THE INVESTMENT COMMUNITY

Through transparent and open communication with investors, and timely disclosures on the Group's latest developments, CAO is aptly covered by sell-side analysts from various brokerages who regularly publish research and industry reports. In FY2023, CAO actively sought to enhance market awareness and boost analyst coverage of its shares. A total of three additional brokerages, CGS-CIMB, OCBC/Bank of Singapore and Philips Securities initiated coverage on the Company publishing eight in-depth analyst reports on CAO's investment merits over the course of the year.

Alongside our interactions with both retail and institutional investors, we also monitor media reports closely as part of our efforts to continually improve corporate disclosure and investor relations practices. In 2023, CAO was featured in 50 media articles, sustaining the Group's share of voice in Singapore as well as internationally even as the Group continued to maintain a robust, mobile-compatible corporate website to provide useful information to investors in a timely manner.

Testament to the market recognition for CAO's continuing efforts in enhancing corporate governance and transparency, we received the "Most Transparent Company" (Energy Category) at the 2023 Securities Investors Association (Singapore) ("SIAS") Investors' Choice Awards as well as the "Industry Champions of the Year" award from the 2023 Asia Corporate Excellence & Sustainability ("ACES") awards in November 2023, marking a new milestone in our sustainable development journey.

This is CAO's 10th win at the SIAS Investors' Choice Awards and its inaugural win at the ACES awards. To successively receive these esteemed awards gives further affirmation of CAO's commitment to corporate excellence as well as reputation and capabilities that it has established in Singapore over the past 30 years. These awards are also a timely achievement as CAO celebrates its 30th anniversary of establishment in Singapore.

Looking ahead, we will continue to build on our steadfast commitment to create shareholder value and ensure effective investor relations, upholding the requirements of the Code of Corporate Governance and best governance practices.

CAO remains steadfast in our commitment to maintain active and open communication with analysts and institutional investors though regular results briefing sessions.
公司借助定期举办的业绩介绍会与分析师和机构投资者保持积极、公开的沟通。

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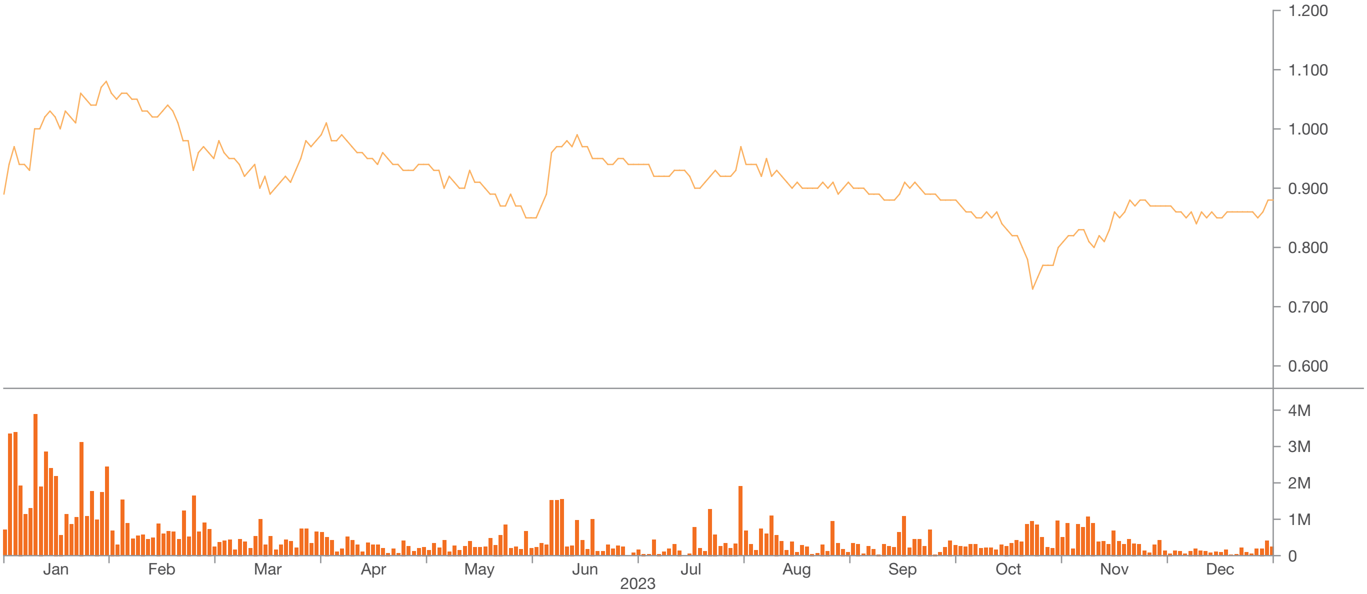
2023 CAO SHARE PRICE MOVEMENT & TRADING VOLUME
2023年新加坡公司股价走势与交易量



SHARE PRICE INFORMATION
股价信息

Share Price (S$) 股价 (新元)	2019	2020	2021	2022	2023
As at last trading day of the year 截至当年的最后一个交易日	1.27	1.06	0.94	0.89	0.88
Highest 最高价	1.47	1.32	1.20	0.96	1.10
Lowest 最低价	1.04	0.72	0.91	0.64	0.73
Average 平均	1.26	1.02	1.05	0.85	0.92

Source: Bloomberg
资料来源:彭博社

CORPORATE CALENDAR
公司事务时间表

2024	
Announcement of 2H2023 and 2023 full-year financial results 2023财年下半年和全年业绩公告	29 February 2024 2024年2月29日
30th Annual General Meeting 第30届公司常年股东大会	25 April 2024 2024年4月25日
Proposed First and Final Dividend for FY2023/Proposed Special Dividend for FY2023 2023财年首次及年终股息及特别股息 Record Date 登记日 Payment date 付款日	 13 May 2024 2024年5月13日 27 May 2024 2024年5月27日
Announcement of 1H2024 results 2024财年上半年业绩公告	13 August 2024 2024年8月13日
2025	
Announcement of 2H2024 and 2024 full-year financial results 2024财年下半年和全年业绩公告	February 2025 2025年2月

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As part of our 30th Anniversary celebrations, the Company marked the start of the trading day through a gong ceremony on 26 March 2023.
配合公司欢庆成立30周年，我们于2023年5月26日在新交所举办了开市敲锣仪式，见证新交所交易日的开始。

维持高标准的公司治理和透明度是中国航油新加坡公司战略管理的重点事项。我们致力于与股东保持积极和公开的沟通，而随着全球进入后疫情时期，公司也逐步加大与投资界的沟通交流。为了能定期、及时地向投资界提供有关公司业务和业绩的相关信息，我们在2023财年共举办了三场投资者和分析师交流会，进一步强化投资者关系。与此同时，我们也参加了由国际金融机构在新加坡和泰国举办的五场投资者论坛。

公司根据新加坡交易所（简称"新交所"）制定的企业披露政策，积极与全球范围内的投资者保持联系，向他们重点介绍全球性与特定行业的关键问题和疫情对公司几个主要业务市场的影响，以及公司所采取的应对措施。在2023年常年股东大会上，公司董事会和管理层通过线下方式向股东汇报了公司2022财年业绩，并解答了投资者的提问。此外，公司也在发布2022财年业绩公告后，召开了业绩介绍会，向基金经理和分析师介绍了关于公司业务、业绩和市场展望的最新信息。

在2023年的最后一个交易日，公司股价闭市报0.88新元，市值为7.57亿新元。中国航油新加坡公司依然是富时海峡时报中国指数、富时海峡时报小盘股指数、富时海峡时报新加坡伊斯兰合规指数和摩根士丹利资本国际新加坡小盘股指数的成分股。

为兑现为股东创造价值的承诺，公司每年坚持将归属股东的合并净利润的30%作为股息分配给股东。在即将召开的常年股东大会上，董事会将提请股东批准派发每股0.0271新元的单层免税年终普通股息，以及每股0.0234新元的一次性、单层免税特别股息。

全球股东持股情况

截至2023年12月31日，中国航空油料集团有限公司仍是公司的最大股东，持有全部发行股票的51.31%（不包括库存股）。石油巨头BP旗下子公司BP投资亚洲有限公司是公司的第二大股东，持有全部发行股票的20.17%（不包括库存股）。公司共持有600万股库存股，此数目在2023年保持不变。注册股东数量约为1.238万人。截止2023年12月31日的股权结构分析显示，机构持股占全部已发行股票的12.45%以上，机构投资者主要来自新加坡、英国、马来西亚、美国、香港特别行政区、澳大利亚和欧洲。

与投资界保持积极开放的沟通

公司通过与投资界保持透明、开放的沟通，及时向他们通报有关公司的最新发展情况，使得各券商卖方分析师密切关注中国航油新加坡公司，并定期在对外发布的研究报告和行业报告中对公司业绩进行相关报道。为了进一步提升市场和投资界对公司的认知和关注，公司积极与分析师保持密切沟通交流。2023年，公司新增三家证券行对公司股票进行跟踪报道，即银河-联昌、华侨银行/新加坡银行，以及辉立证券。这三家证券行在本年度共发布了八份关于公司股票的深度分析报告，并均给予公司股票"买入"评级。

除了与散户和机构投资者进行互动之外，公司还密切关注媒体报道，不断改进信息披露的质量和投资者关系实践。2023年，媒体刊登了50篇有关中国航油新加坡公司的报道，有效地支撑了公司保持在新加坡和国际平台上的活跃度。与此同时，公司继续强化官网与移动设备的兼容性，及时向投资者提供有用信息。

中国航油新加坡公司于2023年11月荣获新加坡证券投资者协会颁发的年度投资者选择奖"最透明公司奖"（能源组冠军），这也是中国航油新加坡公司第十次斩获新加坡证券投资者协会颁发的"投资者选择奖"殊荣。此外，公司也于2023年首次获得亚洲卓越企业暨永继发展奖"年度行业领袖奖项"，标志着公司在可持续发展领域又取得了一个新的里程碑，同时也体现了市场对公司在公司治理和透明度方面的认可。公司屡获资本市场重要奖项，无疑肯定了我们过去30年在新加坡致力于完善公司治理、维护良好声誉和提升业务能力方面的不懈努力。恰逢公司欢庆在新加坡成立30周年，能在2023年获此两项殊荣，对公司而言更是别具意义。

展望未来，我们对为股东创造价值的承诺依然坚定，并将继续坚守《公司治理准则》和新交所规定的最佳治理实践，做好投资者关系工作。

SENIOR MANAGEMENT
高级管理层

Left to right: **Lin Yi, Zou Yaoping, Shi Yanliang**
左至右:**林奕, 邹耀平, 史延亮**

SHI YANLIANG
Executive Chairman

Mr Shi Yanliang is responsible for charting the overall corporate strategy, planning and development of the Group. He also provides guidance and support to the senior management, ensuring that the Company's operational objectives and sustainability goals are being met.

As Chairman of the Board of Directors of the Company, Mr Shi presides over meetings of the Board of Directors as well as annual general meetings of the Company, and oversees the implementation of Board resolutions. He also acts as a liaison between the Company's management and members of the Board of Directors, upholding effective corporate governance, fostering collaboration and constructive dialogues, and ensuring the smooth functioning of the Board and its Board Committees.

With almost three decades of experience in the petroleum industry, Mr Shi is a respected senior corporate leader and has held various leadership positions at various PRC state-owned enterprises. Prior to this appointment, Mr Shi's principal appointment was as Chairman of China National Aviation Petrochemicals Pipeline Co. Ltd.

Please refer to the profile of Mr Shi under "Board of Directors" section for more information.

SENIOR MANAGEMENT
高级管理层

LIN YI
Chief Executive Officer/Executive Director

As the Chief Executive Officer/Executive Director of the Company, Mr Lin Yi has overall responsibility for the management of the businesses of the Group. His key responsibilities include providing leadership for all aspects of the Group's business operations and implementing the business strategies of the Group to achieve operating targets and business growth.

Prior to his appointment as Chief Executive Officer/ Executive Director of the Company, Mr Lin was the General Manager of China National Aviation Fuel South China Bluesky Corporation Ltd, a position he held since November 2018.

He is also the Chairman of North American Fuel Corporation, China Aviation Oil (Hong Kong) Company Limited and China Aviation Fuel (Europe) Limited, overseeing the Group's day-to-day business operations in USA, Hong Kong SAR and Europe respectively.

Please refer to the profile of Mr Lin Yi under "Board of Directors" section for more information.

ZOU YAOPING
Chief Financial Officer/Vice President

As the Chief Financial Office/Vice President of the Company, Mr Zou Yaoping is responsible for the Company's financial management functions and oversees the Group's financial reporting and accounting practices, financial planning and analysis, treasury, and tax-related matters. Besides overseeing the Finance Department, Mr Zou also has oversight responsibility over the Risk Management Department and other management functions.

Mr Zou joined the Company in September 2021 as Vice President and had oversight responsibilities over the Aviation Fuel and Oil Products Trading Departments. He was appointed as the Chief Financial Officer of the Company in September 2022. Prior to joining the Company, Mr Zou was the Deputy General Manager-Finance of China National Aviation Fuel Group Limited ("CNAF") from May 2017 to August 2021. He joined CNAF in 2005 and had held various senior management roles with a portfolio spanning finance management, financial investment, and hedging management in the Finance Department of CNAF as well as China National Aviation Fuel Finance Co., Ltd.

Mr Zou graduated from Central South University, China, with a Bachelor's degree in Economics (majoring in International Finance) as well as a Master of Business Administration. He is also a certified Senior Economist.

史延亮
执行董事长

史延亮先生全面负责公司及其子公司的整体战略、规划和发展。与此同时，他也负责指导和从旁协助高级管理层，确保公司有条不紊地实现其经营和可持续发展目标。

史先生作为公司董事长，也负责召集和主持董事会及股东大会，并监督董事会决议的贯彻落实。他也充当公司管理层与董事会成员之间的桥梁，保持高标准的公司治理实践，培育具建设性的讨论氛围，并确保董事会及各董事专业委员会的有效运作。

史先生在石油业拥有近30年的工作经验，曾在多家国有企业担任管理岗位，是一位经验丰富的资深企业领导。他在担任中国航油新加坡执行董事长之前，主要出任中航油石化管道有限公司董事长。

关于史先生更详细的介绍，请参阅"董事会"部分。

林奕
首席执行官兼执行董事

作为公司的首席执行官兼执行董事，林奕先生负责领导和监督公司的所有运营活动。他的主要职责包括制定有助于推动实施公司业绩持续增长的战略，致力于实现公司的营运目标。

林先生在担任公司首席执行官兼执行董事之前，于2018年11月出任华南蓝天航空油料有限公司总经理职务。

他也同时担任北美航油有限公司、中国航油（香港）有限公司及中国航油（欧洲）有限公司董事长，负责监管公司在美国、香港特别行政区以及欧洲的日常业务运作。

关于林先生更详细的介绍，请参阅"董事会"部分。

邹耀平
财务总监兼副总裁

作为公司的财务总监兼副总裁，邹耀平先生履行财务管理职责，负责监管公司财务报告、会计核算、财务规划与分析、资金运作和税务管理。邹先生分管公司的财务部及风险管理部等工作。

邹先生于2021年9月加入公司，担任副总裁，分管公司航油业务部和油品贸易部的业务。他于2022年9月担任公司财务总监。在加入公司以前，他曾于2017年5月至2021年8月，任中国航空油料集团有限公司财务金融部副总经理。邹先生自2005年加入中国航空油料集团有限公司以来，主要从事财务管理、金融投资和套期保值业务管理等工作，曾在中国航空油料集团有限公司财务部及中国航油集团财务有限公司担任多个高级管理岗位。

邹先生毕业于中南大学，拥有工商管理硕士学位和经济学学士学位（主修国际金融），是一名高级经济师。

SEEING BEYOND

Seeing beyond cyclical and other challenges and in line with our sustainability objectives, we will focus on expanding product offerings such as sustainable aviation fuel and exploring investments in oil-related assets that are synergistic to our core businesses.

2023 SUSTAINABILITY REPORT HIGHLIGHTS
2023年可持续发展报告概要

The aviation industry posted a healthy recovery in 2023 following three challenging years marked by significant losses due to the COVID pandemic. Despite ongoing macroeconomic challenges such as elevated inflation, interest rate fluctuations, and global supply chain disruptions, CAO fortified its sustainability and climate strategy, responding proactively to the dynamic global and economic landscape. CAO publishes the 7th Sustainability Report with reference to the Universal Standards and Global Reporting Initiative ("GRI") 11 Oil and Gas Sector Standard 2021. The report reflects CAO's ongoing commitment to being transparent about its Environmental, Social, and Governance ("ESG") performance and achievements relevant to its business and stakeholders.

CAO maintains regular dialogue with its stakeholders through diverse channels to ensure that most pertinent sustainability issues are addressed. These engagement practices allow CAO to gain a deeper understanding of its stakeholders' varied perspectives and priorities, leading to more effective responses and initiatives that cater to their concerns.

Key Stakeholder Group	Engagement Method	Key Concerns Raised	CAO's Response
Employees	• Induction programme for new employees • Training and development programmes • Work performance appraisals and feedback • Recreational and wellness activities • Employee feedback channels • Regular e-mails and meetings	• Workplace health and safety • Career development • Employee welfare • Remuneration and benefits • Enhancement of knowledge on sustainability issues	• Adheres to people-oriented management • Provides fair, safe work environment • Creates professional development opportunities • Maintains open dialogue with employees
Customers	• Regular meetings to communicate updates, including new policies and practices • Site visits	• Compliance with environmental regulations • Stability and transparency in business operations • Reliability of CAO's supply chain • Potential opportunity in sustainable products such as sustainable aviation fuel	• Upholds mutually beneficial customer relations • Strives for open dialogue to understand customer needs • Continuously improves service quality
Investors	• Updates of financial results and announcements, business developments, press releases, and other relevant disclosures via SGXNet and CAO's website • Annual General Meeting	• Growth strategy, market outlook, return on investment • Sound management of ESG risk and opportunities	• Upholds highest corporate governance standards • Maximises investor returns • Standardises operations for efficiency • Focuses on achieving sustainable development • Ensures accurate and timely communication with investors
Media	• Timely media releases • Annual reports and sustainability reports • CAO corporate website • Ongoing email responses	• Business continuity, strategies, policies, performance, and targets • Sustainability commitments, progress, and performance	• Ensures timely and transparent disclosures
Government and Regulators	• Company announcements • News releases • Corporate presentations on website • Regular meetings to communicate updates, including new policies and practices	• Regulatory and legal compliance • Sustainability roadmap and targets • Employees' well-being	• Ensures compliance with laws and regulations • Supports the national carbon ambition by implementing strategies to reduce carbon footprint • Enhances employee welfare through various initiatives

2023 SUSTAINABILITY REPORT HIGHLIGHTS
2023年可持续发展报告概要

Key Stakeholder Group	Engagement Method	Key Concerns Raised	CAO's Response
Industry associations	• Company announcements • News releases • Corporate presentations on website • Regular meetings to communicate updates, including new policies and practices	• Low carbon transition and sustainable development • Climate-change strategy • Sustainable supply chain • Close communication and collaboration	• Monitors sustainability performance, strategies, targets and performance • Seeks partnership to jointly drive sustainable development of industry
Business Partners/ Suppliers	• Regular meetings to communicate updates, including new policies and practices • Site visits	• Regulatory and legal compliance • Sustainable supply chain • Close communication and collaboration • Value creation through partnership	• Ensures compliance with laws and regulations • Upholds our Code of Conduct, foster strategic and long-term relationship • Maintains open communication with business partners and suppliers
NGO & Local Community	• Engagement during events organised with various community groups • Collaboration and partnership with various local groups	• Compliance with laws and regulations • Contribution to the community	• Strives to place social responsibility at core of sustainable development goals • Invests to enhance community well-being

With a global reach, CAO prioritised managing ESG aspects and developed a 5-year sustainability roadmap and implementation plan. This roadmap focuses on four pillars: Valuing Nature, Empowering Well-being, Developing Together, and Governing with Excellence, reinforcing our leadership position in our transition towards a sustainable future.

VISION

Upholding responsible energy business practices, we drive the transition towards sustainable and green development

PILLARS

Valuing Nature

Climate change is a shared challenge confronting all of humanity. Our commitment lies in adopting green transition practices, formulating climate change adaptation strategies, enhancing climate resilience, and fostering a harmonious relationship between humanity and nature.

Empowering Wellbeing

Talent serves as the cornerstone of high-quality social development. We actively promote the realisation of individual self-worth, emphasise the importance of health and well-being, contribute to community development, and foster a symbiotic relationship, ensuring mutual growth for both individuals and organisations.

Fostering Collaborative Innovation

Collaboration represents the optimal solution for addressing challenges and achieving joint development. We actively engage with our partners to establish a symbiotic business ecosystem that stimulates innovation in sustainable aviation fuel, facilitating a green transition and fostering sustainable development within the Aviation industry.

Governing with Excellence

Integrity is the cornerstone of long-term corporate development. Adhering to stringent business ethics, reinforcing governance for sustainable development, ensuring responsible operations, we strive to foster robust growth and create enhanced value for our shareholders.

ENABLERS

Valuing Nature:
- Low Carbon Transition and Carbon Neutrality
- Climate Change Strategy
- Biodiversity and Ecological Impact

Empowering Wellbeing:
- Diversity and Equal Opportunity
- Health And Safety
- Community Investment and Development

Fostering Collaborative Innovation:
- Sustainable Aviation Fuel
- Sustainable Supply Chain

Governing with Excellence:
- Corporate Governance
- Asset Integrity and Critical Incident Management
- Cyber Security and Data Privacy

2023 SUSTAINABILITY REPORT HIGHLIGHTS
2023年可持续发展报告概要

VALUING NATURE

Our commitment rests on adopting green transition practices, formulating climate change adaptation strategies and enhancing climate resilience. In 2023, CAO refined its governance framework to better address sustainability and climate change, aligning with global standards and preparing for International Sustainability Standards Board ("ISSB") adoption. Guided by the Task Force on Climate-related Financial Disclosures ("TCFD"), CAO had established two sets of scenarios: the Below 2°C and 4°C scenarios. CAO had initiated a comprehensive approach to climate risk identification, laying the groundwork for future mitigation strategies.

Additionally, a detailed carbon emission profiling, including Scope 3 emissions, was conducted. CAO actively engaged with partners across the value chain to foster decarbonisation efforts. CAO has established both long-term and medium-term carbon targets, grounded on a recalibrated greenhouse gas (GHG) emission inventory. CAO's commitment includes a target to reduce 30% of scopes 1 and 2 emissions by 2030, with a broader aspiration to achieve net-zero emissions by 2050.

FOSTERING COLLABORATIVE INNOVATION

Collaboration represents the optimal solution for addressing challenges and achieving joint development. CAO actively engages with its partners to establish a symbiotic business ecosystem that stimulates innovation in sustainable aviation fuel, facilitating a green transition and fostering sustainable development. CAO's commitment to mitigating climate change is evident from the intensive efforts made in establishing sustainable aviation fuel ("SAF") supply chains and active dialogues and participations in the industry. In 2023, CAO continued to explore various opportunities to expand further into the SAF business and bio-aviation fuel business. This fiscal year, CAO renewed the ISCC CORSIA (International Sustainability & Carbon Certificate, "ISCC"; Carbon Offsetting and Reduction Scheme for International Aviation, "CORSIA") and ISCC EU certifications for bio-jet fuel and biodiesel, and completed a 3,000-ton blended bio-jet fuel trade with a business partner. This reaffirmed CAO's compliance with the Renewable Energy Directive (RED II) and upholds responsible sourcing and sustainability standards for all feedstocks used in aviation fuel production. Notably, CAO has successfully registered with several new SAF suppliers and counterparties, showcasing its commitment to a more sustainable supply chain.

EMPOWERING WELL-BEING

CAO is dedicated to empowering well-being by promoting individual self-worth, prioritising health and well-being, contributing to community development, and fostering symbiotic relationships for mutual growth. CAO engages in ongoing communications to tailor community development programmes to the specific needs of its beneficiaries. Through curated projects, such as providing essential daily necessities to under-privileged children and their families, organising educational outings to the Sea Aquarium, and participating in charity runs organised by the Singapore Exchange, CAO invested in and support the underprivileged. CAO actively promotes corporate volunteerism as a means to cultivate stronger connections with the communities in which the CAO Group operates. Throughout 2023, CAO sustained its commitment to fostering volunteerism among the staff, offering them opportunities to engage in meaningful community initiatives.

GOVERNING WITH EXCELLENCE

CAO continues to embrace its operating philosophy of "Compliance as Top Priority, Risk Management of Utmost Importance" and its management philosophy of "Transparency, Standardisation and Refinement". CAO strives to surpass the requirements of openness, integrity and accountability prescribed by the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance 2018. In terms of asset integrity and critical incident management, CAO employs robust risk management approaches to ensure that potential oil spills from oil storage facilities and transportation pipelines do not occur. In 2023, there were no incidents of reported oil spills or environmental pollution.

CAO pledges ongoing dedication to its sustainability framework, focusing on addressing high-impact areas and managing ESG risks. The Board of Directors remains committed to leading the Group to maintain top-tier corporate governance standards, achieve commendable financial performance, and foster sustainable growth and value to its stakeholders.

2023 SUSTAINABILITY REPORT HIGHLIGHTS
2023年可持续发展报告概要

2023年，在历经了新冠疫情带来的艰巨挑战后，航空业开始恢复盈利。尽管面临高通胀、利率波动和全球供应链中断等宏观经济挑战，新加坡公司持续强化可持续发展和气候战略，积极应对不断变化的全球政治经济格局。本年度，新加坡公司参考2021全球报告倡议（Global Reporting Initiative，英文缩写“GRI”）的通用标准，GRI 11石油和天然气行业标准编制并发布第7份可持续发展报告。该报告汇报了新加坡公司与业务和利益相关方相关的环境、社会和治理（Environmental，Social and Governance，英文缩写“ESG”）绩效，体现了公司持续践行信息公开、透明的承诺。

新加坡公司通过各种渠道与利益相关方保持定期沟通，确保能够回应与可持续发展相关的关切。这些参与实践使新加坡公司能够更深入地了解利益相关方的不同观点和关注事项，从而针对其关注的问题采取更有效的应对措施。

新加坡公司聚焦ESG不同范畴的管理，制定了五年可持续发展路线图和实施计划。该路线图重点关注四大支柱领域：绿色转型，打造气候韧性；以人为本，增进综合福祉；开放合作，赋能行业变革；强化治理，保障稳健发展，以巩固公司在向可持续未来迈进过程中的领军地位。

CAO organised a tree planting activity last year to foster greater awareness in environmental protection among the staff.
公司在去年组织了一项植树活动，以提升员工们的环保意识。

绿色转型，打造气候韧性

公司承诺贯彻绿色转型实践，制定气候变化适应战略以增强气候韧性。2023年，新加坡公司对标国际标准，进一步完善了治理框架，为采用国际可持续发展准则理事会（“ISSB”）的标准做准备，以更好地顺应可持续发展趋势和应对气候变化。参考气候相关财务信息披露工作组（“TCFD”）的建议，新加坡公司建立了两套综合情景，即低于2°C和4°C的情景。以此为基础，新加坡公司已经开始着手研究和识别与公司业务相关的气候风险，为未来的气候风险缓解战略奠定基础。

此外，新加坡公司开展了包括范围3排放在内的详细的碳排放分析。公司基于校准的温室气体（Greenhouse gas，英文简称“GHG”）排放计算结果，制定了以2023年为基准年，到2030年实现范围1和2排放量减少30%的中期目标，以及在2050年实现零排放的长期目标。新加坡公司将积极与价值链上的伙伴合作，为行业脱碳贡献力量。

开放合作，赋能行业变革

合作是应对挑战、实现共同发展的最佳方式。新加坡公司秉持积极与合作的态度，致力于打造共生共赢的商业生态系统，推动可持续航空燃料的创新，促进绿色转型和可持续发展。新加坡公司通过建立SAF供应链，积极推动与行业的对话，以践行公司对减缓气候变化的承诺。2023年，新加坡公司继续探索各种机遇，进一步拓展SAF业务和生物航空燃料业务。本财年，新加坡公司更新了ISCC CORSIA（国际可持续发展与碳证书，“ISCC”；国际航空碳抵消和减排计划，“CORSIA”），和ISCC欧盟生物喷气燃料和生物柴油认证，与业务合作伙伴完成了一单3,000吨混合生物航煤交易，体现了新加坡公司对于可再生能源指令要求的遵守，明确了公司对航空燃料生产中使用的原料坚持负责任的采购和可持续发展标准的决心。本年度，新加坡公司已与几家新的可持续燃油供应商和交易方达成协议，致力于共同建设可持续供应链。

以人为本，增进综合福祉

新加坡公司致力于提升个人自我价值，维护健康和福祉，促进社区发展，并通过促进企业和社区的相互成就来增强综合福祉。公司定期与社区沟通，有针对性地制定社区发展计划。通过为贫困儿童及其家庭提供生活必需品、组织海洋馆启发之旅、参与新交所慈善跑等活动，持续投资和支持弱势群体。此外，公司组织了志愿活动，强化了与所在社区的联系。

强化治理，保障稳健发展

新加坡公司秉持“合规第一、风控至上”的经营理念以及“透明化、规范化、精细化”的管理理念，将满足新加坡交易所有限公司及《新加坡2018年公司治理准则》（简称“2018准则”）的要求作为底线原则。在资产完整性和重大事件管理方面，新加坡公司采用稳健的风险管理策略，杜绝任何储油设施和运输管道的漏油事件发生。2023年，公司未发生任何海上油品运输溢漏油及其他环境污染事故。

新加坡公司承诺遵循可持续发展框架指引，专注于管理ESG风险并解决有较大影响的领域。董事会将继续领导公司坚持高标准的公司治理准则，追求高水平的财务表现，为利益相关者带来长期价值。

FINANCIAL REVIEW
业绩回顾

OVERVIEW

For the financial year ended 31 December 2023 ("FY2023"), the Group achieved total revenue of US$14.43 billion, a decrease of 12.36% compared to US$16.46 billion for the financial year ended 31 December 2022 ("FY2022") due to the decrease in oil price and volume.

The Group's operating profit increased by 79.81% to US$35.61 million for FY2023 as compared to FY2022 mainly due to higher gross profit and other operating income partially offset by the increase in expenses.

The share of results of associates was US$30.32 million for FY2023, an increase of 69.36% compared to US$17.90 million for FY2022.

The Group's net profit attributable to the owners of the Company in FY2023 rose US$25.32 million or 75.52% to US$58.86 million. Consequently, Earnings Per Share attributable to the owners of the Company was higher at 6.84 US cents compared to 3.90 US cents in FY2022. Return on Equity increased 2.64 percentage points to 6.36%, mainly attributable to the higher profits.

Net cash generated from operating activities in FY2023 was US$54.56 million compared to net cash used in operating activities of US$88.77 million in FY2022, an improvement of US$143.33 million mainly attributable to the decrease in inventories and lower utilisation of working capital for trading. Net cash generated from investing activities increased by US$1.81 million to US$26.26 million due to higher receipt of interest and dividends from associates in FY2023 partially offset by the utilisation of funds for acquisition of property, plant and equipment. Net cash used in financing activities in FY2023 were US$16.57 million compared to US$26.67 million in FY2022, a decrease of US$10.10 million attributable to the repayment of bank borrowings of US$6.20 million assumed from CNAF HKR upon acquisition in FY2022, coupled with the decrease of US$2.44 million in repayment of lease liabilities and US$1.54 million in dividends paid in FY2023.

The Group is proposing a final one-tier tax exempt ordinary dividend of S$0.0271 per share and a one-tier, tax exempt special cash dividend of S$0.0234 Singapore cents per share for FY2023.

Global market conditions are expected to remain challenging due to oil price volatility, uncertain global economic growth and heightened geopolitical tensions. However, with a strong balance sheet, the Group is well-positioned to leverage on the opportunities presented by the continued recovery of the global aviation industry and remains cautiously optimistic of its performance for

The Group will continue to focus on improving efficiency and remain prudent in financial management to create value for shareholders.
公司将继续提高运营效率，保持谨慎的财务管理策略，为股东持续创造价值。

the current financial year, as it remains committed to strengthening its operational resilience, and continues to build on its jet fuel supply and trading network, complemented with trading in other oil products. The Group will also continue to focus on long-term profitability by seeking opportunities for strategic expansion through investments in synergetic and strategic oil-related assets and businesses.

OPERATING PROFIT

Total supply and trading volume was 20.03 million metric tonnes ("mt") for FY2023, a decrease of 1.14% compared to 20.26 million mt for FY2022. The supply and trading volume of middle distillates increased 20.29% to 10.02 million mt for FY2023, compared to 8.33 million mt for FY2022. Despite the drop in oil price, revenue from middle distillates, which accounted for 60.25% of the Group's total revenue in FY2023, increased 1.93% to US$8.69 billion due to an increase in volume. Trading volume for other oil products, comprising mainly crude oil and fuel oil, decreased by 1.92 million mt or 16.09% to 10.01 million mt for FY2023 and generated US$5.74 billion in revenue.

China remains the Group's largest market, accounting for 60.84% of the Group's revenue in FY2023, an increase of 7.52 percentage points compared to FY2022.

Gross profit increased by 42.97% to US$50.60 million for FY2023 compared to US$35.39 million for FY2022, mainly attributable to higher gains derived from jet supply and trading of other oil products.

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Other operating income was US$18.72 million for FY2023, an increase of 1,762.29% compared to US$1.01 million for FY2022. Bank interest income was US$17.74 million for FY2023, an increase of US$14.45 million compared to bank interest income of US$3.29 million for FY2022, primarily due to higher interest rates and deposits placed with banks and financial institutions. Exchange differences was US$0.35 million for FY2023 compared to -US$3.71 million for FY2022, an improvement of US$4.06 million due to exchange loss resulting from the depreciation of RMB and Euro dollar against US dollar in FY2022 while Euro dollar appreciated against US dollar in FY2023. Other income decreased by US$0.80 million mainly due to the one-off gain of US$0.82 million from deemed disposal of an associate in FY2022.

Total expenses increased 103.13% to US$33.70 million for FY2023 compared to US$16.59 mainly attributable to the impairment of US$3.38 million in goodwill, impairment of US$8.65 million in investment of an associate, the increase of US$0.60 million in staff costs and US$2.46 million in professional and legal fees. The ECL provision for FY2023 was US$0.91 million compared to US$0.20 million in FY2022, an increase of US$0.71 million. Bank charges decreased by US$0.50 million year-on-year.

SHARE OF RESULTS OF ASSOCIATES

Share of results of associates increased 69.36% to US$30.32 million for FY2023 compared to US$17.90 million for FY2022. Profit contribution from SPIA increased 63.77% to US$31.46 million for FY2023 compared to US$19.21 million for FY2022, mainly attributable to higher refuelling volume which led to higher revenue and profit. Share of results from other associates was -US$1.14 million for FY2023 compared to -US$1.31 million for FY2022, an improvement of US$0.17 million, mainly due to higher share of results from OKYC.

NET PROFIT

The Group's profit before tax at US$65.93 million was higher by 74.85% compared to US$37.71 million for FY2022, mainly attributable to the increase in gross profit, other operating income and share of results, partially offset by the increase in expenses.

Income tax expense was US$7.56 million for FY2023 compared to U$4.52 million for FY2022, an increase of US$3.04 million or 67.13% mainly due to higher provision for income tax.

As a result of higher gross profit, other operating income and share of results, the Group recorded net profit of US$58.37 million for FY2023, higher by US$25.19 million or 75.90% compared to US$33.19 million for FY2022.

FINANCIAL POSITION

The Group continues to maintain a healthy balance sheet in FY2023. As at 31 December 2023, total assets was US$1.79 billion, an increase of US$0.29 billion compared to US$1.50 billion as at 31 December 2022, mainly due to the increase in trade and other receivables and cash and cash equivalents, partially offset by the decrease in inventories.

The Group's liquidity and debt servicing ability remained strong. As at 31 December 2023, the Group's cash and cash equivalents were US$373.04 million, an increase of US$64.84 million compared to US$308.20 million as at 31 December 2022. As at 31 December 2023, the Group's current ratio and quick ratio were 1.82 and 1.71 respectively (FY2022: 2.08 and 1.76 respectively). As at 31 December 2023, the Group's total trade and banking facilities amounted to US$3.35 billion.

As at 31 December 2023, the equity attributable to owners of the Company stood at US$948.40 million, or 110.26 US cents per share, compared to US$902.98 million or 104.97 US cents per share as at 31 December 2022. Equity attributable to the non-controlling interests was US$3.95 million as at 31 December 2023.

The Group continues to preserve its overall liquidity position to support its supply and trading businesses. The Group's principal sources of cash flow are derived from its supply and trading business operations as well as dividends received from its investment in associates.

The Group's FY2023 financial performance has demonstrated the strength and resilience of CAO's businesses despite operating in difficult global market conditions. CAO will continue to maintain a healthy balance sheet, exercising stringent credit management as it continues to focus on credit control as well as account receivables and working capital management, while proactively seeking synergetic and strategic asset investment opportunities to diversify and augment its income streams.

ECONOMIC VALUE ADDED

Economic Value Added profit for FY2023 was -US$1.10 million, an improvement of US$23.94 million from -US$25.04 million for FY2022, mainly due to the increase in net earnings on the back of higher capital employed. Net profit attributable to equity owners of the Company increased 75.52% year-on-year to US$58.86 million for FY2023, compared to US$33.53 million for FY2022. The Group will continue to focus on improving efficiency and remain prudent in financial management to create value for shareholders.

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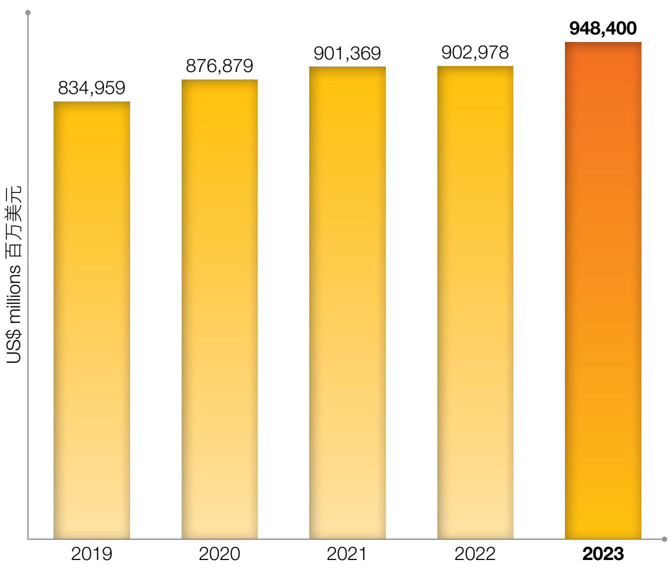
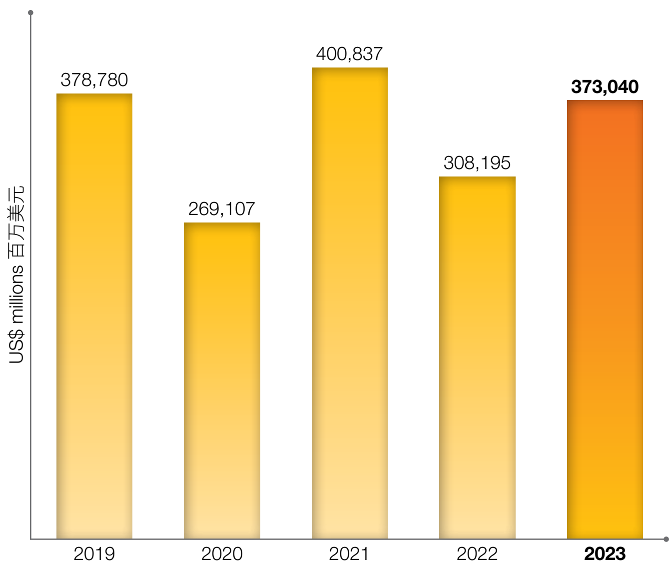
5-YEAR FINANCIAL SUMMARY 五年财务摘要	2019	2020	2021	2022	2023
INCOME STATEMENT (US$'000) 损益表(千美元)					
Revenue 收入	20,343,491	10,516,955	17,636,657	16,464,124	14,429,573
Gross Profit 毛利	58,456	45,872	30,697	35,391	50,598
Share of Results of Associates 联营公司投资收益	65,532	24,789	23,550	17,902	30,318
Net Profit after Tax 税后净利润*	99,830	56,193	40,350	33,532	58,856
BALANCE SHEET (US$'000) 资产负债表(千美元)					
Total Assets 总资产	1,872,945	1,887,949	1,535,658	1,499,618	1,787,514
Total Equity 股东权益*	834,959	876,879	901,369	902,978	948,400
Cash and Cash Equivalents 现金及现金等价物	378,780	269,107	400,837	308,195	373,040
FINANCIAL RATIOS 财务比率					
Earnings per Share (US$ cents)* 每股收益(美分)	11.61	6.53	4.69	3.90	6.84
Net Asset Value per Share (US$ cents)* 每股资产净值(美分)	97.07	101.94	104.79	104.97	110.26
Return on Equity 净资产回报率*	12.45%	6.57%	4.54%	3.72%	6.36%
Return on Assets 资产回报率	6.12%	3.22%	2.61%	2.50%	4.03%
Debt Equity Ratio 股本带息负债率	0.00%	0.00%	0.00%	0.00%	0.00%

Total Equity*
股东权益



Total Cash and Cash Equivalents
现金及现金等价物



* Relates to the amount attributable to equity owners of the Company 数额归属于本公司所有者

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China remains the Group's largest market, accounting for 60.84% of the Group's revenue in FY2023.
中国依然是公司最大的市场，占公司2023财年收入的60.84%。

综述

截至2023年12月31日(简称"2023财年")，中国航油新加坡总收入为144.3亿美元，相比2022年12月31日(简称"2022财年")的164.6亿美元下降12.36%，主要是因为油价下跌和总业务量减少。

公司2023财年的营业利润为3,561万美元，较2022财年上涨79.81%，主要是因为毛利和其他经营收入增加，同时费用增加抵消了部分增幅。

2023财年来自联营公司的投资收益为3,032万美元，较上年同期的1,790万美元，上涨69.36%。

2023财年归属于本公司所有者的净利润为5,886万美元，同比增加2,532万美元，增幅为75.52%。2023财年归属于本公司所有者的每股收益为6.84美分，上年同期为3.90美分。净资产收益率上涨2.64个百分点至6.36%，主要原因是利润增加。

2023财年经营活动产生的净现金流入为5,456万美元，而上年同期产生的净现金流出为8,877万美元，增加14,333万美元的主要原因是存货减少和贸易资金占用较低。投资活动产生的净现金流入增加181万美元至2,626万美元，主要是2023财年收到较高的利息和联营公司分红，购置不动产、厂房及设备支出部分抵消了增幅。2023财年累计筹资活动产生的净现金流出为1,657万美元，上年同期筹资活动产生净现金流出为2,667万美元，同比减少1,010万美元，主要原因是2022财年增加香港供油公司股权后偿还银行贷款620万美元，再加上2023年支付的租赁负债和股息分别减少244万美元和154万美元。

公司提议2023财年发放每股0.0271新元的单层免税年终普通股息和每股0.0234新元的单层免税特别股息。

由于油价波动、全球经济增长面临不确定性，以及日益加剧的地缘政治紧张局势，全球市场环境预计仍将充满挑战。然而，凭借稳健的财务状况，公司有望把握全球航空业持续复苏所带来的机遇，并对本财政年度的表现保持谨慎乐观态度。公司将继续致力于加强其运营韧性，完善航煤供应和贸易网络，同时开展其他石油产品的交易。与此同时，公司还将专注于通过投资具有协同效应和战略性的油品相关资产和业务来寻求战略扩张的机会，以提高长期盈利能力。

营业利润

2023财年总供应与贸易量为2,003万吨，同比2022财年的2,026万吨下降1.14%。中馏分供应与贸易量从2022财年的833万吨增加20.29%至2023财年的1,002万吨。虽然油价下跌，但业务量的增加带来中馏分供应与贸易收入增加1.93%至86.9亿美元，占公司2023财年总收入的60.25%。其他油品贸易量(主要来自于原油和燃料油)在2023财年减少192万吨或16.09%至1,001万吨，贡献57.4亿美元的收入。

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中国依然是公司最大的市场，占公司2023财年收入的60.84%，占比较2022财年增加7.52个百分点。

2023财年毛利为5,060万美元，较2022财年毛利3,539万美元上涨42.97%，主要原因是航煤供应业务利润和其他油品贸易盈利较高。

2023财年其他经营收入为1,872万美元，较上年同期的101万美元上涨1,762.29%。2023财年银行存款利息收入为1,774万美元，较上年同期的329万美元增加1,445万美元，主要是由于银行存款增加和利率上涨带来利息收入增加。2023财年汇兑收益为35万美元，较上年同期的汇兑损失371万美元增加406万美元，主要是2022财年人民币和欧元对美元贬值产生汇兑损失，而2023年欧元对美元升值产生了汇兑收益。其他收入减少80万美元，主要是因为2022财年处置联营公司取得82万美元的收益。

2023财年总费用为3,370万美元，较上年同期的1,659万美元上涨103.13%，主要是由于商誉减值338万美元，联营公司长投减值865万美元，员工成本增加60万美元以及专业与法律费用增加246万美元。2023财年信用损失计提为91万美元，而2022财年信用损失计提为20万美元，同比增加71万美元。银行费用则同比减少50万美元。

来自联营公司的投资收益

2023财年联营公司投资收益为3,032万美元，较上年同期的1,790万美元上涨69.36%。2023年来自浦东航油的投资收益为3,146万美元，较上年同期的1,921万美元上涨63.77%，主要是航油加注量增加带来浦东航油的收入和利润增加。2023年来自其他联营公司的投资收益为负114万美元，较去年同期的负131万美元增加17万美元，主要是因为来自于OKYC的投资收益较高。

净利润

2023财年公司税前利润为6,593万美元，较2022财年的3,771万美元上涨74.85%，主要是毛利、其他经营收入和投资收益增加所致，而部分增幅被较高的费用抵消。

2023财年所得税费用为756万美元，较上年同期的452万美元增加304万美元，增幅为67.13%，主要是所得税计提增加。

由于毛利、其他经营收入和投资收益较高，2023财年净利润为5,837万美元，较2022财年的3,319万美元增加2,519万美元，涨幅为75.90%。

财务状况

2023财年公司继续保持稳健的财务状况。截至2023年12月31日，总资产为17.9亿美元，较上年同期的15.0亿美元增加2.9亿美元，主要是由于贸易及其他应收账款和货币资金增加，而存货的减少部分抵减了增幅。

CAO has instilled a culture of cost consciousness among the staff.
公司树立了成本费用管控意识。

公司的资金流动性和偿债能力依然稳健。截至2023年12月31日，公司货币资金为3.73亿美元，较2022年12月31日的3.08亿美元增加0.65亿美元。截至2023年12月31日，公司的流动比率和速动比率分别为1.82和1.71（2022财年分别为2.08和1.76）。截至2023年12月31日，公司的银行授信额度总计33.5亿美元。

截至2023年12月31日，归属于本公司所有者的净资产为9.48亿美元，或每股110.26美分；而截至2022年12月31日，归属于本公司所有者的净资产为9.03亿美元或每股104.97美分。截至2023年12月31日，归属于非控制性权益的净资产额为395万美元。

公司继续保持较好的整体资金流动性以支持业务拓展。公司主要的现金来源为供应与贸易业务以及联营公司所派发的股息。

尽管全球市场环境充满挑战，但公司在2023财年所取得的良好业绩充分展现了公司的运营实力及韧性。公司将继续保持稳健的财务状况，严格管控信用风险，同时加强对信用额度的控制以及应收账款和流动资金的管理。公司也会积极寻找有协同性的战略资产投资机会，以拓宽收入来源。

经济增加值

2023财年经济增加值为负110万美元，较上年的负2,504万美元增加2,394万美元，主要是资本投入增加带来净利润增加。2023财年归属于本公司所有者的净利润为5,886万美元，较2022财年的3,353万美元上涨75.52%。公司将继续提高运营效率，保持谨慎的财务管理策略，为股东持续创造价值。

RISK MANAGEMENT
风险管理

The global political and economic landscape remained challenging even with the pandemic coming into control in 2023. The ongoing conflicts between Russia and Ukraine as well as Israel and Hamas continue to exacerbate uncertainty in the global economy fueling further imbalances in supply and demand imbalances of energy resources. In addition, weaker than expected recovery in major economies post-pandemic further weighed down the recovery of the global aviation sector. These unfavourable external conditions coupled with increasingly complex risk exposures continued to pose operational challenges for the Group.

Against this complex and volatile environment, CAO continued to leverage on its four-tier risk management framework and reporting structure to analyse, assess and identify various risks to effectively mitigate and manage the risk exposures faced by the Group's expanding global business operations and ensure sustained business growth.

CAO continued to enhance its risk management system and internal risk methodology while closely monitoring the Group's key risk indicators. We also optimised the quality of our trading counterparties through active monitoring and conducting multiple rounds of portfolio reviews of all counterparties, further strengthening the Group's ability to mitigate and manage risk exposures. The Group's overall risk management capabilities were also strengthened through the enhancement of automated operations, optimisation of daily hedging ledger records and conducting regular reviews and updates of trade-related risk limits.

As part of its risk management culture, the Group continues to actively develop and refine its centralised risk control and support network to enable global business growth. The Group's risk management process has the following features:

1. Risk management framework, policies and processes;
2. Risk management strategy
3. Five key risks and mitigation strategies
4. Comprehensive Enterprise Risk Management ("ERM")
5. Market risk management and sensitivity analysis
6. Credit risk management and concentration analysis

RISK MANAGEMENT FRAMEWORK, POLICIES AND PROCESSES

CAO's risk management framework comprises risk management policies, guidelines, procedures, processes, limits, as well as systems of internal controls, which are put in place to identify, measure and control various risks encountered in our business operations, enabling the Group to quickly respond to constantly changing market conditions.

Our risk management foundation is built upon three pillars namely:

1. Four-tier management and control structure
2. Policies, guidelines and control framework
3. System, process and people.

The Group's four-tier management and control structure is designed to ensure sound governance and oversight over the execution of effective risk management practices for the Group.

At the strategy and governance level, the responsibility for the effective risk management of CAO lies with the Board of Directors. All risk management related issues will be ultimately reported to the Board of Directors.

At the tactical and policy level, the Risk Management Committee ("RMC") oversees strategic risk management issues. The RMC reviews the limits for various types of risks and proposed into the Board for approval and in addition, approves new activities that CAO plans to embark on. Through monthly reports and quarterly meetings, the RMC reviews the various risk metrics that provide an indication on CAO's risk exposures and the manageability of each category of risk.

At the management and control level, the Company Risk Meeting ("CRM") plans and implements risk management controls over risk exposures such as market, credit, operational, enterprise, compliance and reputational risks. The CRM operates within the delegated authority set at the RMC level. The CRM is chaired by the Head of Risk Management, who reports to the CEO but has an independent direct reporting line to the RMC.

RISK MANAGEMENT
风险管理

At the operation level – the Risk Management Department ensures that risk management activities are executed daily and that all risk-related policies, processes and limits are implemented and adhered to. Over the past years, the risk team has defined and built the framework around risk management, identifying, reporting and monitoring the risk profiles of the Group's supply and trading businesses in Singapore, Hong Kong SAR, Los Angeles and London. CAO's global risk team, with professional credentials such as Financial Risk Manager by Global Association of Risk Professionals and their expertise in credit, market and enterprise risk management manages and supports appropriate risk management practices in daily operations across the globe, enabling the management team to execute strategic business objectives and achieve performance targets.

RISK MANAGEMENT STRATEGY

The Group's growing multi-product portfolio businesses subjects CAO to a number of risks. These include exposure stemming from changes to regulatory and operational conditions in certain regions, fluctuations in currencies and volatility in oil prices. To better manage the exposure of the Group's growing business portfolio, CAO has continually enhanced its risk management processes and methodologies to better manage the growing uncertainties in the Group's key markets.

CAO's management of risk includes identifying key areas of uncertainties and risks that will impact the Group's strategic performance, and have in place the appropriate risk mitigating initiatives to manage them:

- Market risk – is the risk of losses arising from movements in trading positions and market prices
- Credit risk – is the risk due to uncertainty of counterparty to meet its contractual obligations
- Operation risk – is the risk arising from operational gaps of both financial and physical operations
- Legal risk – is the risk of financial and/or reputational loss that can result from lack of awareness or misunderstanding of, ambiguity in, or reckless indifference to, the way law and regulation apply to a company's business
- Finance risk – is the risk that that a firm will be unable to meet its financial obligations

CAO'S ROBUST RISK MANAGEMENT AND CONTROL STRUCTURE
中国航油新加坡公司四层风险管控架构与双重汇报路线

RISK MANAGEMENT
风险管理

TOP 5 RISKS AND MITIGATION

At CAO, we constantly improve on the risk control systems through adopting best-in-class practices and developing new initiatives to enhance the Group's risk management capabilities. On top of managing the key identified business risks on a daily basis, we have also analysed and determined the top five risks in CAO's operating environment in 2023 through an internal assessment.

No.	Assessed Significant Risks	Mitigation Strategies	Impact
1	Strategic risk of investments	1. Actively seek opportunities to add value to the core jet fuel business, focusing on aviation marketing and supporting the company's supply and trading network. 2. Continuously improve the company's investment business through acquisition activities, and invest in synergetic assets with profit growth, and increase investment efforts in the industrial chain and value chain. 3. Closely monitor changes relating to the external market and industry, and proactively explore new business opportunities to ensure the Group's long-term competitiveness.	Mid
2	Counterparty credit risk	1. Set appropriate counterparty credit limits for its global counterparties. 2. Implement dynamic management process to monitor the credit of counterparties; establish an active counterparty list and a blacklist. Ensure the qualities of counterparties by conducting regular review as well as ad hoc review based on macro economy changes. 3. Multiple rounds of trade counterparty clean up exercises have been carried out to improve the overall trade counterparty quality. 4. Revised expected credit loss calculation data to match the market changes. 5. Increase credit team's headcount. 6. Implement credit mitigation such as Letter of Credit, prepayments, credit insurance, etc. 7. Manage credit risk issues through Credit Committee.	Mid
3	Policy change in China's aviation fuel market	1. Leverage the Group's existing supply and trading capabilities to build up a diversified business structure, and enhance its trading capabilities for other oil products. 2. Actively explore business opportunities in overseas jet fuel and other oil products markets. Secure both domestic and overseas resources to sustain stable and long-term growth in its market share in targeted markets. At the same time, increase the efficiency in logistics management, extend the business value chain, and establish an integrated supply chain and trading network incorporating procurement, storage, transportation, sales and trade activities. 3. Optimise supply resources and adjust supply models in accordance with the aviation fuel supply and demand situation in China. 4. Leverage on the Group's existing aviation marketing advantages to develop its biofuel supply and trading business, as well as expand new business and revenue sources.	Mid
4	Price fluctuation	1. The front office and relevant subsidiaries of the Company to closely monitor market changes and strictly carry out trade activities within the prescribed risk limits. 2. Risk Management Department to provide daily monitoring reports. 3. Flexibly balance quantity matching between physical inventory and mandatory inventory vouchers to meet EU mandatory inventory obligations while achieving structural gains and reducing the cost of compulsory stock options. 4. Increase the frequency and granularity of aviation market procurement and sales quantity forecasts.	Mid

RISK MANAGEMENT
风险管理

No.	Assessed Significant Risks	Mitigation Strategies	Impact
5	Climate Risk and Energy Policy Transformation	1. Ensure all climate-related disclosures are in accordance with SGX requirements, i.e. to incorporate climate-related disclosures based on the recommendations of TCFD from FY2024. 2. Develop and implement carbon reduction measures, including the use of LED lights as much as possible, and encourage employees to reduce paper printing. 3. Upon obtaining the relevant biofuel supply and trading qualifications, the Company has been actively advancing the development of its biofuel supply and trading business as part of its transformation towards becoming a green, low-carbon emissions corporation. 4. A dedicated position relating to sustainable biofuels has been set up and HR department is handling the hiring process. 5. CAO has been proactively seeking sustainable biofuel-related investment opportunities, striving towards becoming a technology and resource driven company.	Mid

COMPREHENSIVE ENTERPRISE RISK MANAGEMENT

Recognising that risk management plays an important role in business sustainability, CAO has adopted ERM practices to identify and manage the various types of risks the Group's globalised operations is exposed to. Building on the ERM practices, the risk management team is able to identify, analyse and prioritise key risk factors faced by the Group, and through which action plans to mitigate identified risks are executed as planned by respective risk owners from various business units and functions. The process ensures that key risks are proactively monitored and managed and that appropriate mitigations are put in place.

Under the ERM, the top-down and bottom-up approach is deployed to effect information collection and compilation for the Group's risk register. CAO currently review the Risk Register risk entries semi-annually. During the review process, we quantified each risk entry in term of impact and probability and rank them, so as to select the most significant potential risks.

Besides the Risk Register, the CRM which comprises our senior management team and heads from various business functions, forms the next critical component of our ERM model and is an important channel for discussing risk-related topics and issues. Through regular meetings, as well as ad-hoc ones and e-mail circulation, potential risk factors identified in daily business operations can be discussed and evaluated timely. For example, in the scenario where the credit risk team highlights credit issues with late payments from a trading counterparty, the CRM may discuss and decide promptly whether to have any further commercial dealings with said trading counterparty.

For the past years, the stress-testing conducted at the enterprise level, covering various risk categories has enabled the Group to better understand the possible impact CAO faced under special events and environments, enabling the Group to execute appropriate and effective mitigation measures.

MARKET RISK MANAGEMENT AND SENSITIVITY ANALYSIS

In the area of market risk management, the Risk Management team monitors and analyses the Group's supply and trading activities, maintains comprehensive risk control records and reports daily to the management team as well as stakeholders of various business functions.

The Market Value at Risk ("MVaR") is used as a primary tool to measure market risk. All physical and financial contracts are subjected to MVaR limits and valuation of the holding portfolio is monitored on a daily basis. A set of market risk limits, which are delegated by the Board, include Volumetric limits, MVaR, Management Alert Triggers, Stop-Loss limits and Hedging Ratio, are measured and monitored daily, with back-testing conducted regularly to ensure the reliability of our MVaR model.

To complement the market risk limits, the Risk Management team also conducts market stress tests on the company's trading positions on a regular basis. Using historical scenarios from the database, the Risk Management team simulates in a timely manner the likely impact of the Group's recent trading position in times of extreme market conditions. In 2023, we conducted four stress tests, which allowed CAO to have timely and comprehensive insight of our business activities, and take mitigating actions when necessary.

RISK MANAGEMENT
风险管理

2023 MVaR UTILISATION AT COMPANY LEVEL
2023年公司市场风险值使用情况

Notwithstanding the high volatility in the market environment, the Group's risk appetite remained cautious and measured. The daily MVaR utilisation rate, based on a 95% confidence interval, remained stable with an average MVaR utilisation of US$2 million in 2023.

In 2023, we continued to conduct derivatives business in strict accordance with the Hedging Business Proposal approved by the Board of Directors, which requires all derivatives business to be for hedging purposes and strictly prohibits speculation in derivatives business.

CREDIT RISK MANAGEMENT AND CONCENTRATION ANALYSIS

Due to the nature of our business operations, credit risk is inherent in the Group's trading business. It is thus, one of the most significant measurable risks faced by CAO.

Credit risk is classified into credit default risk, concentration risk and country risk:

1. Credit default risk is the risk of losses arising from a counterparty being unable to pay its obligations in full
2. Concentration risk is the risk posed to a company by any single or group of exposures which have the potential to produce losses large enough to threaten the ability of the company to continue operating as a going concern
3. Country risk or sovereign risk is the risk of loss arising from a sovereign state freezing foreign currency payments or when it defaults on its obligations

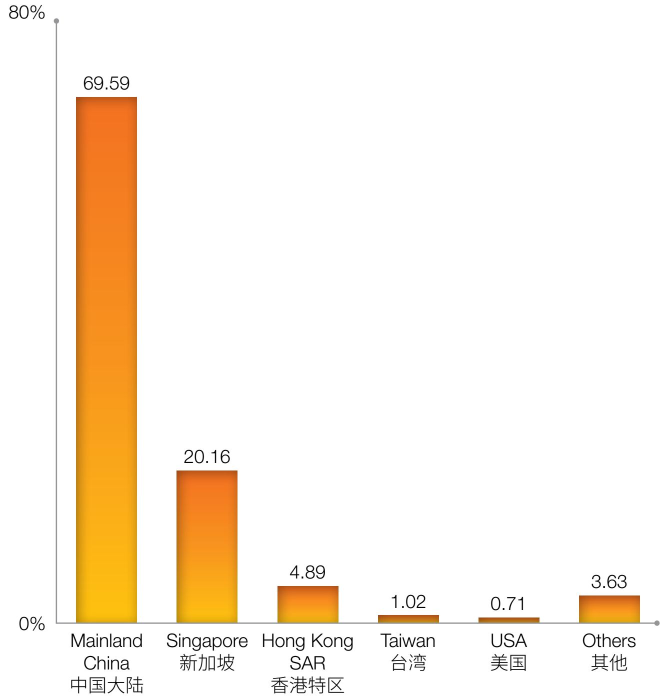
To actively manage our credit risk, counterparties' credit worthiness is evaluated periodically based on their financial standings, operating and payment track records as well as conducting background checks. Actual credit terms and limits to be granted are derived based on the information obtained.

Given the increasingly volatile operating environment and uncertain geo-political situation in recent years, the Group has continued to maintain a prudent credit risk management practice. The key areas of focus include:

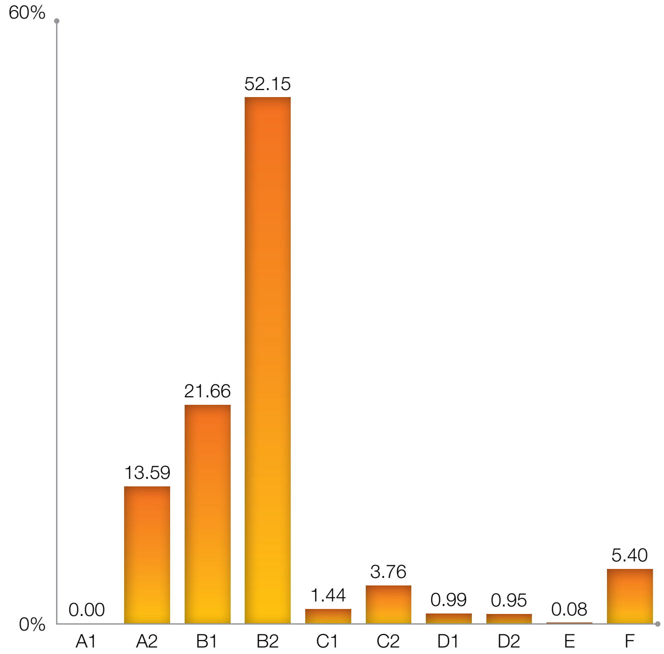
1. Special reviews and deep dives into high risk counterparties or industry segments, allowing the Group to adopt pre-emptive measures and actions to avert potential credit events;
2. Enhance the counterparty management policies to improve the effectiveness and efficiencies of counterparty management in CAO Group, and also conducted counterparties clean up exercises to reduce the exposure to riskier counterparties and improve the overall credit quality of the Group's portfolio of counterparties.
3. Effectively alleviated the Company's credit risk exposure through credit insurance, bank letters of credit, etc. In 2023, the Company successfully completed a two-year credit insurance contract renewal, and continued to provide effective measures to mitigate credit exposures, and at the same time, secured favourable terms for the Company and successfully reduced costs in the said renewal.

RISK MANAGEMENT
风险管理

% of AR Exposure by Place of Incorporation
按注册地划分的应收账款



% of AR Exposure by Internal Credit Rating
按内部信用评级划分的应收账款



Our concentration risk profile of accounts receivables are as follows:

By Country

As of 31 December 2023, our geographical exposure was predominantly Mainland China (69.59%), Singapore (20.16%) and Hong Kong (4.89%), which made up 94.63% of the Group's total exposure.

By Internal Credit Rating

As of 31 December 2023, in terms of internal credit rating, the Group's exposure mainly comes from Grade B2 (52.15%), Grade B1 (21.66%) and A2 (13.59%), which accounted for 87.40% of our accounts receivable position. Letter of credit receivables constituted around 8.11% of total accounts receivable.

The exposure from these internal ratings of Grade A1 to B2 (including exposures against letter of credit) equivalent of investment-grade made up 87.4% of the Group's receivables exposure. The overall credit grade composition of the receivables portfolio was satisfactory.

For other non-investment-grade credit rated counterparties, CAO hardly granted them any credit lines, and if necessary, the payment terms granted to them are on letter of credit and prepayment basis, which effectively reduces the Group's credit risk exposure.

The Group also employs credit enhancement or mitigation tools where necessary. These include obtaining parental company guarantees, cash collateral, letter of credit from investment-rated banks and off-set clause in contracts.

Risk management in CAO remains an integral part of the Group's strategic and operational management. We remain committed to proactively promote a strong culture of risk awareness and will continuously enhance our risk management processes and capabilities to ensure that CAO is able to effectively execute its strategies and achieve its strategic targets to deliver sustainable shareholder value.

RISK MANAGEMENT
风险管理

尽管新冠疫情已逐渐在2023年受到控制，但是全球政治经济形势依旧复杂严峻。俄乌战争还未见曙光，中东巴以就猝然开火，加剧了全球经济所面临的不确定性，也对能源供给带来巨大冲击。此外，后疫情时代，世界主要经济体复苏乏力，国际航班的复苏进程也低于预期，拖累了全球航空业的复苏步伐。这些不利的外在因素以及日益复杂的风险敞口，使得中国航油新加坡公司的经营继续承受着巨大挑战。

在复杂多变的环境下，中国航油新加坡公司依靠现有的四层风险管理架构和报告机制，及时分析、评估和报告各项风险，有效地管控了国际贸易和企业运营中的各项风险，确保了公司业务的整体平稳和健康发展。

公司继续稳步优化风险管理体系和内部风险管理方法，提高风险管理量化水平，推进关键风险指标监控工作。与此同时，我们持续优化交易对家质量，动态管理对家库，完成多轮交易对家清理工作，进一步增强公司抵御风险能力。公司也进一步完善自动化水平，优化每日套保台账记录，持续开展贸易风险限额的回顾与更新，进而提升了公司整体风险管理水平。

作为风险管理文化的一部分，公司继续积极开展并完善集中化风险控制与支持网络，以支持我们在全球的业务拓展。公司的风险管控流程主要包括：

1. 风险管理框架、政策和流程
2. 行业主要风险的管理策略
3. 五个关键风险及缓解措施
4. 企业风险管理介绍
5. 市场风险管理及风险值分析
6. 信用风险管理及集中度分析

风险管理框架、政策和流程

公司的全面风险管理框架包括风险管理政策、指引、规程、流程、限额和内控系统。用来识别、评估和控制经营中出现的多种风险，使我们对多变的市场能够做出快速反应。

公司风险管理的三大支柱分别为：

1. 四层管理与控制架构
2. 政策、指导方针和控制架构
3. 系统、流程和人员

公司的四层管理与控制架构是为了确保有效的治理，监督风险管理实践的有效执行。

在战略层面，董事会全面掌握中国航油新加坡公司的风险管理工作。所有风险管理相关事项最终都将汇报给董事会。

在策略层面，风险管理委员会负责监管战略风险管理事项。风险管理委员会对各类风险类型的限额进行审阅并提交董事会进行最终审批，并且审核批准公司计划开展的新业务。风险管理委员会通过月报和季度会议审查各种风险矩阵，了解公司各类风险的敞口和风险管理面临的挑战。

在管控层面，公司风险会议（简称"风险会"）在风险管理委员会授权之下，负责企业全面风险，包括市场、信用、运作、财务守规和信誉等各类风险管控措施的组织和实施。风险会主席由风险管理部主管担任，既向首席执行官负责，同时也有权直接、独立地向风险管理委员会汇报。

在运作层面，风险管理部负责日常风险管理业务的执行，并确保所有与风险相关的政策、流程和限额得到遵守和落实。在过去十年中，风险管理团队设立了风险管控框架，包括识别、汇报和监控公司在新加坡、香港行政特区、洛杉矶以及伦敦的油品供应与贸易业务。新壮大的风险管理团队拥有如全球风险管理专业人士协会所认证的金融风险管理师等专业资质，他们在信用、市场和企业风险的专业知识有效的帮助全球风险管理的日常运营与管理，协助管理层实施并实现战略业务目标。

行业主要风险的管理策略

随着多元化产品业务日益扩大，公司面临多项经营风险。这些风险敞口来自部分地区监管和运营条件的改变，汇率以及油价波动。为了更好地管理公司不断拓展的业务组合，公司不断完善风险管理实践，使公司能够应对关键的环境变化所带来的不确定性。

公司的风险管理包括识别影响公司战略表现的关键不确定因素和风险领域，并且制定相应的风险缓解措施来管理这些风险。

- 市场风险 — 因贸易仓位、市场价格的变化导致公司遭受损失的风险
- 信用风险 — 贸易对家履约的不确定性所带来的风险
- 运作风险 — 财务和实货运作之间由于运作环节中的不足而带来的风险
- 法律风险 — 对法律法规的意识缺乏、误解、不明确或不计后果的行为所带来的财务和/或信誉损失风险
- 财务风险 — 公司无法偿还债务所带来的风险

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五项关键风险及缓解措施

公司通过借鉴业内的最佳实践来持续改善公司的风险管理，并通过新的措施加强风险管理能力。在管控主要业务风险之外，公司也通过企业风险管理方法来排查公司经营中的其它风险。以下是公司通过内部评估所得出的2023年公司经营前五大风险。

序号	评估的重大风险	采取的管理策略和解决方案	影响程度
1	投资战略风险	1. 积极寻找为核心航油业务增值的机会，以航空市场营销为重点，支持公司供应与贸易网络。 2. 通过收购活动不断完善公司的投资业务，并投资有利润增长的协同性资产，加大产业链、价值链的投资力度。 3. 密切追踪外部市场及行业变化，积极探索新的业务领域，保证公司长期的竞争力。	一般
2	交易对家信用风险	1. 为全球对家设立恰当的信用限额。 2. 对贸易对家实施动态管理，建立对家活跃名单和黑名单，在周期性对家复审的基础上根据宏观形势变化不定期进行专项对家清理，保证对家质量。 3. 开展多轮贸易对家清理以提升对家整体质量。 4. 根据市场变化调整信用损失额计算方式。 5. 增加信用管理团队专业人员。 6. 实施信用缓解措施，如信用证、预付款、信用保险等。 7. 通过信用风险管理小组统一管理信用风险相关事宜。	一般
3	中国航油市场政策变化	1. 充分发挥公司现有供应与贸易能力，建立多元化业务结构，提升其他油品贸易能力。 2. 积极开拓进入海外航煤及其它油品市场，锁定国内外资源并在目标市场建立长期稳定的市场份额，同时提高物流运作效率，延伸业务链，打造一个集采购、储存、运输、销售和贸易活动为一体的全链条供应与贸易网络。 3. 根据中国航油供需状况，优化供应资源，调整供应模式。 4. 利用现有航空市场营销优势，开展生物燃料供应与贸易业务，增加新的业务和利润来源。	一般
4	价格波动	1. 前台业务部门及相关子公司密切关注市场，严格按照公司风险限额开展贸易活动。 2. 风险管理部提供日常报表监控。 3. 灵活平衡实物库存和强制义务库存券之间的数量匹配，在满足欧盟强制库存义务的同时，争取能够实现结构收益并降低库存券成本。 4. 增加航空市场人员开展相关采购和销售数量预测的频度和精细度。	一般
5	气候风险及能源政策转型	1. 确保公司按照新交所的要求披露气候相关信息，即从2024财年起，按照TCFD的要求披露气候相关信息。 2. 制定并采取碳减排措施，包括尽量使用LED灯、鼓励员工减少纸张打印等。 3. 公司在获取相关生物燃料供应与贸易所需资质后，积极推进开展生物燃料供应与贸易业务，向绿色低碳转型迈出坚实步伐。 4. 公司设置了可持续生物燃料的专门岗位，并由人力资源部负责招聘专业人才。 5. 公司积极寻找和把握可持续生物燃料的实业项目投资机会，争取成为一家拥有技术和资源的公司。	一般

企业全面风险管理介绍

考虑风险管理在企业可持续发展中的重要性，公司采用企业风险管理来识别和管理公司在全球业务运作中所面临的各种风险。风险管理团队通过全面的风险管理实践，识别、分析和评估公司所面临的主要风险因素，以更好地安排各风险归口管理部门来执行相关的风险减缓计划，确保关键风险得到积极的监控和管理，并且有适当的缓解措施。

在企业风险管理中，通过自上而下和自下而上两种方法来收集信息、汇总企业风险列表。新加坡公司目前对企业风险列表每半年进行一次回顾，并在回顾的过程中采用对影响力和可能性进行量化的方法对每个风险项进行估值和排序，从而列出对公司潜在影响最大的几项风险。

除了上述的风险列表以外，由公司管理层和相关部门主管所组成的公司风险会既是企业风险管理模型的重要组成部分，也是讨论风险相关议题的重要平台。通过例会、临时

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会议、电邮传签等形式，公司在日常经营中所面临的任何风险议题均可得到及时的讨论和评估。例如，在某个贸易对家出现现金流问题，发生延迟付款时，公司风险会可以及时讨论并决定是否要中止与该对家的任何商业往来。

最近几年，我们积极对各项风险类别进行企业层面的压力测试，使我们能够更好地了解公司在特殊事件和环境下可能面临的潜在影响，从而更好地防范和缓解这些影响。

市场风险管理及风险值分析

在市场风险方面，风险管理部门负责监控和分析公司的供应和贸易活动，保持一个全面的风险控制记录，并且每日向管理层和业务相关者进行汇报。

公司继续用市场风险值作为衡量市场风险的基本工具。所有实货合约和金融衍生品合约都受市场风险值限额管理，我们每日跟踪持仓价值的变化。董事会授权的一系列市场风险限额，如数量限额、风险值限额、管理层预警限额、止损限额和套期保值比率也在每日跟踪范围内，定期的回溯测试则可以确保我们风险值模型的合适性。

作为对市场风险限额的补充，公司风险管理团队会定期对公司的贸易持仓进行市场压力测试。利用历史数据库中的特殊历史场景，我们能够及时地模拟出公司最近的贸易持仓在极端市场环境下可能受到的影响。2023年，我们进行了四次压力测试，以协助公司对其业务活动有及时和深入的了解，在必要时采取风险缓解措施。

尽管市场环境波动很大，公司的风险偏好始终保持谨慎和审慎。根据95%置信区间，公司层面的每日市场风险值使用率基本保持平稳；2023年公司层面平均使用的每日市场风险值为200万美元。

2023年，我们继续严格按照董事会批准的套期保值业务管理方案进行衍生品业务，一切衍生品业务均以套期保值为目的，严格禁止衍生品业务投机行为。

信用风险管理及集中度分析

鉴于公司业务性质，信用风险不可避免，是公司所面临的一项最显著的可衡量的风险。

信用风险可分为信用违约风险，集中度风险和国家风险：

1. 信用违约风险是因贸易对家无法全额偿还债务而对公司造成损失的风险

2. 集中度风险是某个公司的一个或一组风险敞口所带来的潜在损失足以对该公司继续经营能力能够造成威胁的风险

3. 国家风险或主权风险是一个国家冻结外汇支付或不履行其债务而造成损失的风险

为了积极管理信用风险，我们通过观察其财务状况、运营和付款记录以及进行背景调查对各贸易对家的信用状况做定期评估，根据所获得的信息授予对家合适的信用条款及限额。

鉴于近年经营环境波动性增加，地缘政治形势不确定，公司继续保持审慎的信用风险管理政策。信用风险管理的亮点包括：

1. 为高风险的交易对家或行业进行特别评估及深入研究，让公司能采取先发制人的风险缓解措施和行动，以避免潜在的信用损失事件发生

2. 优化了公司的交易对家管理政策，成功地提高公司对于交易对家管理的效益。公司也进行了对家清理，完成了对于高风险对家信用条款和额度的缩紧，提高了公司交易对家整体的信用质量

3. 公司通过信用保险、银行信用证等有效缓解公司的信用风险敞口。公司在2023年成功完成了为期两年的信用保险续约项目，为缓解对家信用风险继续提供有效措施，同时在本次续约中，为公司争取了有利的条件，成功降低成本

我们应收账款的集中度风险状况如下：

按国家划分

截止2023年12月31日，根据公司对家的注册地，公司的信用敞口仍主要来自中国大陆（69.59%）、新加坡（20.16%）和香港（4.89%），占总敞口的94.63%。

按内部信用评级划分

截至2023年12月31日，在内部信用评级方面，信用敞口主要来自于评级为B2（52.15%）、B1（21.66%）和A2（13.59%）级别的贸易对家，占总应收款的87.40%。基于信用证的应收款大约占了总应收款的8.11%。

公司对信用评级为A1、A2、B1和B2（包括信用证的敞口）类似于投资级别的对家占总敞口的87.4%。公司整体的对家应收款信用评级组合处于良好状态。

对其他类似于非投资级别信用评级的对家，公司授予他们的放帐额度有限，也会必要时把付款条件设定为信用证或预付款。这有效地降低了公司的信用风险。

我们也在必要时使用信用增强或风险减缓工具，包括但不限于获取母公司担保、信用保险、现金担保、投资级别银行开具的信用证以及合同中的抵销条款。有了这些强化措施，我们有能力更好地管理日常贸易活动带来的风险。

风险管理是公司业务战略和运营管理的核心部分。公司仍致力于积极强化风险意识，并将不断加强风险管理过程和能力，确保公司能够有效执行其战略并实现其战略目标，持续为股东创造价值。

COMPLIANCE AND INTERNAL AUDIT
合规与内审

To achieve good business performance and long-term sustainable growth of shareholder value, CAO is committed to promoting responsible business conduct and upholding high standards of oversight, accountability, integrity and ethics.

OPERATING RESPONSIBLY

Driven by the commitment of the Board and CAO's management team, the Compliance Team of the Legal & Compliance Department is responsible for ensuring that the Group adopts responsible business practices, mirroring our corporate values of excellence, innovation, diversity and integrity. This includes establishing policies, standard operating procedures ("SOPs") and appropriate oversight measures to facilitate an effective system of internal controls, as well as enhancing the Group's corporate governance, financial performance and operational capabilities to better support the implementation of CAO's business strategies.

Amid a complex and dynamic business environment and the evolving regulatory and compliance landscape, the Group continues to focus on improving the effectiveness and robustness of its internal controls system, to effectively detect and/or prevent any non-compliant activity.

CAO's established system of compliance oversight is in line with the Committee of Sponsoring Organisations of the Treadway Commission framework. This ensures a systematic and integrated approach to evaluate and improve the Group's overall internal controls framework, including regular reviews of policies and SOPs relating to delegation of authority and hedging business policies undertaken during the year 2023 to augment and further reinforce its existing system of internal controls.

The Group regularly reviews and identifies compliance risks relating to anti-trust/competition laws, anti-corruption laws, trade sanctions, occupational safety, health and environmental regulations, data protection laws, insider trading and fraud. By strengthening the implementation of internal policies and management directives, we seek to comply with applicable local and international trade legislations and regulations in regions where CAO operates. These internal policies, management directives and work processes are reviewed on a regular basis to ensure they are updated to align with the evolving business landscape.

To better adhere to regulations on international trade sanctions, anti-money laundering, and countering the financing of terrorism, CAO revised its "Trade Sanctions Compliance Policy" and "Anti-Money Laundering and Anti-Terrorist Financing Measures" in 2023. Refinements made to these policies strengthened the oversight of sanctions-related risks, money laundering and terrorism financing risks. The Group continues to leverage risk intelligence tools to respond to the evolving regulatory landscape. This enables the Group to conduct screening of counterparties and ensure the vigilant monitoring of politically exposed persons, including those categorised as heightened risk entities.

The Legal & Compliance Department works closely with the Risk Management Department to evaluate compliance-related requirements to integrate compliance with daily operations at the business level. In 2023, there were no reported risk events relating to sanctions compliance.

PROTECTING THE INTEGRITY OF OUR BUSINESS

CAO implements a zero-tolerance policy against any form of corruption or bribery. In 2023, CAO updated its "Fraud and Corruption Control Policy" and further strengthened its management of internal controls through refining internal policies and standardising processes in areas such as procurement management, contracts management, business travels management, budget management, corporate guarantee management, authorisation for execution of legal documents and cybersecurity risk management measures as part of its efforts to promote sustainable business engagement with the Group's stakeholders including employees, business partners, suppliers and shareholders, as well as detecting any irregularities in our businesses. CAO firmly believes these measures will empower the Group to comprehensively prevent any occurrence of impropriety, such as acquiring benefits through unlawful means and other fraudulent activities.

To safeguard the integrity of our business, the Group maintains a comprehensive business ethics and compliance-related programme to equip our employees with the relevant knowledge and competency to comply with regulatory and other compliance requirements in their work through mandatory web-based training courses. The Legal & Compliance Department arranges for all employees in the Group to undergo annual mandatory e-learning courses covering a wide range of compliance and business ethics-related topics. In 2023, e-learning courses relating to environmental, social, and governance, Individual accountability, Data Privacy, Information security and cyber risk awareness were conducted. During the year, the Legal & Compliance Department also conducts in-house training courses covering topics relating to Anti-fraud, Anti-corruption and Sanction Compliance, personal data protection and CAO's general mandate for interested person transactions. In 2023, our CAO global workforce participated in a series of web-based compliance-related and business ethics-based training courses, with a completion rate of over 75%. All employees of the Group are also required to sign and submit a "Compliance Commitment Statement" on an annual basis.

COMPLIANCE AND INTERNAL AUDIT
合规与内审

MAINTAINING VIGILANCE

CAO believes vigilance and incident prevention is the best safeguard against potential business disruptions. Recognising the importance of ensuring the efficacy of the Group's resilience towards business disruptions from unplanned events, CAO has continued to validate its Business Continuity Plan ("BCP"). This plan integrates with the IT Disaster Recovery Plan ("DRP"), and the establishment of IT SOPs, guidelines, structure and support team members to ensure timely emergency escalation response, resumption and recovery of key business functions and data resources.

Taking into consideration the potential strategic, operational, financial and reputational exposure to the Group in significant risk events, the Group conducts a BCP and DRP simulation exercise annually to strengthen employees' readiness in responding to emergencies.

In 2023, the Group conducted its first on-site BCP and DRP drill since the onset of the pandemic, activating the disaster recovery centre, whereby employees of foreign subsidiaries of the Group also participated in the drill in their respective countries. This exercise elevated the awareness of handling unforeseen events, assessed the effectiveness of the business continuity plan, and strengthened employees' emergency response capabilities in the face of unexpected situations.

Apart from its compliance role, the Legal & Compliance Department has oversight responsibility for the internal audit work conducted annually as well as independently evaluates the adequacy and effectiveness of control measures and governance processes of the Group. This would ensure that suitable control measures are in place to address significant risks in its global business environment.

An annual internal audit plan is submitted to the Audit Committee for approval, which internal audit work would be carried out by a team of qualified professionals from an international audit firm engaged by the Company. The internal audit plan includes amongst others, an audit of the Group's internal control systems, including an independent annual review on the overall effectiveness of the Group's business processes. The internal audit report which highlights significant audit findings or internal control inadequacies that could possibly affect the Group's operational effectiveness, are submitted to the Audit Committee and the Board on a quarterly basis for review and approval. Adoption of remedial measures by relevant departments arising from the audit findings are subsequently monitored for implementation by specified timelines.

CAO implements a zero-tolerance policy against any form of corruption or bribery.
公司对任何形式的腐败或贿赂实行零容忍政策。

In line with CAO's continued commitment to accountability and integrity in its business practices, the Compliance Team of the Legal & Compliance Department continues to work closely with CAO's outsourced internal auditor, PricewaterhouseCoopers Risk Services Pte. Ltd., to ensure that the Group's internal audit activities conducted during the year are aligned with the Standards for the Professional Practice for Internal Auditing as set by The Institute of Internal Auditors through the Quality Assurance and Improvement Programme assessment. An internal assessment exercise was conducted through a questionnaire to various stakeholders to obtain feedback on the effectiveness and quality of CAO's outsourced internal audit activities which were then communicated to the outsourced internal auditor.

It is imperative for CAO to conduct its business activities in compliance with relevant laws and regulatory requirements. To combat fraud, corruption and unethical behaviour, along with fostering an open and honest culture, CAO has established and implemented the CAO Whistleblowing Policy. This policy provides guidance on the Group's approach and stance on whistleblowing and how whistleblowers can raise serious concerns of allegations of wrongdoing, as well as explicit indications of what might be considered "reportable concerns". Under the CAO Whistleblowing Policy, whistleblowers may report any reportable concerns on any forms of misconduct affecting the Group, its customers, partners, suppliers and other stakeholders. This can be done without fear of reprisal, dismissal or discriminatory treatment, via the following dedicated email addresses: whistle_blowing@caosco.com or auditcommittee_whistleblowing@caosco.com.

There were no "reportable concerns" received by the Company during the financial year.

COMPLIANCE AND INTERNAL AUDIT
合规与内审

为实现良好的经营业绩和股东价值的长期可持续增长，中国航油新加坡公司一直致力于推行尽责的经营管理模式，旨在践行高标准的监督和问责制度，并积极将企业诚信和商业道德融入日常经营之中。

践行负责任的经营管理

在董事会和管理层的领导下，法律合规部的合规团队负责确保公司以尽责的商业实践开展业务，充分体现我们的企业价值观——卓越、创新、多元和诚信。公司制定了管理制度、标准操作流程和适当的监管措施来强化内部控制的有效性，提升公司治理水平、财务业绩以及业务运营能力，以支持公司业务策略的落实。

在复杂多变的商业环境中，监管及合规要求不断变化，公司面临的挑战持续升级。公司通过强化内部控制，提升运营程序和系统的有效性和可靠性，以有效预防和发现任何违规行为。

公司建立的合规监督体系符合COSO框架体系，能有效确保以系统性及综合性的方式来评估和改进公司及子公司的总体内控框架，包括在2023年里定期审查涵盖授权审批和套期保值业务管理的相关制度和标准操作流程，以进一步提升并强化公司现有的内控系统。

公司定期审查和识别潜在的合规风险，如反垄断和竞争法、反腐败法、贸易制裁、职业安全、健康和环境法规、数据保护、内幕交易和欺诈行为。公司通过强化内部制度和管理指令的执行，确保公司的操作符合经营环境适用的当地和国际贸易法律法规。公司也会定期审核上述内部制度、管理指令和工作流程，以确保它们得到更新且适用于不断发展的商业环境。

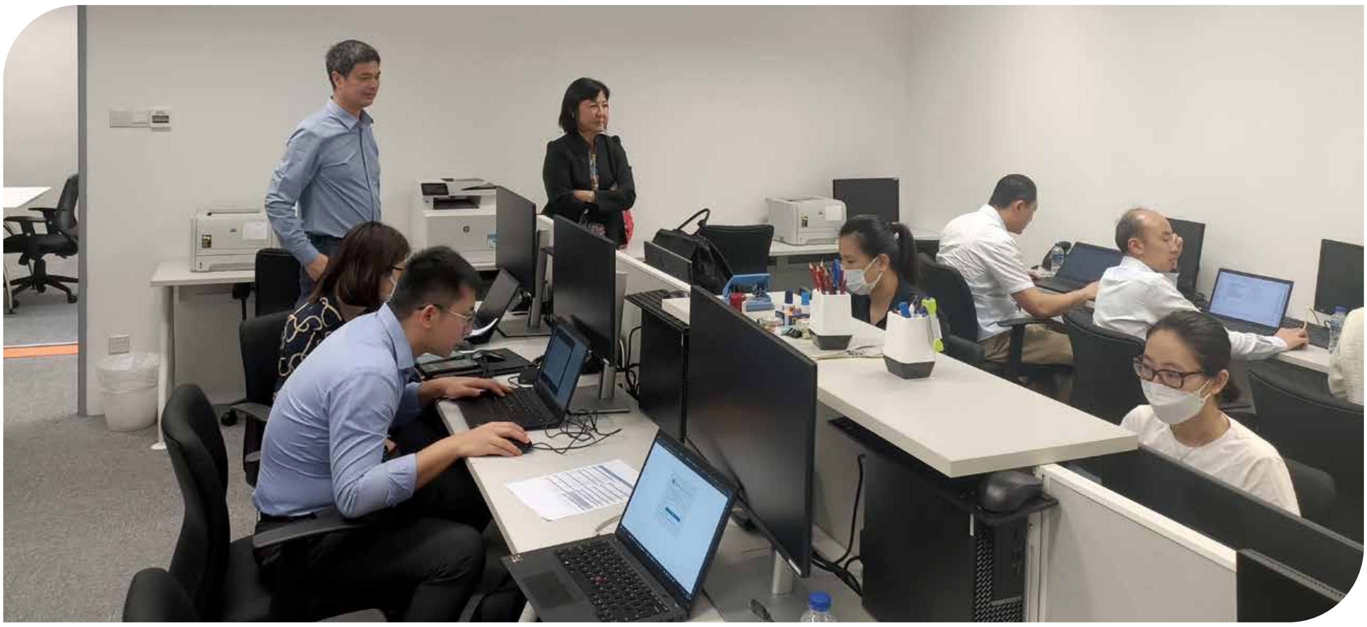
为了更好的遵守国际贸易制裁、反洗钱和反恐怖主义融资相关法规，公司在2023年对《贸易制裁合规制度》和《反洗钱与反恐怖主义融资管理办法》进行了修订。上述修订有助于加强公司对制裁相关风险、洗钱和恐怖主义融资风险的监督。公司持续借助风险监测工具以应对监管环境的变化，有效地对贸易对家开展风险排查，同时密切监控政治公众人物及高风险实体。

法律合规部与风险管理团队紧密合作，一同开展合规性评估并着重将业务合规贯彻到日常业务与运营之中。2023年，公司未发生任何涉及制裁的合规风险事件。

维护企业诚信

中国航油新加坡公司对任何形式的腐败或贿赂实行零容忍政策。2023年，公司更新了《反欺诈及反腐败监管政策》，通过完善有关采购管理、合同管理、差旅管理、预算管理、担保管理、法律文件签署授权管理和网络安全风险管理办法等领域的内部制度和流程规范，进一步加强了公司的内控体系以促进公司与员工、业务伙伴、供应商和股东等利益相关方之间的可持续业务合作关系，同时积极排查公司业务中可能出现的任何违规行为。公司坚信，这些措施有助于公司全面防范腐败，如收取好处费等违法的利益输送行为和其他欺诈行为。

在维护企业诚信方面，公司制定了全面的商业道德与合规管理方案，通过强制性的线上培训课程，让我们的员工具备相关知识和技能以确保其工作开展符合监管和合规要求。法律合规部也组织公司员工参与线上学习课程，其内容涵盖广泛的合规和商业道德相关培训课题；本年培训课题内容包括环境、社会和治理，个人问责，数据隐私，信息安全和网络风险意识等。法律合规部也在2023年为全体员



In 2023, CAO activated the disaster recovery centre and conducted its first on-site BCP and DRP drill since the onset of the pandemic.
公司于2023年首次在疫情后启动灾备中心的实地BCP和DRP模拟演练。

COMPLIANCE AND INTERNAL AUDIT
合规与内审

COMMITMENT TO RESPONSIBLE BUSINESS PRACTICES
对商业操守的承诺

Registered zero incidents of corruption and bribery

零腐败和零贿赂事件

Maintained a comprehensive business ethics and compliance-related training programme to equip employees

为员工制定了全面的商业道德与合规相关的培训课程

Reviewed SOPs relating to delegation of authority and hedging business policies to further reinforce existing system of internal controls

审查涵盖授权审批和套期保值业务管理的标准操作流程，进一步强化现有的内控系统

Adopted a revised Fraud and Corruption Control Policy

更新了公司的《反欺诈及反腐败监管政策》

工提供内部培训课程，内容涉及反欺诈、反腐败和制裁合规、个人信息保护和关联方交易一般性授权等。2023年，公司分布在全球各地的员工参加了一系列线上合规和商业道德相关培训课程，完成率高于75%。公司全员也须完成年度《合规承诺书》的签署。

保持谨慎

公司坚信，时刻保持谨慎和实施完善的防范措施是防止出现业务中断的最佳保障。我们也认识到确保公司应对意外事件造成业务中断而迅速恢复运营的效率对公司至关重要。因此，公司一贯执行业务持续计划（简称"BCP"）。该计划与信息系统灾难恢复计划（简称"DRP"）以及相关的科技信息标准操作流程、制度指引和应急处理组织架构相结合，以确保公司具备紧急上报响应程序和及时重启关键业务部门和复原数据资源的能力。

鉴于重大风险事件对公司的战略、运营、财务和声誉造成的潜在影响，公司每年均安排一次BCP和DRP模拟演习，借此加强公司员工应对紧急事件的能力。公司于2023年首次在疫情后启动灾备中心的实地演练，公司分布在全球各地的子公司员工也同时参与。借助此次演练，提高了公司应对突发事件的风险意识，检验了业务持续计划效果，增强了员工对于突发事件的应急反应能力。

除合规职责外，法律合规部也负责监督年度内部审计工作，独立评估公司管控措施和治理流程的充分性和有效性，以监督和合理保证公司具备适当的控制措施来应对全球业务环境中的重大风险。

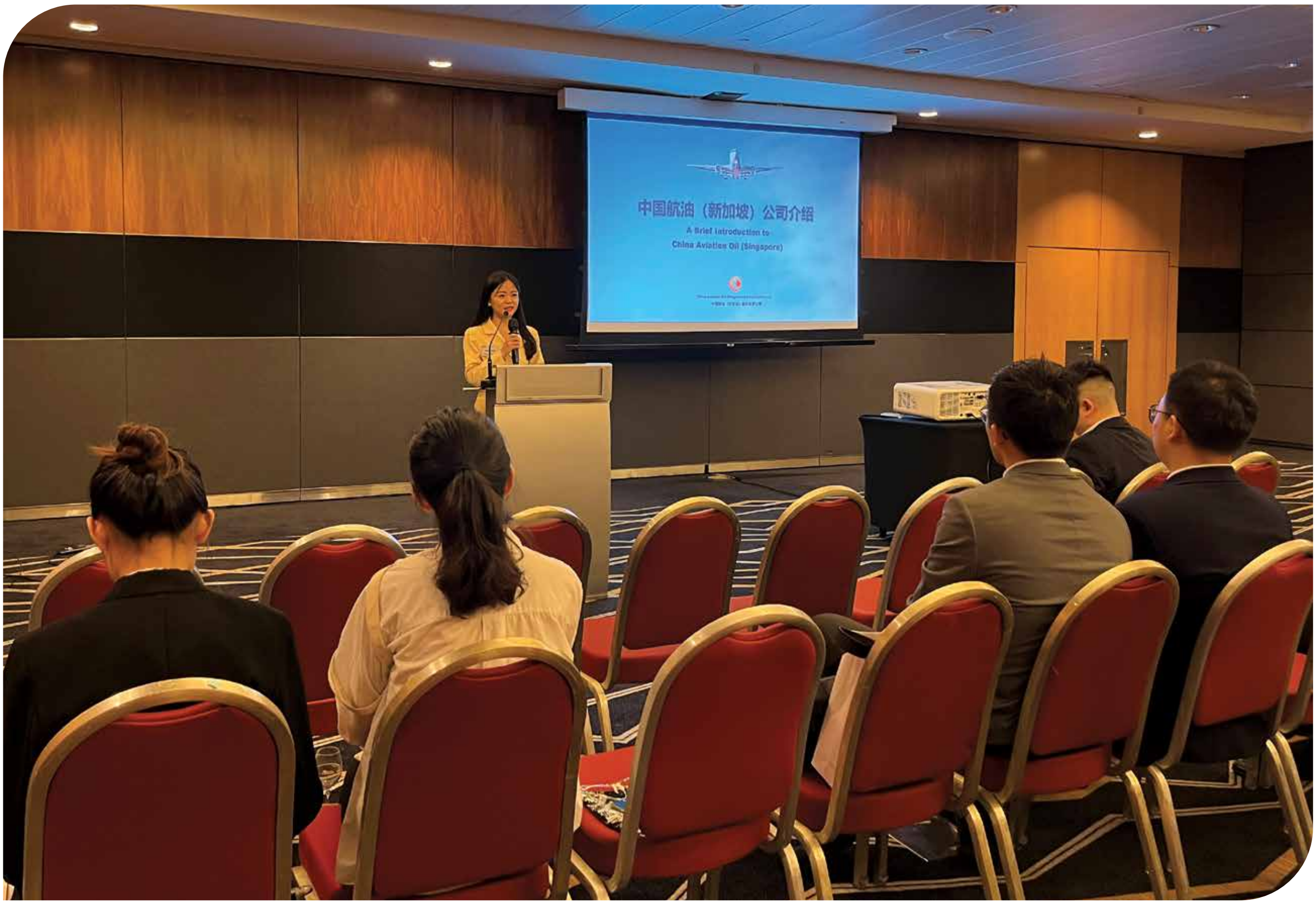
内部审计计划在制定后将提交审计委员会批准，获批准的内部审计计划将由国际审计事务所的合格专业团队开展。内部审计计划涵盖对公司内部控制系统的评估，并包括年度对公司业务经营整体有效性的独立审核。内审报告重点关注可能影响公司运营效率的重大问题和内部管控缺陷，并按季度提交审计委员会和董事会。相关部门随后会根据审计结果采取适当的整改措施，并在规定的期限内实施。

为了体现公司在业务实践中对责任和诚信的一贯承诺，法律合规部与公司外包内审普华永道事务所紧密合作，根据国际内部审计师协会标准，在2023年通过"质量保证和改进计划"提升公司内部审计质量。此改进计划以问卷形式向各相关方征求关于公司外包内审工作可行与质量的反馈，并重点突出需要改进的事项。

中国航油新加坡公司坚持在合法合规的前提下开展业务。为了进一步防范欺诈、腐败和非道德行为，同时培育诚信、透明的企业文化，我们制定并执行了公司举报政策。该举报政策提供了明确的举报措施与立场指引，以及举报者对不当行为可采取的举报途径等。此外，该举报政策也明确地指出可被视为"应举报事项"的行为类型。举报者可通过专属的电子邮件地址：whistle_blowing@caosco.com或auditcommittee_whistleblowing@caosco.com，举报任何会影响公司、其客户、供应商和其他利益相关方的违法违规事项，并无需担心遭到报复、解雇或歧视。

本财年，公司未收到任何可视为"应举报事项"的不当行为举报。

HUMAN CAPITAL MANAGEMENT
人才资源管理



The Company participated in Nanyang Technological University Business School Job Fair to attract interest from a diverse pool of outstanding graduates.
公司参加南洋理工大学商学院招聘会以吸引优秀毕业生的加入。

In 2023, CAO continued to prioritise development, focusing on building a global talent pool through thematic education and creative improvements to further enhance HR effectiveness and cultivate a pool of talented professionals to support our continued development as a premier aviation fuel company that matches best in class practices of international peers. At the same time, CAO remained committed to maintaining and ensuring the health, safety, and welfare of all employees.

KEY HIGHLIGHTS

To better support our front-line staff, promote staff talent and ability development and maintaining headcount within a reasonable range, we conducted a thorough benchmarking exercise. This included on-site consultations with other listed companies, new energy trading firms, as well as drawing upon the best practices of our parent group CNAF, all aimed at further optimising the allocation of our human capital.

The launch of the International Talent Training Center in 2023 marks a key milestone in our commitment to talent development. Focusing on key areas such as international trade operations, financial derivatives, risk management, as well as compliance, the Center leverages on our diverse international talent pool to tailor comprehensive training, facilitate sharing of best practices, job rotation as well as to strengthen understanding of critical aspects of core business functions such as hedging that will help cultivate both onshore and offshore talent ensuring a robust pipeline to meet CAO's future development needs.

In our ongoing efforts to expand our talent pool, we actively engage in on-campus engagement events at renowned universities to broaden our recruitment reach. Through our collaboration with Nanyang Technological University, we have communicated insights into our company's vision, global presence, sustainable practices, core values, and talent management strategies. These engagements have successfully attracted interest from a diverse pool of outstanding graduates.

HUMAN CAPITAL MANAGEMENT
人才资源管理

CAO has enhanced the New Appointment Framework for its Senior Management Personnel, implementing robust incentive and accountability mechanisms. This ongoing effort ensures an equitable distribution of responsibilities, rights, and obligations of these management personnel as well as improve incentives to boost their enthusiasm and creativity at work to reinforce the company's vitality and drive, facilitating our journey toward high-quality development.

TALENT MANAGEMENT AND CAREER DEVELOPMENT

CAO is committed to talent development and has implemented comprehensive people-oriented initiatives, as well as adopted a holistic approach to employee development based on capability and character.

In 2023, CAO further enhanced its internal management processes and incentive mechanisms introducing protocols for recognizing and rewarding outstanding performance. We presented 11 individual awards and 5 team accolades, acknowledging the outstanding contributions of 34 employees during the course of the year. These initiatives showcases the exemplary leadership demonstrated by our top performers and reaffirms our dedication towards our goal of a world-class aviation fuel company.

CAO places great emphasis on talent development and encourages lifelong learning through effective organisation of various on-the-job training, professional training and funding programs for continuing education courses. CAO encourages employees to embrace lifelong learning to increase their knowledge and skills as well as to improve their overall business acumen. In 2023, we organised 34 internal knowledge sharing and information sessions as well as 26 external training sessions, with a cumulative total of 1,213 attendees and a cumulative training duration of 2,076 hours.

COMPENSATION & BENEFITS

CAO is committed to a competitive compensation package to keep employees highly motivated. In 2023, CAO collaborated with Mercer to conduct a salary benchmarking, ensuring that employee compensation and benefits packages are aligned with industry standards to attract and retain key talent in core positions. Furthermore, to foster a warm and caring work environment for employees, proactive efforts were made to commemorate significant holidays and dates such as New Year, International Women's Day, Dragon Boat Festival, Mid-Autumn Festival, and birthdays, CAO is committed to providing comprehensive benefits to employees, to unleash their potential and achieve peak work performance.

Staff bonded over sumptuous meals at the Company's Chinese New Year Luncheon.
公司员工一边享用新春开工宴的丰盛美食，一边增进情感。

HUMAN CAPITAL MANAGEMENT
人才资源管理

CAO's annual Dragon Boat Race helps to strengthen the spirit of camaraderie and cooperation among employees.
公司组织的年度端午龙舟赛有助加强员工之间的团结合作精神。

CORPORATE CULTURE BUILDING

CAO endeavours to create a welcoming workplace environment to enhance employee morale, promote unity and foster mutual understanding and trust among employees. To promote these values, CAO has, in 2023, organised various activities such as Chinese New Year luncheon, Dragon Boat Race, and cultural events such as "Durian Tasting," as well as team-building events to actively promote CAO's core values of "Excellence, Innovation, Diversity, and Integrity," instilling within employees a sense of unity and a driving force for entrepreneurial and innovative endeavours.

FAIR EMPLOYMENT PRACTICES

CAO is committed to fair employment practices and operates in accordance with the Tripartite Guidelines on Fair Employment Practices and the Fair Consideration Framework, providing equal employment opportunities to candidates of different genders, ethnicities, countries of origin, and backgrounds. As of 31 December 2023, Singaporean citizens and permanent residents constituted 84% of CAO's workforce and the remaining 16% were foreign employees. The combined workforce of CAO and its subsidiaries remained at 150 employees as of 2023, consistent with the previous year.

WORKPLACE SAFETY

CAO is committed to creating and providing a safe, healthy, fair and orderly working environment for all employees. We maintained our record of zero work injury in 2023.

Staff had fun engaging with one another during the "boat-making" challenge.
公司员工在"造船"挑战中相互交流，其乐融融。

HUMAN CAPITAL MANAGEMENT
人才资源管理

The team bonding activity held at the end of 2023 was a complete success.
公司2023年末的团建活动圆满成功。

2023年，人力资源管理坚持“发展是第一要务”，结合主题教育、创新提升，聚焦国际化人才队伍建设，提高人力资源效能，致力于打造与世界一流航油公司发展相匹配的专业人才梯队。与此同时，中国航油新加坡也继续坚持维护和确保全体员工的健康、安全和福利。

人力资源管理工作亮点

通过实地调研走访在新能源贸易和上市公司，对标集团公司高质量发展需求，公司不断优化人力资源配置，配齐配强前台人员，人尽其才、人尽其能，合理规划用工总量。

2023年正式投运国际化人才培训中心，充分发挥海外多元化人才优势，重点针对国际贸易运作、金融衍生业务及风险防控、合规管理等领域，开展境内外优秀人才培训、交流、轮岗，加强对套期保值等核心业务各关键环节认知，做好青年人才储备，促进国际化人才发展。

不断拓宽人员招聘渠道，积极参加高校现场人才交流活动，通过与南洋理工大学合作，代表公司对公司愿景、业务范围、国际触角、可持续业务模式、核心价值理念、人才管理等进行了宣讲，吸引了一批优秀毕业生。

强化经理层成员任期制契约化管理，落实激励与约束机制，不断强化经理层成员的责任、权利和义务对等，调动经理层成员工作积极性和创造性，激发企业动力活力，促进公司实现高质量发展。

人才管理与职业发展

公司践行“尊重人才价值、塑造人才品质、致力人才成长”的人才理念，实践以人为本的关爱导向和德才兼备的育人导向。2023年全面完善员工奖惩体系，制定员工表彰奖励工作管理办法、员工违纪违规行为处理办法，通过奖惩制度严明纪律，树立典型，鼓励先进，激发员工积极性，惩罚不良行为，强化内部管理，维护企业正常秩序与运营。在开展的各类表彰活动中，颁发个人奖项11人次，集体奖项5个，表彰奖励员工达34人次，充分发挥先进模范的示范引领作用，为加快建设世界一流航油公司贡献力量。

公司高度重视人才培养工作，通过有效地组织各类在岗培训、专业类培训和持续教育课程资助计划等，鼓励员工终身学习，激发员工学习热情，自主扩充知识和技能，提升员工整体业务水平与能力。2023年，公司共组织完成内部知识分享及制度宣贯34次，外部培训26次，累计参训1213人次，累计参加时长2076小时。

员工薪酬与福利

公司始终认为，有竞争力的薪酬待遇是激发员工保持高度积极性的关键。为了在就业市场上保持竞争力，公司通过与美世公司合作，对标薪酬报告最新调研数据，重检员工薪酬与福利配套，吸引并留住核心关键岗位人才。此外，积极做好员工各项节日福利安排，在新年、元旦、妇女节、端午节、中秋节等重要节日及员工生日送上祝福与慰问，让员工感受到温暖与温情。公司将持续致力于通过为员工提供全方位福利，使员工处于最佳状态，释放潜能，创造卓越。

企业文化建设

为进一步促进员工之间互动，提高团队精神和意识，增强团队凝聚力，增进员工相互理解和信任，公司组织开展兔年新春团拜会、端午龙舟赛、“小榴莲大文化”等员工团队建设活动，积极践行“卓越、创新、多元、诚信”的核心价值理念，为员工注入了干事创业的凝聚力和向心力。

公平雇佣实践

公司秉持以能定岗、人职匹配、公平公正和不拘一格的人才理念，严格遵守《公平就业实践三方指引》和《公平考量框架》，为来自不同国家、种族和背景的候选人提供平等的就业机会。截至2023年底，公司员工中，新加坡公民及永久居民占比84%，其余16%为外籍员工。公司及其子公司截至2023年底员工总数为150人，与上年持平。

工作场所安全

公司致力于为所有员工创造和提供一个安全、健康、公平、有序的工作环境，并继续在2023年保持了零工伤记录。

COMMUNITY ENGAGEMENT
投身社会公益

CAO organised a tree-planting activity in partnership with Mandai Wildlife Group to further support environmental sustainability.
新加坡致力于环境的可持续性，并连同万态保育集团组织了一场植树活动。

Upholding our steadfast commitment to corporate social responsibility ("CSR"), the Group continued to step up its CSR efforts in 2023, focusing on serving the vulnerable groups within the communities we operate in, as well as contributing to the preservation of our natural environment.

ENRICHING LIVES

We believe the key to empowering children from disadvantaged backgrounds is to provide them with easy access to quality education. Working towards this objective, CAO has been actively supporting underprivileged children from Singapore's Bukit Merah and Redhill neighbourhood since 2010 through our partnership with charity organisation Beyond Social Services' pre-school facility – Healthy Start Child Development Centre ("HSCDC"). HSCDC is dedicated to providing affordable and quality early childhood education to pre-schoolers from lower-income families.

Working in tandem with the teachers to further enrich the children's learning experience on marine animals, CAO organised a fun-filled educational excursion to the S.E.A. Aquarium in September 2023 with a total of 45 volunteers and 22 pre-schoolers involved. It was also the Company's first physical interaction with the children from HSCDC post-pandemic.

Volunteers partnered the children in a fascinating fact-finding tour about marine life as they toured the aquarium hand-in-hand. The up-close animal encounters and visual stimulation not only stimulated the children's imagination but also provided a platform for immersive learning and cognitive development. At the end of the day, both children and adults had a truly unforgettable experience with a deeper sense of wonder and appreciation for the ocean and its inhabitants. The Company also continued to provide daily necessities for the underprivileged children and their families, as well as school supplies for the graduating kindergarten class.

In conjunction with CAO's 30th anniversary and to uplift lives and empower our communities, the Company donated RMB300,000 to HUG Community Services Limited ("HCSL") in May 2023. Established in 2014, HCSL is a non-profit social service agency that focuses on engagement programmes and support services for at-risk youths and their families.

With the aim to foster a more caring and inclusive society, the Company also participated in the 20th edition of SGX Cares Bull Charge Charity Run in October 2023 to raise funds for SGX Cares Beneficiaries, namely AWWA Ltd., Autism Association (Singapore), Fei Yue Community Services, HCSA Community Services and Shared Services for Charities.

COMMUNITY ENGAGEMENT
投身社会公益

As the Company expands its business globally, CAO's spirit of giving and contributing back to society multiples as well. For instance, CAOHK participated in a Dumpling Festival community outreach event organised by the Aviation Industry Council of Hong Kong Chinese Enterprises Association in June 2023, delivering rice dumplings, care packs and well wishes to needy families living in the Islands District.

Across the globe in North America, NAFCO, together with China General Chamber of Commerce-USA volunteered at Los Angeles Regional Food Bank on 20 September 2023. Volunteers unboxed and sorted out the donated food items at the Food Bank, throwing away expired and damaged food products, categorised and repacked the rest neatly into boxes to be distributed to those in need at a later time. Working tirelessly, the team assembled over 800 boxes, totalling 1,700 pounds of food that day.

ENVIRONMENTAL SUSTAINABILITY

As part of our ongoing efforts to support environmental sustainability, CAO organised a tree-planting activity on 7 July 2023 in partnership with Mandai Wildlife Group. The planting site is located at the Mandai Wildlife Reserve, along the new boardwalk that is currently under construction. A total of 20 tree saplings – all native to Singapore – were planted that day by a group of enthusiastic staff volunteers.

Tree planting is often viewed as one of the most effective tools to combat climate change and restore biodiversity. Through our efforts, CAO seeks to do its part in creating healthy ecosystems, reducing greenhouse gases, and building a liveable and sustainable city for future generations.

Enriching lives and caring for our communities is a fundamental value of our corporate identity. 30 years have passed since our incorporation in Singapore and we remain more determined than ever to support the development of the communities in which we operate in by contributing our resources, time and efforts.

NAFCO volunteers volunteered at the Los Angeles Regional Food Bank.
北美公司志愿者在洛杉矶食品银行开展义工活动。

CAO organised a fun-filled educational excursion to the S.E.A. Aquarium with our beneficiaries from HSCDC.
公司为健康起点儿童发展中心的幼童组织了一次既有趣又富教育意义的圣淘沙海洋馆活动。

COMMUNITY ENGAGEMENT
投身社会公益

履行企业社会责任一直是中国航油新加坡公司非常重视的一项事业。2023年，公司进一步扩大其对社会和环境的积极影响，并继续将重点放在扶持、关爱公司运营所在地的弱势群体，以及自然生态环境的维护。

造福弱势群体

公司深信，为弱势儿童提供接受良好教育的机会是帮助他们摆脱贫困的关键。故此，公司自2010年起与志愿福利团体彼岸社会服务合作，为其下属学前儿童分支机构健康起点儿童发展中心（简称"健康起点中心"）提供各项援助，以实际行动造福来自新加坡红山一带的弱势儿童。健康起点中心旨在为来自较低收入家庭的孩童提供低额、优质的学前教育。

配合健康起点中心该学期的海洋生物学习主题，公司于2023年9月组织了一次既有趣又富教育意义的圣淘沙海洋馆活动。当天共有45位志愿者和22位学龄前孩童一同参与，这也是自疫情后，公司的志愿者们首次与幼童们的面对面接触。

志愿者牵着幼童的小手一同探索神奇的海洋世界，并与他们分享海洋生态小知识。幼童通过近距离接触，增强了对海洋世界的视觉意识和认知，也同时激发他们的想象力和智力发展。此次难忘体验不但让幼童和志愿者亲身感受到海洋世界的魅力，也满足了幼童对海洋生物的好奇心。与此同时，公司也继续为这些贫困儿童及其家庭提供日常必需品，并为毕业班级的孩童提供升学礼包。

Volunteers partnered the children in a fascinating fact-finding tour about marine life as they toured the aquarium hand-in-hand.
志愿者与幼童分享海洋生态小知识，让他们在欢愉的趣味环境中学习新知识。

我们旨在提升社区居民的生活品质，恰逢成立30周年，公司于2023年5月向非盈利组织"拥抱社区服务"（HUG Community Services Limited）捐赠300,000人民币。该非营利社会服务机构致力于为边缘少年及其家庭提供相关的援助计划和服务。

为了创建一个更具爱心与包容性的社会，公司也参加了于2023年10月举办的第20届新交所牛市慈善义跑（SGX Cares Bull Charge Charity Run）。该慈善义跑所筹善款将赠与新交所关爱计划下的受益团体，即亚洲妇女福利协会、新加坡自闭症协会、飞跃社区服务、高峰社会服务协会以及慈善共享服务组织。

随着公司于全球范围扩展业务，我们扶贫济困、助人为乐的慈善精神也得到进一步发扬光大。2023年6月，香港公司就出席了由航空业委员会举办的"中企关爱粽是情"活动，在离岛区为有需要的基层市民送上端午爱心礼包和节日祝福。

远在北半球的北美公司也不忘积极回馈社会，与洛杉矶中国总商会的成员一同于2023年9月20日，在洛杉矶食品银行开展义工活动。志愿者负责处理外界捐赠的食品，需先拆开大小纸箱取物，然后仔细检查食品的有效日期并把压扁或包装破损的食品丢弃。随后，他们再按其类别分放在组装线的空箱内；该箱子最后会被搬运至托盘上，择日运去慈善机构分发。义工们协心协力，在当天组装了超过800多箱共计1,700磅的食品。

维护环境可持续性

中国航油新加坡公司致力于环境的可持续性，并连同万态保育集团于2023年7月7日组织了一场既有益身心，又有助改善自然环境的植树活动。员工们兴致勃勃地在位于万态野生动物世界正在修建的濒水走道旁种植了20棵本土树种树苗，净化空气之余，也大大地美化自然环境。

开展植树活动是应对气候变化和增加生物多样性的最佳途径之一。公司员工不计辛劳全力付出，旨在构建更健康的生态系统、减少温室气体排放，并为子孙后代建设一个具可持续性的宜居城市。

关爱社区及改善弱势群体的生活状况符合公司一贯的核心价值观。公司在新加坡成立至今已有30年，但是我们一直保持着对投身于社会公益的热忱和决心。往后的日子里，我们会继续将资源、时间和精力投入于公益慈善，以实际行动回馈社会。

CORPORATE GOVERNANCE AT A GLANCE
公司治理简介

Express Disclosure Requirements – Principles and Provisions of the 2018 Code	How has the Company complied?
General	
Description of the corporate governance practices of the Company with reference to both the Principles and Provisions, and how the Company's practices conform with the Principles. Variations from Provisions are acceptable to the extent that the Company explicitly states and explains its practices are consistent with the aim and philosophy of the Principle in question	Yes. Refer to page 83
Provision 1.2	
The induction, training and development provided to new and existing Directors	Refer to pages 87-88
Provision 1.3	
Matters that require Board approval	Refer to page 84
Provision 1.4	
Names of the members of the Board Committees, the terms of reference of the Board Committees, any delegation of the Board's authority to make decisions and a summary of each Board Committee's activities	Refer to pages 86, 90-104
Provision 1.5	
The number of meetings of the Board and Board Committees held in the year as well as attendance of every Board member at these meetings	Refer to pages 86-87
Provision 2.4	
The board diversity policy and progress made towards implementing the board diversity policy	Refer to pages 84-86
Provision 4.3	
Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates	Refer to page 91
Provision 4.4	
Where the Board considers a Director to be independent in spite of the existence of a relationship which may affect his or her independence, the nature of the Director's relationship and the reasons for considering him or her as independent should be disclosed	None
Provision 4.5	
The listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, the Nominating Committee's and Board's reasoned assessment of the ability of the Director to diligently discharge his or her duties are disclosed	Refer to pages 91-92
Provision 5.2	
How the assessments of the Board, its Board Committees and each Director have been conducted, including the identity of any external facilitator or its connection, if any, with the Company or any of its Directors	Refer to pages 92-93

CORPORATE GOVERNANCE AT A GLANCE
公司治理简介

Express Disclosure Requirements – Principles and Provisions of the 2018 Code	How has the Company complied?
Provision 6.4	
The Company discloses the engagement of any remuneration consultants and their independence	Refer to page 94
Provision 8	
Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration, and the relationship between the remuneration, performance and value creation	Refer to pages 94-96
Provision 8.1	
The Company discloses the policy and criteria for setting remuneration, as well as names, amounts and breakdowns of remuneration of: (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel	Refer to pages 95-96
Provision 8.2	
Names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000. The disclosure states clearly the employee's relationship with the relevant Director or the CEO or substantial shareholder	None. Refer to page 95
Provision 8.3	
The Company discloses all forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to Directors and key management personnel of the Company, and also discloses details of employee share schemes	Refer to pages 95-96
Provision 9.2	
Whether the Board has received assurance from (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems	Refer to page 100
Provision 11.3	
Directors' attendance at general meetings of the shareholders held during the financial year	Refer to pages 105-106
Provision 12.1	
The steps taken to solicit and understand the views of the shareholders	Refer to pages 105-106
Provision 13.2	
The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period	Refer to pages 104-106

STATEMENT OF CORPORATE GOVERNANCE
公司治理报告

The Board recognises the paramount importance of upholding high standards of corporate governance in ensuring the continuous and sustainable growth and development of China Aviation Oil (Singapore) Corporation Ltd ("**CAO**" or the "**Company**"). Despite ongoing geopolitical developments, macroeconomic uncertainty and an increasingly complex business operating environment in 2023, the Board of Directors (the "**Board**") and Management remained firmly committed to maintaining high standards of corporate governance as a means of enhancing corporate performance and accountability of the Company. To demonstrate its commitment towards excellence in corporate governance, the Company continues to embrace the Company's operating philosophy of "Compliance as Top Priority (合规第一), Risk Management of Utmost Importance (风控至上) and our management philosophy of "Transparency, Standardisation and Refinement". We strive to surpass the requirements of openness, integrity and accountability prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual and the Code of Corporate Governance 2018 (the "**2018 Code**"). Good corporate governance practices are embedded in our corporate culture and business practices of the CAO group which we strongly believe will ensure the continued strong performance of our businesses and maintaining investor confidence which underpin the sustainable growth of our businesses and long-term value to all stakeholders.

The CAO Corporate Governance Policy of the Company has been devised in accordance with the principles and guidelines set out in the 2018 Code (the "**CAO Corporate Governance Policy**"). Ongoing concerted efforts have been made by relevant departments mandated with the responsibility to oversee the adoption of the CAO Governance Policy in their practices, processes and operations. The corporate governance practices of the CAO Group and the CAO Corporate Governance Policy are reviewed regularly and are continually fine-tuned and enhanced to ensure that they remain relevant and effective in light of the changing legal and regulatory requirements and volatilities of the trading business and operating environment.

We confirm that throughout the financial year ended 31 December 2023 and at the date of issue of this Statement of Corporate Governance, the Company is in substantial compliance with the provisions of, and applied the principles set out in the 2018 Code.

With the view to preserving and growing shareholder value through strong and effective corporate governance, the Board has put in place a set of well-defined and sound systems of internal controls and processes which the Company voluntarily subjects them to annual review by an independent third party consultant.

This report primarily describes the Company's corporate governance practices for the financial year ended 31 December 2023 with specific reference to the 2018 Code and details how we apply the principles and comply with the provisions of the 2018 Code. Our compliance with the principles and guidelines of the 2018 Code and a checklist cross-referencing these principles and guidelines, are outlined under "Corporate Governance at a Glance" of the Company's Annual Report 2023.

This Statement of Corporate Governance has been reviewed and approved by the Board of Directors of the Company.

(A) BOARD MATTERS

The Board's Conduct of its Affairs

Role of the Board: The Board has overall responsibility for the long-term success of the Company and its value creation. Beyond carrying out its statutory duties, the Board also:

- provides entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- sets the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders of the Company are understood and met;
- establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of the interests of shareholders of the Company and the Company's assets;
- ensures compliance with all applicable laws, regulations, policies, directives, guidelines and internal codes of conduct by the Company, its subsidiaries and associated companies over which the Company has control (the "**CAO Group**") and their respective management.

STATEMENT OF CORPORATE GOVERNANCE
公司治理报告

- ensures accurate, adequate and timely reporting to, and communication with the shareholders of the Company;
- considers sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;
- identifies the key stakeholder groups and recognises that their perceptions affect the Company's reputation; and
- reviews Management performance.

All members of the Board are aware of their responsibility to take decisions objectively which promote the success of the CAO Group for the benefit of shareholders.

The Terms of Reference of the Board sets forth the matters reserved for the Board's decisions, and provides clear directions to Management on matters that must be reviewed and approved by the Board. In addition, Management has the responsibility for overseeing the implementation by the CAO Group's operating subsidiaries of the policies and strategy set by the Board, and for creating the framework for their successful day-to-day operation.

Some of the matters specifically reserved for the Board's review and approval include:

(a) the Company's corporate strategies and directions, shareholding structures and corporate governance matters;
(b) all material acquisitions and dispositions of assets of the CAO Group;
(c) the annual budgets and operating plans;
(d) the adequacy and integrity of the Company's internal controls, risk management systems, financial reporting systems and monitoring the performance of the CAO Group and the Management;
(e) dividend distributions;
(f) any appointment, re-appointment or removal of Chairman of the Board;
(g) nominations of suitable candidates to the Board of Directors and key management personnel ("**KMP**"); and
(h) remuneration-related matters such as the framework and policies for determining the remuneration for non-executive Directors and the remuneration for non-executive Directors and KMP

Apart from matters specifically reserved for Board's consideration and decision, the Board will approve transactions exceeding certain threshold limits, whilst delegating authority for transactions below those limits to Board Committees and the Management for approval.

Composition of the Board: At the date of issue of this Statement of Corporate Governance, the Board comprises seven (7) Non-Executive Directors, an Executive Chairman and an Executive Director (the "**ED**"). All Independent Directors as well as those nominated by the two (2) major shareholders, namely China National Aviation Fuel Group Limited ("**CNAF**") and BP Investments Asia Limited ("**BP**"), were appointed on the strength of their expertise, experience and stature.

The Board is composed of members who are diverse in terms of education, skills, regional and industry experience, geographical origin, interpersonal skills, race, gender and age. Details including the academic and professional qualifications and major appointments of each Director are provided under the "Board of Directors" section of this Annual Report.

Board Diversity Policy: The Company adopted a revised Board Diversity Policy in 2022 which incorporated the requirements under Rule 710A of the SGX-ST Listing Manual, that address gender, skills and experience and any other relevant aspects of Board diversity (the "**CAO Board Diversity Policy**").

The Company recognises and embraces the benefits of having an appropriate level of diversity in the Board and views diversity at the Board level as an essential element in maintaining competitive advantage and supporting the attainment of its strategic objectives and sustainable development.

The Company is committed to selecting the best candidates to serve on the Board and will consider all aspects of Board diversity which include but not limited to educational background, professional or industry experience, skills, knowledge, gender, age, cultural background, ethnicity as well as length of service.

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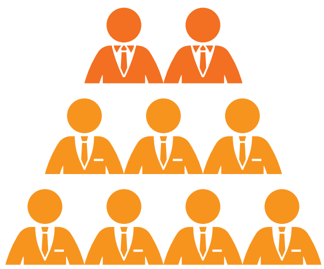
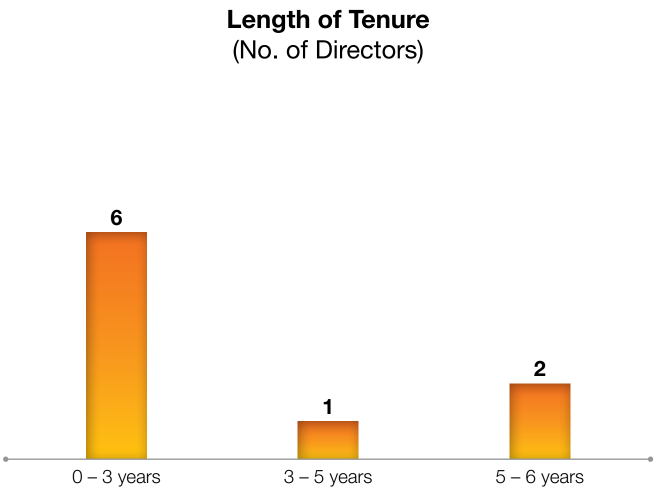
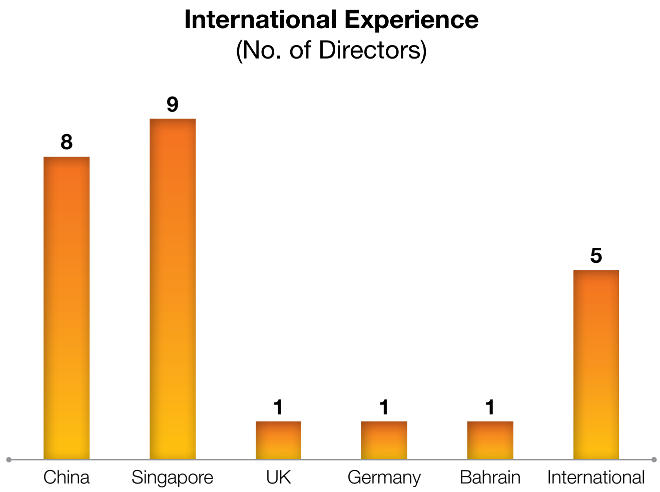
Board Diversity Matrix (As of March 2024)



7 out of 9 directors are Non-Executive





CAO Board Diversity Plan: The CAO Board Diversity Policy provides that the Nominating Committee reviews and assesses the structure, size and composition of the Board of Directors of the Company and will consider all aspects of board diversity including but not limited to gender, age, ethnicity, language, cultural and educational background, geographic representation, professional and industry experience, skills and knowledge and taking into consideration the Company's business model and any specific requirements. These diverse range of attributes, experience, expertise and perspectives together with the Company's strategic objectives, business activities and shareholding structure, will be considered in order to maintain an optimum mix of diversity, skills, knowledge, experience and expertise in the Board.

Governance Process: The Nominating Committee reviews and assesses the Board structure, size, and composition on behalf of the Board, and recommends for Board approval the appointment of new Directors taking into consideration the strategic objectives, business activities and shareholding structure of the Company.

In identifying qualified candidates for nomination to the Board and Board Committees, the Nominating Committee will consider prospective candidates based on merit, having regard to those core competencies, expertise, skills, background and other qualities identified from time to time by the Board as being important. The Nominating Committee will also take into account any legal and regulatory requirements, such as those relating to residency and independence, as well as any subsisting agreements between the major shareholders of the Company, and give due consideration to characteristics such as gender, age, ethnicity, sexual orientation, and geographic representation.

On gender diversity and with the objective of achieving and gradually increasing female board representation on the Board, the Nominating Committee will strive to obtain resumes of prospective female candidates for Board nomination as part of its search for suitable candidates for Board nomination, and will accord priority for the evaluation of the merits of selected female candidates for appointment to the Board.

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Actionable Plans to Achieve Diversity Objectives and Targets: The Board considers gender diversity as an important aspect in enhancing Board effectiveness. As part of its plan to achieve its diversity objectives and targets (including achieving and gradually increasing gender diversity in the Board), the Company has established and implemented the following measures:

(1) Keeping an updated list of potential Director candidates who satisfy the selection criteria as outlined in the Company's Policy for the Selection and Appointment of Independent Directors as well as the guiding principles set out in the CAO Board Diversity Policy which take into account the objective of achieving and gradually increasing female board representation on the Board.
(2) Identifying potential Director candidates through a number of sources including directors' contacts, industry partners, professional associations and through the Singapore Institute of Directors' board appointment services.
(3) Encouraging Directors to provide feedback on the composition of the Board as part of the Nominating Committee's annual evaluations of the performance and effectiveness of the Board and Board Committees. In reviewing the composition of the Board, the Nominating Committee considers the benefits of diversity in the Board in order to attain an optimum mix of skills, knowledge, experience, expertise and all other relevant aspects of diversity in the Board.

Diversity Mix of the Board: The Board currently comprised members who are diverse in terms of academic and professional qualifications, skills, regional and industry experience, geographical origin, interpersonal skills, race, gender, nationality and age. The members of the Board with their combined executive leadership and management skills, industry and professional expertise, and different lengths of service, provide the core competencies to allow for diverse and objective perspectives on the business operations as well as the strategic direction of the Company. Further information on the individual Directors' academic and professional qualifications, principal commitments, etc. can be found in the "Board of Directors" section in the 2023 Annual Report of the Company.

Delegation of Authority to Board Committees: To ensure the efficient discharge of its responsibilities and to provide independent oversight of Management, various Board committees namely, the Audit Committee, the Nominating Committee, the Remuneration Committee, the Risk Management Committee and the Sustainability Committee have been constituted with clear written terms of reference. Each Committee has the authority to examine issues relevant to their terms of reference and to make recommendations to the Board for action. The ultimate responsibility and decision on all matters still lies with the Board.

The Board Delegation of Authority Management Measures were drawn up to formalise the principles that govern the delegation of authority and to outline the process by which the authority to act and to made decisions is delegated. The objectives of the aforesaid Management Measures include (i) assigning clear authorities and accountabilities; (ii) creating a sound internal control environment, while facilitating efficient decision making; (iii) setting out matters specifically reserved for determination by the Board/Board Committees and those matters delegated to Management, thereby ensuring that decisions made, and actions taken are by the appropriate levels.

To optimise operational efficiency, the Company regularly reviews and updates its financial authorisation and approval limits for purchases and expenses requisitions as well as expenses/fees relating to costs of sales (within and outside the approved full-year budget) in tandem with the business operational needs.

Meetings of the Board and Board Committees: The Board and Board Committees meet on a quarterly basis and may hold ad hoc meetings as and when warranted by circumstances. The Board met four (4) times in 2023. At the scheduled Board meetings for the financial year 2023, the Board: (i) reviewed and approved the release of the half-year and full-year results; (ii) discussed reports by Management relating to major corporate activities; (iii) approved the annual budget; and (iv) reviewed the performance of the CAO Group's businesses. When Directors cannot be physically present, telephonic attendance and conference via audio-visual communication at Board and Board committee meetings are allowed under the Company's Constitution. The number of meetings of the Board and Board Committees held in 2023 as well as the attendances of each Board member at these meetings are disclosed below:

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Attendance at Meetings of the Board, Board Committees, Independent Directors and Board Strategy Meeting for the financial year ended 31 December 2023:

Name of Director	Board Meetings	Board Committee Meetings: Audit	Nominating	Remuneration	Risk Management	Sustainability	Independent Directors' Meeting	Board Strategy Meeting
Gong Feng [1]	3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1
Shi Yanliang [2]	N.A	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Teo Ser Luck	4	4	2	N.A.	4	3	1	1
Shi Lei	4	N.A.	2	3	4	N.A.	N.A.	1
Zhang Yuchen	4	4	2	N.A.	4	3	N.A.	1
Wang Yanjun [3]	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Lin Yi [4]	3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1
Hee Theng Fong	4	4	N.A.	3	4	3	1	1
Fu Xingran	4	4	2	3	N.A.	3	1	1
Jeffrey Goh Mau Seong	4	N.A.	2	3	4	3	1	1
Richard Yang Minghui	4	4	N.A.	3	N.A.	N.A.	N.A.	1
Number of Meetings Held	4	4	2	3	4	3	1	1

Notes:
1 Mr Gong Feng, a CNAF-nominee Director resigned as Non-Executive Chairman on 15 December 2023
2 Mr Shi Yanliang, a CNAF-nominee Director was appointed as Executive Chairman on 15 December 2023
3 Mr Wang Yanjun, a CNAF-nominee Director retired as Executive Director on 15 March 2023
4 Mr Lin Yi, who is the Chief Executive Officer and a CNAF-nominee Director, was appointed as Executive Director on 15 March 2023 and was re-designated as Chief Executive Officer/Executive Director of the Company on the same date.

Quarterly Meetings of Board and Board Committees, Independent Directors' Meeting and Annual General Meeting: Meetings of the Board and Board Committees, Independent Directors' Meeting and the Annual General Meeting of the Company for each year are scheduled some time in the month of July in the preceding year to facilitate the Directors' individual administrative arrangements in respect of any competing commitments.

Director Familiarisation Programme: A formal letter is sent to newly appointed Non-Executive Directors upon their appointment explaining their duties and obligations as a Director as well as the governance policies and practices of the CAO Group. In addition, the formal letter of appointment sets out their expected time commitment and make clear that, by accepting the appointment, they are confirming that they are able to meet the expectations of their role. They are also required to disclose their other significant commitments to the Board prior to their appointment and to give notice of any subsequent changes.

Comprehensive and tailored training is provided for all new Directors appointed to the Board as part of their orientation to ensure that they are familiar with (i) the Company's strategic objectives and the nature and scope of its operations; (ii) the Board's role and the governance structure and processes of the Company; (iii) Directors' duties and responsibilities under statute and common law; (iv) applicable legal requirements and other regulatory requirements; (v) broad overview on the rules of SGX-ST Listing Manual; and (vi) the CAO Corporate Governance Policy. Facility visits to our associated companies' premises are also arranged to enable newly appointed Directors to acquire an understanding of the CAO Group's business operations.

The purpose of the familiarisation sessions would be to familiarise them with the business activities, strategic direction, policies and corporate governance practices of the CAO Group. Areas covered would include the Corporate Strategy and Investments, Oil Trading and Aviation Marketing Businesses of the CAO Group, Risk Management Framework, Policies and Practices, overview of the financial performance of the CAO Group, Investor Relations Activities, Compliance and Internal Audit function, Directors' Duties and Continuing Listing Obligations and Governance Structure, Policy and Practices of the CAO Group. These sessions also provided opportunities for newly Directors to get acquainted with senior management, and also foster better rapport and communications with Management.

For any Director who has no prior experience as a director of a listed company, arrangements will be made for him or her to attend the Listed Entity Director ("**LED**") Programme conducted by the Singapore Institute of Directors ("**SID**") within a year of his or her appointment. Accordingly, the Company had arranged for Mr Shi Yanliang to attend the LED Programme conducted by SID, within one year of his date of appointment as a Director of CAO. During the financial year 2023, all new Directors of the Company had also undergone training relating to sustainability matters as prescribed by SGX-ST. All training costs are borne by the Company.

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Continuing Professional Development of Directors: In line with CAO's Policy on Director Orientation and Professional Development adopted by the Board, continuing professional development programmes were organised for Directors to ensure that all Directors are updated on important market developments in the industry relevant to the business of the CAO Group and issues which may have a significant impact on the businesses, financial and operational matters of the CAO Group. These programmes are conducted by external advisers, experts, management team or heads of department and these included a Board Information Session on "Hedging Business Overview" conducted by CAO's Head of Risk Management which covered areas such "Overview of the CAO Hedging Business Management Policy"; and "Basic Concepts of Trading Exposure and Hedging".

The Company also provides the Board with updates on developments in laws and regulations or changes in regulatory requirements and financial reporting standards, which are relevant to or may affect the Group's businesses. The Directors have been periodically updated on various aspects of the Group's operations through briefings, informal discussions and meetings with Management. As part of the Company's continuing professional education for Directors, the Company circulates to the Board articles, reports and news releases issued by the SGX-ST which are relevant to the Group's businesses. Also, wherever applicable, meetings are arranged for the Directors to meet with relevant experts on issues which impact the Group's operating environment. In addition, the Directors are encouraged to attend appropriate relevant external programmes such as those conducted by the SID or seminars organised by the SGX-ST or other professional institutions, at the Company's expense. The Directors may also, at any time, request further information or meetings with Management on the Group's operations. In 2023, the Company has also made arrangements for Directors to conveniently access Thomson Reuters' e-learning module titled "Preventing Financial Crime" which included topics such as identifying methods and means used by criminal element to commit financial crimes, describing risk-based due diligence practices to help prevent financial crimes and identifying suspicious behaviour, and clarifying responsibilities and obligations in preventing and identifying financial crimes.

Directors' Disclosure of Interests: The Board has established the Board of Directors Conflict of Interest Policy (the "**Board Conflict of Interest Policy**") which serves inter alia, to focus on the Board and each of its Directors on areas of ethical risk and provide guidance to the Directors to help them recognise and deal with actual and potential conflicts of interest, and help ensure avoidance of conflicts of interest where necessary. During the financial year 2023, the existing Board Conflict of Interest Policy was amended and key amendments made to the said Policy included: (1) requiring all Directors to immediately disclose to the Board all conflicts of interest that have occurred or may possibly occur as soon as the Director is aware of a conflict or the possibility of a conflict using the Company's prescribed standard forms; and (2) requiring a Director who has a conflict of interest to recuse himself or herself from discussions (except to disclose material facts and to respond to questions on a transaction or proposed transaction) and abstain from voting on resolutions regarding such transaction or proposed transaction. Such a Director should also not attempt to exert his or her personal influence with respect to the transaction or proposed transaction either at or outside the meeting.

All Directors are required to officially disclose their interests in the Company including any interested person transactions with the Company. To facilitate a comprehensive disclosure by Directors and the Chief Executive Officer ("**CEO**") of the Company of any interests arising from multiple or cross directorships, shares or equity ownership interests etc., a revised letter template for the general disclosure of interests by Directors and CEO have been devised for use by Directors and the CEO. As a further commitment of the Board to transparent disclosure, management and monitoring of existing and potential conflicts of interest, a "Conflict of Interest Disclosure Form" by Directors and key management personnel ("**KMP**") of the Company has been devised to facilitate adequate and timely disclosures by Directors and KMP.

All Directors practise good governance by updating the Company about changes to their interests in a timely manner.

Board Composition and Guidance

Composition of Independent Directors on the Board: Of the nine (9) members on the Board, five (5) are nominated by substantial shareholders and are deemed as non-independent. The four (4) Independent Directors namely, Mr Teo Ser Luck, Mr Hee Theng Fong, Dr Fu Xingran and Dr Jeffrey Goh Mau Seong constitute about forty-four percent. (44%) of the Board. Currently, at least two (2) Independent Directors are resident in Singapore. These two (2) Independent Directors are Mr Teo Ser Luck and Mr Hee Theng Fong. None of the nine (9) Board members is related to one another.

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Independent Element of the Board: The Nominating Committee assesses and determines the independence of a Director upon appointment and on an annual basis. The Nominating Committee takes into consideration CAO Directors' Test of Independence Policy which set out the process for considering the independence of Directors of the Company (the "**Directors' Test of Independence Policy**"). The Directors' Test of Independence Policy (i) specifies the materiality thresholds and independence criteria which the Nominating Committee will use to assess the independence of a Director; (ii) identifies the information that the Company will collect from Directors to enable the Nominating Committee to assess the independence of Directors; and (iii) outlines the basis of disclosure to shareholders of the assessment of the independence of Directors, including the disclosure of any relationships that may be perceived to affect the independence or objectivity of a Director.

The Nominating Committee carried out the review on the independence of the non-executive Directors in September 2023 by taking into consideration the Directors' Test of Independence Policy and the information collected from each Director through the completion by each Director of a confirmation of independence checklist. The Director is required to declare any circumstances in which he may be considered non-independent. The Nominating Committee will then review the confirmation of independence checklist by applying the Directors' Test of Independence Policy before affirming the independence of a Director.

In the Form of Director's Declaration for 2023, Mr Teo Ser Luck, Mr Hee Theng Fong, Dr Fu Xingran and Dr Jeffrey Goh Mau Seong had each confirmed that there were neither any circumstances that could have materially interfered with his exercise of unfettered and independent judgment nor were there any occurrence of any circumstances where the interests of CAO might not be best served by the interests of the major shareholders of CAO. All have demonstrated their independence in character and judgement in discharging their duties and responsibilities as Directors of the Company and their ability to act in the best interests of the Company. This is evident from the minutes of the proceedings of the Board and Board Committees where they had expressed individual viewpoints and objectively scrutinised and sought clarifications from the Management, employees, external auditors and internal auditors of CAO as they considered necessary.

The Board accepted the Nominating Committee's views and affirmed the independence of these Directors.

The composition of the Board is reviewed annually by the Nominating Committee taking into consideration all aspects of Board diversity which include but not limited to educational background, professional or industry experience, skills, knowledge, gender, age, cultural background, ethnicity as well as length of service. The Nominating Committee is satisfied that the Board comprises Directors with diverse academic backgrounds, professional qualifications, skills, regional and industry experience, geographical origin, interpersonal skills, race, gender, nationality and age. The diverse mix of the members of the Board will provide the core competencies that will allow for diverse and objective perspectives on the business operations as well as the strategic direction of the Company. Individual directors' profiles can be found in "Board of Directors" section of the Annual Report.

All Singapore-listed companies are required to comply with Provision 2.2 of the 2018 Code which stipulates that Independent Directors should make up a majority of the Board where the Chairman is not independent. In this regard, considering that the rationale of Provision 2.2 of the 2018 Code is basically intended to prevent any one (1) major shareholder from dominating the decision-making process of the Board where the Chairman of the Board and the Chief Executive Officer are both nominated by the same major shareholder and notwithstanding that the Chairman of the Board is not an Independent Director of the Company, there already exists an appropriate level of checks and balances in the management and operation of the Company via the Shareholders' Agreement as the composition of the Board of Directors of the Company presently comprises representatives from its two (2) major shareholders namely, CNAF and BP. Matters requiring the Board's approval are discussed and deliberated with participation from each member of the Board and the decision are based on collective decision without any individual or small group of individuals influencing or dominating the decision-making process. In addition, the Company had appointed a Lead Independent Director from amongst the Independent Directors of the Company to provide leadership in situations where the Chairman is conflicted. Considering that the safeguards for a balanced Board are already in place, the Board is of the view that it would be appropriate to maintain the present Board composition of the Company. Notwithstanding this, as part of the Company's commitment to abide by both the letter and spirit of Provision 2.2 of the 2018 Code, the possibility of increasing the number of Independent Directors in the Board in the foreseeable future will not be precluded.

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Separate Role of Chairman and CEO: The Executive Chairman, with the assistance of the Lead Independent Director, is primarily responsible for overseeing the overall management and strategic development of the Company. The Company Secretary assists the Executive Chairman in scheduling Board meetings and ensures that all procedures and good governance practices are complied with. The CEO consults both with the Executive Chairman and the Lead Independent Director for their views on the agenda for Board meetings.

The CEO executes the Board's decisions and is responsible for the day-to-day running of the Company's business, making operational decisions for the Company and implementing the Company's business, direction, strategies and policies.

The Executive Chairman regularly consults with the Lead Independent Director as well as other members of the Board and Board committees on major issues. As such, the Board believes there are adequate safeguards in place against having a concentration of power and authority in a single individual.

The Executive Chairman and the CEO are not related to each other.

With the appointment of the Executive Chairman in December 2023, the Board reviewed and updated the duties and responsibilities of the Executive Chairman and the CEO. The amended list of duties and responsibilities for each of the Executive Chairman and CEO, are available for inspection at the Company's registered office.

Regular Meetings of Independent Directors: In accordance with the CAO Corporate Governance Policy, the Independent Directors of CAO meet at least once a year, without the presence of the other Directors, to discuss any matters relevant to the CAO Group, such as its investment criteria, risk management and internal controls, risk appetite and risk tolerance, performance of management, Board communication and performance, and strategic issues. The Independent Directors of CAO met in October 2023 at a meeting chaired by the Lead Independent Director without the presence of the other Directors and the Management, at which the following issues were discussed: (1) the Company to continue to work on its ESG strategy involving the "new energy" approach; (2) the Company to allocate time for more board strategy discussions for the longer term plan of the Company; (3) the Company to scout for more investment opportunities in line with the strategic direction of its parent company, CNAF.

Board Membership

Composition of Nominating Committee and Terms of Reference: The Nominating Committee was established by the Board to make recommendations for all Board appointments. As at the date of this report, the Nominating Committee comprises five (5) members, the majority of whom, including its Chairman, are Independent Non-Executive Directors:

Nominating Committee

Fu Xingran	Chairman
Shi Lei	Vice Chairman
Teo Ser Luck	Member
Zhang Yuchen	Member
Jeffrey Goh Mau Seong	Member

The Chairman of the Nominating Committee is not associated with any substantial shareholder of the Company.

The Nominating Committee held two (2) meetings in 2023 where it met to discuss and review (i) Proposed Disclosure on Proposed CAO Board Diversity Plans, Targets and Implementation Timeline in the 2023 Annual Report of the Company; (2) the independence of Non-Executive Directors; (ii) Board Performance Evaluation; and (iii) the Nominating Committee 2023 Annual Self-Assessment Findings. The Nominating Committee had also reviewed and approved several other matters under its remit via email circulation and these included (1) Proposed Re-Election of Directors for 2023 Annual General Meeting; (2) Proposed Change in Senior Management; (3) Amendment to Proposed Re-Election of Directors for 2023 Annual General Meeting; (4) Proposed Adoption of Revised CAO Directors' Test of Independence Policy; and (5) Proposed Appointment of Executive Chairman in place of Non-Executive Chairman of CAO.

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The responsibilities of the Nominating Committee include:

(a) the review of the structure, size and composition of the Board and the Board Committees;
(b) the review of the succession plans for the Chairman, Chief Executive Officer and Directors;
(c) the development of a transparent process for evaluating and the performance of the Board, its Board Committees and non-executive Directors, including assessing whether the non-executive Directors are able to commit enough time to discharge their responsibilities and the maximum number of listed company Board representations which a Director may hold;
(d) the review of the training and professional development programmes of the Board;
(e) the appointment and re-appointment of all Directors (including alternate Directors, if any);
(f) the review and confirmation of the independence of each Director; and
(g) the review of the management structure of key operating subsidiaries of the Company and evaluation of the performance of key management personnel of these key operating subsidiaries, as and when proposed by any Director.

Board Nomination Process for the Selection and Appointment of New Independent Directors: The Nominating Committee will generally apply the process and guiding principles of the Policy for Selection and Appointment of Independent Directors of CAO (the "**Selection & Appointment of Independent Directors Policy**") for identifying, evaluating, selecting and nominating suitable candidates for appointments as new Independent Directors of the Company. In considering the overall balance of the Board's composition, the Nominating Committee will give due consideration to the selection and evaluation criteria set out in the Selection & Appointment of Independent Directors Policy, having regard to the normally accepted nomination criteria which include but not limited to (i) the appropriate background, experience, industry knowledge or ability to acquire that knowledge, professional skills and qualifications; (ii) demonstrated and recognised knowledge, experience and competence in business including financial literacy; (iii) ability to analyse information, think strategically, review and challenge Management in order to make informed decisions and assess performance; (iv) willingness to devote the required time, including being available to attend meetings of the Board and Board Committees; (v) good communication skills and ability to work harmoniously with fellow directors and the Management; and (vi) high levels of personal and professional integrity as well as business ethics.

In the case of selection and appointment of CNAF-Nominee Directors and BP-Nominee Directors, the Nominating Committee may apply the relevant selection and evaluation criteria in the Selection & Appointment of Independent Directors Policy when assessing their suitability in complementing the core competencies of the Board at that time.

In the course of the year, Mr Lin Yi, a CNAF-nominee Director and Chief Executive Officer of the Company, was appointed as Executive Director in place of Mr Wang Yanjun who retired as Executive Director of the Company in March 2023 and Mr Shi Yanliang, a CNAF-nominee Director, was appointed as Executive Chairman of the Company in December 2023 in place of Mr Gong Feng, Non-Executive, Non-Independent Chairman. Prior to the respective appointments of Mr Lin Yi and Mr Shi Yanliang, the Nominating Committee had considered the relevant selection and evaluation criteria in the Selection & Appointment of Independent Directors Policy when assessing the suitability of Mr Lin Yi and Mr Shi Yanliang in complementing the core competencies of the Board. Following consideration and assessment of the aforesaid respective appointments, the Nominating Committee submitted its recommendations to the Board for approvals of (1) the appointment of Mr Lin Yi as Executive Director; and (2) the appointment of Mr Shi Yanliang as Executive Chairman of the Company.

Directors' Multiple Directorships in Listed Companies: In line with the Board adopted guiding principles for the determination of a specified maximum number of listed board representations. Directors of CAO should not, as a general guide, hold more than six (6) board representations in listed companies (the "**Maximum Number of Listed Board Representations**"). In addition, the following considerations are also taken into account:

(i) where the individual also holds a full-time executive position; and
(ii) where the individual is a full-time independent director.

All Directors of the Company have complied with the requirement on the Maximum Number of Listed Board Representations.

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The Nominating Committee had reviewed each Director's external directorships as well as the Director's attendance and contributions to the Board. Despite the multiple directorships of some Directors, the Nominating Committee is satisfied that all of the Directors of the Company have complied with the requirement on the Maximum Number of Listed Board Representations. The Nominating Committee is also satisfied that the Directors spent adequate time on the Company's affairs and have carried out their responsibilities.

Retirement by Rotation and Re-election of Directors: Pursuant to Regulation 94 of the Company's Constitution, one-third of the members of the Board of Directors shall retire by rotation at every annual general meeting of the Company (the "**AGM**") and these Directors may offer themselves for re-election, if eligible. For the 30th AGM to be held on 25 April 2024, Mr Teo Ser Luck, Mr Shi Lei and Mr Hee Theng Fong are due for retirement by rotation and will be eligible for re-election.

In accordance with Regulation 100 of the Company's Constitution, Mr Shi Yanliang who was appointed as Executive Chairman/Director of the Company on 15 December 2023, will hold office as Director until the next annual general meeting of the Company and will be eligible for re-election under Regulation 100 at the 30th AGM.

Board Performance: The Nominating Committee evaluated the performance of each Director and the effectiveness of the Board as a whole. The Board has, through the Nominating Committee, implemented a formal process annually for assessing the effectiveness of the Board as a whole, each of its Board Committees and individual Directors (the "**Overall Board/Board Committees' Performance Evaluation**"). The Overall Board/Board Committees' Performance Evaluation entailed the completion by each member of the Nominating Committee of a Board assessment and effectiveness questionnaire (the "**Board Evaluation Questionnaire**"). The Board Evaluation Questionnaire takes into consideration the requirements of the 2018 Code as well as generally accepted good practices for Nominating Committees of listed companies in Singapore.

The elements of the Board Evaluation Questionnaire included questions on (i) the Board's composition; (ii) Board's access to information prior to Board meetings and on an ongoing basis to enable them to properly discharge their duties and responsibilities as Directors; (iii) the expertise and experience of each member of the Board; (iv) the conduct of proceedings of meetings, participation and contributions to the Board both inside and outside of Board meetings; (v) the process for selection and appointment of new Directors & Key Management Personnel as well as nomination of Directors for re-election; (vi) the assessment of the performance benchmark for assessing the performance of the Board as a whole and in ensuring the continued return for shareholders; (vii) the standard of conduct in preventing conflicts of interest and the disclosure of personal interests and abstention from voting where appropriate; (viii) Directors' multiple board representations; and (ix) communications with shareholders of the Company .

A summary of the assessment ratings on each of the elements of the Board Evaluation Questionnaire by each member of the Nominating Committee for last three (3) preceding years was also sent to the members of the Nominating Committee.

Each member of the Nominating Committee would first carry out his own assessment and evaluation of the performance of the Board as a whole and its Board Committees using the Board Evaluation Questionnaire.

A general summary of the assessment ratings on each of the elements of the Board Evaluation Questionnaire by each member of the Nominating Committee will be collated by the Company Secretary for the Nominating Committee's deliberation and consensus at its Nominating Committee Meeting held in November 2023. Based on analyses of the ratings allocated by members of the Nominating Committee, it was noted that the Board already has an effective governance framework in place which provided a sound basis for strategic leadership and oversight at the Board level. In order to bring about more positive effects on board dynamics and governance, the Board considered the proposed action points and these included: (1) enhancing the demographic attributes and characteristics in the boardroom through gender diversity as well as having more international representation on the Board; and (2) increasing the number of independent directors represented on the Board to further enhance the independence element in the Board to enable the Company to comply with the requirements of Provision 2.2 of the 2018 Code which requires majority board independence where the Chairman of the Board is not independent.

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During the year, each of the Board committees also conducted an annual self-evaluation to assess its effectiveness as a whole and explored ways to further enhance its effectiveness. Areas covered by the self-assessment exercise included (1) Board membership and diversity; (2) Conduct of meetings; (3) Training and professional development; (4) Reporting and Updates to the Board; (5) Process for selection and appointment of new Independent Directors; (6) Process for Board Performance Evaluation; and (7) Communications with shareholders. The overall responses received from members of the Nominating Committee were positive in all categories of the Nominating Committee Self-Assessment Form, indicating that the Nominating Committee is already operating at an effective level.

The Nominating Committee is satisfied with the current compositions and performances of the Board and the Board Committees, both individually and as a whole.

Access to Information

Information Flow: The Company has put in place enhanced communication processes between the Board and Management in terms of information flow.

Agenda for meetings and all Board papers for discussions are circulated to Directors at least ten (10) calendar days in advance so that the Directors are prepared for the meetings. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Management and senior executives of the Company would be present during the Board meeting or Board Committee meeting, as the case may be, to present their proposals or to answer any questions that Board members may have.

The Board as a whole as well as individual Directors have direct access to Management represented by senior executive officers of the Company and the CAO Group. The Management provides the Directors with monthly updates on the operational and financial performance of the CAO Group, and also responds to regular questions from the Board or individual Directors in a timely manner.

Where the Board deems it necessary, the Board can obtain independent advice from external consultants. This enhances the Board's ability to discharge its functions and duties.

All Board members have direct access to and the advice and services of the Company Secretary. The Company Secretary attends all Board and Board Committee meetings and assists the respective Chairman of the Board/Board Committees in ensuring that Board/Board Committee papers, procedures and the applicable laws and regulations are adhered to.

Information about the Company and the CAO Group are freely available to each Board member. Management will promptly supply any additional information that the Board requires.

The Board also has ready access to external professionals for consultations and any such costs and expenses are paid by the Company.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies/Level and Mix of Remuneration/Disclosure on Remuneration

Remuneration Committee: The Board has established a Remuneration Committee to consider and to make recommendations on remuneration matters for the Directors and KMP of the CAO Group. Apart from ensuring consistencies with good practices, the Remuneration Committee is also mindful of the need to ensure that the Company and the CAO Group are able to attract and retain good Directors and senior executives to the business.

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As at the date of this report, the Remuneration Committee comprises five (5) members, the majority of whom, including its Chairman, are Independent Non-Executive Directors:

Remuneration Committee

Jeffrey Goh Mau Seong	Chairman
Shi Lei	Vice Chairman
Fu Xingran	Member
Hee Theng Fong	Member
Richard Yang Minghu	Member

The Remuneration Committee assists the Board and Management by assessing and making remuneration recommendations for the Executive Directors and KMPs of the Company that is appropriate and proportionate to the sustained performance and value creation of the Company, in line with the strategic objectives of the Company.

During the year, the Remuneration Committee reviewed and recommended to the Board for consideration and approval, (1) Proposed Salary Adjustment for Executive Director, Chief Executive Officer and KMPs of the Company"; and (2) Proposed 2023 Salary Adjustment for KMP. The Remuneration Committee had also reviewed and recommended to the Board for consideration and approval, the Proposed Key Employment Terms, Job Description and Remuneration for Executive Chairman of the Company.

The Company used the "Total Remuneration Survey" for the Energy Trading Industry purchased from Mercer as a reference for benchmarking purposes. Mercer and its consultants are independent and are not related to the Company or its Directors.

Broadly, remuneration for the Executive Chairman, CEO/ED and five (5) KMPs for the financial year ended 31 December 2023 is based on the Company's performance as well as individual performances, and the remuneration for Non-Executive, Independent Directors in the form of fees is based on responsibilities and memberships in the Board and its committees.

All Independent Directors of the Company are paid Directors' fees, subject to the approval of shareholders at the AGM. Directors' fees comprise a basic fee and fees in respect of service on the Board Committees. All Non-executive, Non-Independent Directors of the Company do not receive Directors' fees.

The structure for the payment of Directors' fees for Non-Executive Directors, which is based on a framework comprising basic fees and additional fees for serving on the Board Committees and undertaking additional services for the CAO Group. Fees paid or payable to Independent Directors consider factors such as effort, time spent and responsibilities of these Directors. The Executive Chairman and Executive Director do not receive Directors' fees for their Board directorships with the Company or within the CAO Group.

Details on the existing Directors' fee structure are set out below:

(a) Each independent director will receive a base fee ("**Base Fee**").
(b) The Chairman of the Audit Committee ("**AC**") will receive additionally two-thirds of the Base Fee ("**AC Chairman's Fee**").
(c) The Chairman of the Risk Management Committee ("**RMC**") will receive additionally two-thirds of the Base Fee ("**RMC Chairman's Fee**").
(d) Chairman of the Remuneration Committee ("**RC**") and the Chairman of the Nominating Committee ("**NC**") will each receive additionally one-half of the Base Fee.
(e) Members of AC, RC, NC and RMC will each receive 50% of the respective AC Chairman's Fee, RC Chairman's Fee, NC Chairman's Fee, and RMC Chairman's Fee.
(f) Non-Executive, Non-Independent Directors, and Executive Directors will not be entitled to receive fees.
(g) The Lead Independent Director will receive additionally a fixed fee of S$30,000.

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The remuneration of Directors, the Executive Chairman and Chief Executive Officer payable for the financial year ended 31 December 2023 is set out below:

Name of Director/CEO	Fee (S$)	Basic/Fixed Salary and Allowance (S$)	Variable/ Performance Bonus (S$)	Others (S$)	Long-Term Incentives (S$)	Total (S$)
Executive Chairman						
Shi Yanliang [1]	N.A.	11,880	–	–	–	11,880
Chief Executive Officer/Executive Director						
Lin Yi [2]	N.A.	289,528.37	42,687.88	33,974.11	–	366,190.36
Non-Executive Directors						
Gong Feng [+] (Chairman)	0	N.A.	N.A.	N.A.	N.A.	0
Teo Ser Luck (Lead Independent Director)	162,000	N.A.	N.A.	N.A.	N.A.	162,000
Shi Lei [+]	0	N.A.	N.A.	N.A.	N.A.	0
Zhang Yuchen [+]	0	N.A.	N.A.	N.A.	N.A.	0
Hee Theng Fong	120,000	N.A.	N.A.	N.A.	N.A.	120,000
Fu Xingran	112,000	N.A.	N.A.	N.A.	N.A.	112,000
Jeffrey Goh Mau Seong	112,000	N.A.	N.A.	N.A.	N.A.	112,000
Richard Yang Minghui [+]	0	N.A.	N.A.	N.A.	N.A.	0

Notes:

1 Mr Shi Yanliangi was appointed as Executive Chairman of the Company on 15 December 2023 and his total remuneration for the financial year 2023 has been pro-rated accordingly.

2 Mr Lin Yi, Chief Executive Officer, was appointed as Executive Director on 15 March 2023 and was re-designated as Chief Executive Officer/Executive Director of the Company on the same date. The total remuneration of Mr Lin Yi shown above includes the 2022 variable bonus paid during the financial year 2023 and excludes the 2023 variable bonus payable during the financial year 2024.

\+ Non-executive, Non-Independent Directors of the Company do not receive Directors' fees.

Summary of Compensation Table for Key Management Personnel for the financial year ended 31 December 2023

Remuneration Bands	Name of Key Management Personnel	Based/Fixed Salary (%)	Variable Bonus (%)	Allowances and Other Benefits (%)	Long-Term Incentives (%)	Total (%)
S$500,001 – S$750,000	Elizza Ding	70.2	26.9	2.9	0	100.0
S$250,000 – S$500,000	Zou Yaoping	68.3	20.9	10.8	0	100.0
	Liu Hanguang	66.4	16.2	17.4	0	100.0
	Doreen Nah	67.4	29.6	3.0	0	100.0
	Koh Jia Mian	66.1	27.2	6.7	0	100.0
Total Remuneration of Five (5) Key Management Personnel(1)	**S$2,069,578**					

1 The remuneration disclosed for the KMP includes the 2022 variable bonus paid during the financial year 2023 and excludes the 2023 variable bonus payable during the financial year 2024.

There are no employees in the CAO Group who are immediate family members of the Chairman or any of the Directors during the financial year ended 31 December 2023. "Immediate family member" means the spouse, child, adopted child, stepchild, brother, sister, and parent.

The remuneration of the CAO Group's five (5) KMP takes into consideration relevant policy requirements of CNAF or the pay and employment conditions in the same industry and is performance-related.

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The remuneration package of Directors and key management personnel include the following:

Basic/fixed salary – The basic salary (exclusive of statutory employer contributions to Central Provident Fund) for the ED, CEO and each KMP were approved by the Remuneration Committee and endorsed by the Board, taking into account the performance of the individual for the financial year 2023, the inflation price index and information from independent sources on the pay scale for similar jobs in a selected group of comparable organisations.

Variable/Performance – The CAO Group operates a bonus scheme for all employees, including the Executive Chairman, CEO/ED. The criteria for the bonus scheme are the level of profit achieved from certain aspects of the CAO Group's business activities against targets, together with an assessment of the Company's and individual's performance during the year. The remuneration disclosed above for the Executive Chairman, CEO/ED and the five (5) KMPs included the variable bonuses in relation to business performance targets achieved for the Company during the financial year.

Others – Benefits in kind such as statutory employer contributions to Central Provident Fund, employer's contributions to social security funds for CNAF seconded personnel, and other allowances and/or short-term benefits are made available where appropriate and consistent with common industry practices.

(C) ACCOUNTABILITY AND AUDIT

Accountability:

The Board, with the assistance of the Audit Committee, reviewed all financial statements of the Company and the CAO Group. The Board is accountable to shareholders and always aims to present a balanced and understandable assessment of the Company's and the CAO Group's financial position and prospects to shareholders on a timely basis. The half-year and full-year results were announced or issued within the mandatory period. The Board also ensures that timely announcements of other matters as prescribed by the SGX-ST Listing Manual requirements and other relevant rules and regulations are made.

Board members are provided with management accounts on a monthly basis. Such reports keep the Board informed, on a balanced and understandable basis, of the CAO Group's performance, financial position and prospects and consist of the consolidated profit and loss accounts, analysis of sales, operating profit, pre-tax and attributable profit by business segments compared against the budgets, together with explanation given for significant variances for the month and year-to-date.

The Board had established a Financial Audit Management Measures (the "**Financial Audit Management Measures**") which will serve to further strengthen financial supervision, regulate the annual audit of financial statements, improve the quality of accounting information as well as enhance the level of financial management of the CAO Group. In line with the prevailing regulatory requirements of the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China, which has jurisdiction over CNAF, which is a state-owned enterprise of the People's Republic of China, and over the Company as CNAF's subsidiary, the same audit firm may undertake the financial audit of the CAO Group for not more than 5 consecutive financial years. For audit firm with good audit quality track record, the Company may request for extension of engagement of the same audit firm and obtain approval from the Audit Committee and the Board, but the number of years of consecutive financial audits shall not exceed 8 financial years. The audit firm extending its year of consecutive audits beyond 5 consecutive financial years will be required to change the audit engagement partner and the signing certified public accountant from the sixth year onwards.

The Audit Committee, in accordance with its terms of reference, reviews the performance of the external auditors on an annual basis. In reviewing the performance of the external auditors, the Audit Committee will focus on the quality and rigour of the audit (e.g. assessment of the effectiveness of the external audit through levels of errors identified, accuracy in handling key accounting audit judgments and response to queries from the Audit Committee); quality of audit services provided, the audit firm's internal quality control procedures, relationship with internal auditors and the Company; and the independence and objectivity of the external auditors.

During the financial year 2023, the Board, through the Audit Committee, Deloitte & Touche LLP ("**Deloitte**") and internal auditors, PricewaterhouseCoopers Risk Services Pte Ltd ("**PWC**"), scrutinised Management's conduct of the Company's and the CAO Group's business processes and financials. Each area of the Company and the CAO Group was audited on an ongoing basis to ensure that the Company and the CAO Group maintain good corporate practices and governance and financial integrity.

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RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises the importance of sound internal control and risk management practices. In this regard, the Board affirms that it is responsible for the CAO Group's systems of internal control and risk management system and had established the Risk Management Committee.

As at the date of this report, the Risk Management Committee comprises five (5) members, all of whom are Non-Executive Directors, and the majority, including the Chairman, consists of Independent Directors.

Risk Management Committee

Hee Theng Fong	Chairman
Zhang Yuchen	Vice Chairman
Teo Ser Luck	Member
Shi Lei	Member
Jeffrey Goh Mau Seong	Member

In line with the Risk Management Committee's remit of overall risk management, the Risk Management Committee coordinates the management of major risks under the respective oversight responsibility of the Audit Committee, the Nominating Committee and Remuneration Committee. The Audit Committee, the Nominating Committee and the Remuneration Committee will notify the Risk Management Committee of any material risk matters and report them to the Board after reaching a consensus.

The Risk Management Committee assists the Board and the Company in ensuring adequate measures are in place to manage all material risks (including relating to risk management policies and framework which shall include, among others, the review of market risk, credit risk, operational and compliance risks associated with trading activities, technology risk (including information security risk and cybersecurity risk), reputational risk and other risk concerns (other than in relation to financial reporting and financial-related risks and controls).

The Risk Management Department of the Company ensures that the risk management activities have been executed daily. The Risk Management Department is responsible for, among others:

(i) ensuring that risk management activities have been executed daily; and
(ii) all risk-related policies, processes and limits are implemented and adhered to.

The Risk Management Committee delegates the day-to-day management of risks of the Company and the CAO Group to the Company Risk Meeting (save for the day-to-day management of risks relating to the "Hedging Business" of the Company and the CAO Group), which operates within the delegated authority set by the Risk Management Committee from time to time.

The Company Risk Meeting comprises at least six (6) members which include the Head of Risk Management, members of the Management team (one of whom shall be the CEO) and relevant functional heads (i.e. Head of Trading, Head of Operation, Head of Finance, Head of Legal & Compliance and Head/Deputy Head of Corporate Development and Investment), and meets at least once a year as well as on an ad hoc basis when required. The Chairman of the Company Risk Meeting, who is the Head of Risk Management, directly reports to the Chief Financial Officer ("**CFO/Vice President**") but also has an independent direct reporting line to the Risk Management Committee.

The Risk Management Committee delegates the day-to-day management of risks of the "Hedging Business" of the Company and the CAO Group to the Hedging Business Leadership Team. The Hedging Business Leadership Team comprises at least six (6) members which include members of the Management team (of whom (1) the CEO shall be the Team Leader; and (2) the CFO/Vice President shall be the Deputy Team Leader), Head of Risk Management, Head of Aviation Fuel, Head of Oil Products Trading and Head of Finance

The Risk Management Report is found on pages 61 to 69 of the Annual Report.

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The adequacy and effectiveness of the system of internal controls of the CAO Group is subject to a periodic review by the Internal Auditors of the Company which is outsourced to PWC and supported by the Compliance team of the Legal & Compliance Department. The key responsibilities of the Compliance function include inter alia:

(1) review and evaluation of compliance issues across the CAO Group;
(2) monitoring of new and existing laws and regulations as well as keeping abreast of the status of all relevant compliance activities;
(3) acting as a channel of communication between compliance investigators and concerned parties;
(4) setting policies and periodic checks to prevent any unethical or illegal conduct within the CAO Group; (5) responding to violation of regulations, policies, rules and standards of conduct within the CAO Group; (6) coordination of compliance activities such as providing training to staff of the CAO Group;
(7) overseeing the annual internal audit for the CAO Group which includes preparation of internal audit schedules including short/long term audit plans, reviewing the annual/quarterly internal audit reports to the Management and the Audit Committee;
(8) integration and establishment of the CAO Group's internal control framework, policies, processes and systems across the Company, its subsidiaries and associates;
(9) facilitating and assisting the CAO Group functional heads in formulating policies, operational processes and systems. Ensure that the policies, processes and systems are efficient in implementation and aligned with regulatory requirement;
(10) establishing and maintaining the CAO Group's Business Continuity Plan;
(11) establishing and ongoing review of the standard operating templates of the CAO Group to ensure proper departmental ownership of each processes and changes; and
(12) evaluating the system of internal controls for new projects and business activities and analysis on the impact of such activities on the CAO Group and where necessary, provide recommendations and develop programmes for improvement.

The Head of Legal & Compliance reports directly to the CEO/ED. The Head of Legal & Compliance may also report directly to the Audit Committee for important matters or concerns relating to the system of internal controls of the CAO Group.

As part of the CAO Group's efforts to ensure all employees of the CAO Group stay relevant and informed of the dynamic business environment and uphold core ethics and values that are essential to the long-term success of the CAO Group, the Legal & Compliance Department arranged for all employees of the CAO Group to participate in the mandatory e-learning course modules relating to (1) "Introduction to Environmental, Social and Governance; (2) Individual Accountability; (3) Data Privacy; and (4) Information Security and Cyber Risk Awareness via the Thomson Reuters' online learning portal. In addition, the Legal & Compliance Department conducted three (3) in-house training sessions namely, (1) Anti-Fraud, Anti-Corruption and Sanctions Compliance; (2) Personal Data Protection; and (3) CAO's General Mandate for Interested Person Transactions.

In August 2023, the Company conducted its first on-site business continuity plan cum disaster recovery plan ("**BCP & DRP**") exercise since the onset of the pandemic, activating the disaster recovery centre, whereby the employees of foreign subsidiaries of the CAO Group also participated in the drill in their respective countries. The BCP & DRP exercise had elevated the awareness of handling unforeseen events, assessed the effectiveness of the business continuity plan, and strengthened employees' emergency response capabilities in the face of unexpected situations. During the year, the Company also conducted a "Call Tree" drill to test the effectiveness of its business continuity and emergency/incident management protocols.

With the assistance of the Audit Committee and the Risk Management Committee, the Board reviews the adequacy and integrity of the internal control systems and processes of the Company from time to time. Corporate Policy on Anti-Money Laundering Measures, including the appointment of an Anti-Money Laundering Compliance Officer, together with other trading-related policies such as Out-of-Office Dealing Policy, Telephone Taping/Instant Messaging/Mobile Phone Policy, Deal Entry Policy, CAO Group Trade Sanctions Policy and CAO Group Corporate Guarantee Policy had been endorsed by the Risk Management Committee and relevant departments had also been mandated with the responsibility to oversee the adoption of the aforesaid policies in their practices, processes and operations.

The Company has also established the "CAO Internal Audit Management Measures". The objectives of the "CAO Internal Audit Management Measures" are to streamline and strengthen the administration of internal audit activities, enhance CAO's internal controls processes and provide assurance on the quality of internal audit services.

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The internal audit function of the CAO Group, which is outsourced to PWC, assists the Audit Committee and the Board in evaluating the internal control systems and processes, financial and accounting matters, compliance and business and financial risk management. The Audit Committee's responsibilities in the CAO Group's internal controls are complemented by the work of the outsourced Internal Auditors, PWC, the Risk Management Department and the Legal & Compliance Department.

Based on the audit reports, internal control systems review report and management controls in place, the Audit Committee is satisfied that the internal control systems provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained and financial statements are reliable.

In line with the Singapore Standards on Auditing issued in July 2015, the Company's external auditors, Deloitte, will disclose key audit matters in the auditor's reports on the financial statements which include matters that were of most significance in the audit of the financial statements for the financial year ended 31 December 2023 (the "**Key Audit Matters**").

Significant financial reporting matters (including the Audit Committee's perspectives on the Key Audit Matters) are summarised below:

Key Audit Matters	Audit Committee's commentary on its review of Key Audit Matters and decisions made
Revenue recognition Recognition of revenue and purchases have been identified as a risk primarily due to: • complexity in the timing of recognition for trades with deliveries occurring on or around year end as a result of the extent of the Group's distribution network and varying shipping terms with customers; and • risk of potential deliberate misstatement of the Group's trading positions by failing to report the trades entered or failing to record the trades accurately or on a timely basis. The details of the Group's revenue are disclosed in Notes 3.14 and 20 to the financial statements.	The Audit Committee regularly discussed with management and the external auditors on the standard operating procedures and controls in place to ensure the timeliness, completeness and accuracy of accounting records and reporting. The Audit Committee has considered the reasonableness and adequacy of the internal controls and procedures on the CAO Group's operating effectiveness. The Audit Committee has also considered the audit procedures performed by the external auditors as well as their audit findings, and noted that no misstatements were uncovered by the external auditors. It evaluated and was satisfied that the standard operating procedures and controls in place were reasonable and adequate.
Valuation of derivatives, trading inventories and open physical contracts The valuation of derivatives, trading inventories and open physical contracts requires significant management judgement in applying the appropriate valuation methodology and incorporating of any contract specific terms including the use of valid and appropriate price index. The valuation techniques and the inputs used in the fair value measurements of the financial instruments are disclosed in Notes 26 and 29 to the financial statements.	The Audit Committee received regular briefings on the CAO Group's internal controls and compliance. The internal auditors also conducted a review of the Company's system of internal controls and no significant observations were noted. The Audit Committee has considered the reasonableness and appropriateness of the controls in place over the valuation of derivatives, trading inventories and open physical contracts as well as the internal auditors' audit findings. It evaluated and was satisfied that the valuation methodology and inputs used in the valuation were reasonable and appropriate.

In addition, PWC which had been engaged to conduct a review of the internal control systems and processes of the CAO Group will highlight any internal control weaknesses which have come to their attention in the course of their review. Any such audit findings noted during the audit by external auditors or internal control weaknesses noted during the review by PWC, and recommendations in relation thereto, if any, by the external auditors and PWC respectively, are reported to the Audit Committee.

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In accordance with Provision 10.2 of the 2018 Code, the Audit Committee reviewed the written assurance ("**Letter of Assurance**") from the CEO and CFO on the financial records and the financial statements of the Company for the financial year ended 31 December 2023. The Letter of Assurance provides reasonable assurance to the Board that (1) the financial records of CAO for the financial year ended 31 December 2023 have been properly maintained; (2) the financial statements and the accompanying notes comply with the Singapore Financial Reporting Standards (International) in all material respects; (3) the financial statements and accompanying notes provide a true and fair view of the financial position and performance of CAO and its subsidiaries; and (4) the integrity of the financial statements are founded on a sound system of risk management and internal control; and (5) the risk management and internal control system is operating efficiently and effectively in all material respects.

In accordance with Provision 9.2(a) of the 2018 Code, the Board received a Letter of Assurance from the CEO and CFO confirming that the financial records have been properly maintained and the financial statements give a true and fair view of the CAO Group's operations and finances. In accordance with Provision 9.2 (b) of the 2018 Code, the Board also received a Letter of Assurance from the CEO, other members of the Management team and the Head of Risk Management, that the CAO Group's risk management and internal control systems are adequate and effective as at 31 December 2023 to address financial, operational, compliance and information technology risks.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management and various Board Committees, the Board, with the concurrence of the Audit Committee and the Risk Management Committee, is of the opinion that the Group's internal controls and risk management systems are adequate and effective as at 31 December 2023 in addressing financial, operational, compliance and information technology risks to provide reasonable assurance for achieving the following objectives:

(a) effectiveness and efficiency of operations;
(b) reliability of financial reporting; and
(c) compliance with applicable laws and regulations.

The Board noted that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives and goals. In this regard, the Board also noted that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

AUDIT COMMITTEE

Composition of the Audit Committee: As of the date of this report, the Audit Committee comprises five (5) members, all of whom are Non-Executive Directors and the majority, including its Chairman, consists of Independent Directors:

Audit Committee

Teo Ser Luck	Chairman
Zhang Yuchen	Vice Chairman
Hee Theng Fong	Member
Fu Xingran	Member
Richard Yang Minghui	Member

Roles of the Audit Committee: The Audit Committee held four (4) meetings in 2023 where it met with external and internal auditors to review both the Company and the CAO Group's financials and audit reports. A key issue for discussion is the financial statements and announcements made by the Company to shareholders. The members of the Audit Committee, collectively, have expertise or experience in financial management and are qualified to discharge the Audit Committee's responsibilities.

The Audit Committee met with both the external and internal auditors at least once without the presence of the Management.

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The Audit Committee assists the Board and the Company in fulfilling its oversight responsibility relating to inter alia, the integrity of the Company's financial statements and financial reporting processes and the Company's system of internal accounting and financial controls, the review of the adequacy and effectiveness of the Company's risk management and internal controls (in relation to financial reporting and other financial-related risks), the adequacy of the scope, resources and performance of the internal audit function, the annual independent audit of the Company's financial statements, the engagement of external auditors and their remuneration, and the evaluation of their qualifications, independence, objectivity and performance.

The Audit Committee reviewed the quarterly and annual financial statements for the financial year 2023 and the integrity of financial reporting of the Company, including the accounting principles, for recommendation to the Board for approval. The Audit Committee also reviewed and approved the plans of the internal auditor and external auditor' to ensure that such plans adequately cover, in particular, significant internal controls of the Company relating to financial, operational and compliance-related matters. Significant issues are discussed at Audit Committee meetings.

The Audit Committee has full authority to investigate into any matter within its terms of reference, including any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations.

The Audit Committee has full access to and co-operation of the Management. The Audit Committee also has full discretion to invite any Director or executive officer from the Company or the CAO Group to attend its meetings. The Audit Committee has full access to both external and internal auditors. Where required, the Audit Committee is empowered to obtain external legal advice or such other independent professional advice as the Audit Committee deems necessary.

The Audit Committee monitors all interested person transactions, including transactions under the general mandate on Interested Person Transactions approved by shareholders at the AGM held in April 2023, and conflict of interest situations including transactions, procedures or actions taken which may raise issues about the Management's integrity.

The Audit Committee also evaluates the scope and results of internal audit reports as well as Management's responses to the findings of the internal audit reports. For further discussions about internal audit, please see section (D) INTERNAL CONTROLS.

The Audit Committee has also conducted an annual review of non-audit services and is satisfied that the nature and extent of such services provided by Deloitte will not prejudice their independence and objectivity.

In line the Financial Audit Management Measures of the Company (the "**Management Measures**"), the Company shall not retain the same external auditors for a term of 5 consecutive financial years and subject to fulfilment of certain criteria under the Management Measures, the same external auditors may be retained for a consecutive period of up to 8 years. In line with the Management Measures, Deloitte & Touche LLP ("**Deloitte**") which had been retained as the external auditors of the Company for a consecutive period of 8 years (i.e. from financial years 2016 to 2023), will not be seeking re-appointment at the 30th AGM to be held in April 2024.

The Company implemented the Revised CAO Whistleblowing Policy which included inter alia, clearer guidance relating to the Company's approach and stance on whistleblowing and the means by which whistleblowers can raise serious concerns of any allegations of wrongdoing as well as more explicit indication of the kinds of conduct which might be considered reportable concerns. Under the Revised CAO Whistleblowing Policy, whistleblowers may report any reportable concerns pertaining to any form of misconduct affecting the CAO Group, its customers, partners, suppliers and other stakeholders, via a dedicated email address: whistle_blowing@caosco.com and auditcommittee_whistleblowing@caosco.com. The Company did not receive any such reportable concerns during the year.

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A summary of the Revised CAO Whistleblowing Policy can be accessed from the Company's external website. Under the Revised CAO Whistleblowing Policy, all reportable concerns will be reviewed within a reasonable time-frame, and after due consideration and inquiry, a decision will be taken on whether to proceed with a detailed investigation. Guidance and direction will be sought from the Management of the Company on the appropriate course of action. Where a reportable incident relates directly or indirectly to any member of the Management, that member of the Management shall abstain from participating in the deliberations relating thereto. Management shall then submit all reported concerns including recommended action (if any) to the Chairman of the Board and/or the Audit Committee for their guidance. The Chairman of the Board and/or the Audit Committee shall decide as to whether the Company should proceed with the investigation of the complaint or whether no further action is considered necessary. In the event that the Chairman of the Board and/or the Audit Committee shall decide that an investigation should proceed, an ad hoc investigation taskforce shall be established and the members of such ad hoc investigation taskforce shall comprise relevant personnel recommended by the Management and approved by the Chairman of the Board and/or the Audit Committee.

During the year, the Company implemented and executed its Enterprise Risk Management Framework and Process which provides the Company with a structured approach and framework to regularly assess its enterprise-wide risks. Enterprise Risk Assessments are conducted on a regular basis to identify and deliver an inventory of key risks for the Company (including climate change-related risk) and to develop a list of key risk indicators that can help the Company monitor and mitigate its key risks. The Company also executed its Crisis Management and Business Continuity Plan which provides the CAO Group with a structured process for limiting the intensity or impact of negative threat or event to its employees, products, services, investments, financial stability and reputation.

During the year, the Company also revised and updated several of its compliance-related policies including the "Trade Sanctions Compliance Policy", "Anti-Money Laundering and Anti-Terrorist Financing Measures". The Company also conducted a group-wide fraud risk assessment on the Company and its subsidiaries.

The Fraud Control Plan comprises periodic fraud risk assessments on the Company which is subject to review from time to time.

In addition, other existing policies, internal guidelines and/or processes and procedures have been put in place by the Company and these include the Investment Governance Management Measures, Revised Hedging Business Management Measures, Administrative Measures for Records and Archives (which replaced the Documents Retention Policy), Contracts/Documents Review Policy and Procedures, Appropriate Use of Information Technology Policy, Revised CAO Whistleblowing Policy, Administrative Measures for the Formulation of Internal Policies and Procedures, Remuneration Policy, Revised Investor Relations Policy, etc.

The Company has put in place an employee handbook which includes a code of business conduct and ethics for employees.

Internal Audit

Both the Board and the Audit Committee agree that it is important to have a strong professional internal audit function to enhance their ability to manage risk and safeguard shareholders' interest. It has been determined that the best approach is to engage independent professional auditors to discharge this function and such, PWC has been retained as the Internal Auditors of the CAO Group.

During the financial year, PWC reviewed the Company's processes and procedures on a continual basis to ensure compliance with the best corporate governance practices. It also reviewed interested person transactions on a regular basis. The Audit Committee is satisfied that PWC had adequate resources to perform its functions and had appropriate standing within the Company.

As the Internal Auditors of the CAO Group, PWC had conducted its internal audits for the financial year 2023 in accordance with PWC's global internal audit methodology which is aligned with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

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In line with the requirements of the "CAO Internal Audit Management Measures", the Audit Committee reviewed and approved the appointment of PricewaterhouseCoopers Risk Services Pte. Ltd. ("**PWC**") as the outsourced internal auditors of the Company in place of BDO for the financial year 2023. In accordance with the relevant requirements of the "CAO Internal Audit Management Measures", the Company will be conducting an audit service quality assessment of its outsourced internal auditors on a yearly basis and will provide the evaluation results at the second Audit Committee Meeting scheduled for that year. The internal audit plan for the following financial year will be presented for approval at the second Audit Committee Meeting scheduled for each year together with the recommendation for the outsourced internal auditors' re-appointment.

The Audit Committee had approved the internal audit plan for 2024 submitted by PWC. The internal audit plan includes amongst others, (1) an independent annual review on the effectiveness and adequacy of the Group's overall system of internal controls including an audit of key business processes; (2) audit on the hedging process of the Group's hedging business; (3) audit on the review process for interested person transactions; and (4) audit on the FY 2023 sustainability reporting process. The internal audit reports which included inter alia, a summary of the significant audit findings or internal control inadequacies that could possibly affect the Group's operational effectiveness, are submitted to the Audit Committee for review and approval. These internal audit reports are also submitted to the Board for information. Adoption of remedial measures by relevant departments arising from the audit findings are subsequently monitored for implementation by specified timelines.

SUSTAINABILITY COMMITTEE

Composition of the Sustainability Committee: The Sustainability Committee comprises five (5) members, all of whom are Non-Executive Directors and the majority, including its Chairman, consists of Independent Directors:

Sustainability Committee

Teo Ser Luck	Chairman
Zhang Yuchen	Vice Chairman
Hee Theng Fong	Member
Fu Xingran	Member
Jeffrey Goh Mau Seong	Member

Roles of the Sustainability Committee: The Sustainability Committee assists the Board in fulfilling its oversight responsibilities in relation to sustainability-related issues of the Company, its wholly owned subsidiaries as well as subsidiaries where it has management control ("Subsidiaries"), and to achieve the following objectives: (i) To maintain and achieve long-term business growth and development of the Company, to promote environmental protection, enhance human resource management and other technical capabilities of the Company and its Subsidiaries, thereby creating long-term sustainable value for the stakeholders of the Company; (ii) To develop a sustainability framework and an actionable sustainability roadmap; and (iii) To embed sustainability into the Company's corporate culture, promoting ethical and responsible behaviour.

The Sustainability Committee held three (3) meetings in 2023 where it met to discuss and review (1) Summary of Findings and Recommendations in relation to: (a) Evaluation of Material Environmental, Social and Governance (ESG) Factors in FY2021 Sustainability Reporting; (b) Materiality Assessment of ESG Factors in FY2022 and FY2023 Sustainability Reporting including Proposed Targets and Metrics; (c) Report Outlining Sustainability Strategy Objectives, 3-5 years Sustainable Development Strategy, Roadmap and Key Initiatives; and (d) Proposed Adoption of CAO FY2022 Sustainability Report; (2) Summary of Findings and Recommendations in relation to: (a) Evaluation of Material ESG factors in FY2023; (b) Materiality Assessment of ESG factors in FY2023 Sustainability Reporting including Proposed Targets and Metrics; (c) Peer Benchmarking and Focus Areas for the Company; (d) Aligning with International Sustainability Standards Board's recommendations on Climate Change Governance and Climate Change Scenario Analysis; and (e) Proposed Sustainability Development Framework and a 5-year Phased Strategy Implementation Roadmap; (f) Proposed Adoption of FY2023 Sustainability Report; and (g) Report on Completion Progress of Material ESG Targets.

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In working towards achieving the Company's sustainability targets, the Sustainability Committee may, as and when necessary, collaborate with all other Board Committees namely, the Audit Committee, the Risk Management Committee, the Nominating Committee and the Remuneration Committee. The Audit Committee, the Risk Management Committee, the Nominating Committee and the Remuneration Committee will notify the Sustainability Committee of any sustainability-related matters (including climate change-related risks and opportunities) that may affect the sustainable development of the Company and its Subsidiaries. The Sustainability Committee will, following consideration and concurrence, thereafter report the matter to the Board. Specifically, the Sustainable Committee's duties and responsibilities include: (i) reviewing and recommending for Board approval, the CAO Group's sustainability framework and sustainability roadmap; (ii) reviewing and recommending for Board approval, the sustainability strategy plans for sustainable growth as well as overseeing the implementation of the same; (iii) reviewing key sustainability policies of the Company and ensuring these sustainability policies are not in contravention with applicable legal and regulatory compliance requirements; (iv) reviewing the sustainability issues (including those relating to environmental, social and governance issues and other sustainability initiatives) that would enhance the Company's value, brand image and relationships with various stakeholders; and (v) overseeing the sustainable development of the Company and its Subsidiaries in relation to achieving its sustainability objectives, which will include but not limited to strategies on environmental protection and climate-related changes and social considerations, underpinning sustainability, climate-related risks and opportunities.

The Risk Management Committee assists the Board and the Company in ensuring adequate measures are in place to manage all material risks (including relating to risk management policies and framework which shall include, among others, the review of market risk, credit risk, operational and compliance risks associated with trading activities, technology risk (including information security risk and cybersecurity risk), reputational risk and other risk concerns (other than in relation to financial reporting and financial-related risks and controls).

(D) COMMUNICATION WITH SHAREHOLDERS

Investor Relations and Shareholder Communication

The CAO Group is committed to providing regular, effective and fair communication with its shareholders and the investment community.

The Company, through the Investor Relations team and senior management, maintained active working relationships with domestic and international brokerage firms, investment banks and the media.

In order to: (i) cultivate wider investing public's familiarity with the CAO Group; (ii) increase global awareness and appreciation of CAO's business strategy, corporate developments, growth strategies and financial performance; and (iii) enhance the quantity and quality of analysts' research, post pandemic, CAO actively capitalised on renewed investor interest, organising investor engagement sessions and participating in both local and global investment conferences to better inform investors about CAO's investment merits. Testament to the continued efforts of Company, three brokerages namely OCBC / Bank of Singapore, China Galaxy Securities / CIMB and Philips Securities initiated analyst coverage on the Company's shares during the year.

The Company reviews an analyst's report for factual accuracy of information that is within the public domain but does not provide forward guidance for analysts' earnings estimates, and will not comment on their conclusions, earnings estimates, or investment recommendations.

As a matter of internal policy, the Company will not deny an analyst or investor access to information on the basis of a negative recommendation or a decision no longer to hold the Company's securities. The Company shall not attempt to influence an analyst to change his or her recommendations by exerting pressure through other business relationships.

The Company publishes and maintains a list on the Company's website showing names of analysts and firms providing analyst coverage on the Company's shares.

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The Company also engages the media and investment community through news releases and earnings briefings after the announcement of CAO Group's full-year financial results. In 2023, the Company hosted three in-person analyst briefings with management to foster closer communication with the investment community. Additionally, the Company participated in five global investor conferences held in Singapore and Thailand, hosted by international brokerages like CLSA, CGS-CIMB, and Maybank Securities, to further expand the Company's reach among both local and international investors.

To assist members of the Board to gain a current understanding of the views of institutional shareholders, the Board receives (i) a regular investor relations and corporate communications report which cover a wide range of matters including a commentary on the perception of the Company and views expressed by the investment community, media reports, share price performance and analysis, share ownership analysis, highlights of recent investor relations activities; and (ii) a yearly peer companies analysis report which provides a detailed analysis and evaluation on the benchmarking exercise with identified peer companies to provide the Board with a better understanding of CAO's position within the industry as well as identify gaps and learning points.

In addition, the Board has established the Internal Guidelines on Issuance of Profit Guidance or Profit Warning Announcements which purposes include allowing market expectations to adjust to the likelihood that the Company will either fall short of an earlier profit guidance, and/or to avoid an earnings shock, negative impact on the share price, sell-off of the Company's shares and/or volatility of trading in the Company's shares, when the financial results are announced.

The Company's commitment to corporate transparency and investor relations was recognised in 2023 when CAO received the "Most Transparent Company Award (Energy)" in the 2023 Investors' Choice Awards by Securities Investors Association (Singapore). In 2023, CAO was also named as a recipient of the "Industry Champions of the Year" Award in the 2023 Asia Corporate Excellence & Sustainability Awards-a great validation of the Company's resilience, strategic innovation and prudence in managing risks which had enabled CAO to surmount challenges of the COVID-19 pandemic as well as uncertainties in the business and geopolitical environment.

Conduct of Shareholder Meetings

All shareholders of the Company are treated fairly and equitably to facilitate the exercise of their ownership rights.

With the easing of most of the COVID-19 community safe management measures in Singapore, the 29th AGM was held in a wholly physical format on 27 April 2023 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts and Debenture Holders) Order 2020 with no option for shareholders to participate virtually. Shareholders (themselves or through duly appointed proxies) were allowed to participate in the 29th AGM by (i) attending in person; (ii) submitting questions to the Chairman of the meeting in advance of or at the 29th AGM and/or (iii) voting at the 29th AGM themselves or through duly appointed proxy(ies).

The Board supports and encourages active shareholder participation at general meetings as it believes that general meetings serve as an opportune forum for shareholders to meet the Board and senior management, and to interact with them. Shareholders (themselves or through duly appointed proxies) are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated prior to the start of the meeting.

The Company's Constitution allows (i) each shareholder who is not a relevant intermediary (as defined in the Companies Act) the right to appoint up to two proxies and (ii) each shareholder who is a relevant intermediary to appoint more than two proxies to attend and vote on their behalf in shareholders' meetings. A copy of the Notice of AGM is sent to all shareholders. As for the Annual Report and the Company's letter to shareholders in relation to certain resolutions being tabled at the AGM ("**Letter to Shareholders**"), in line with the Group's sustainability strategy, these documents are made available for download from the Company's corporate website. Printed copies of the Annual Report and Letter to Shareholders are available on request.

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At general meetings, the Company sets out separate resolutions on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are "bundled", the Company explains the reasons and material implications for doing in the notice calling for the general meeting. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed.

Members of the Board and senior management are present at each shareholders' meeting to respond to questions from shareholders. In general, all Directors are expected to attend general meetings of shareholders, unless they are unable to attend due to exigencies. The Company's external auditor is also present to address queries about the conduct of audit and the preparation and content of the independent auditor's report. All Directors and members of the senior management of the Company were present at the 29th AGM.

For greater transparency, the Company has implemented electronic poll voting at its annual general meetings. This entails shareholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hand), thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all votes cast for, or against, each resolution is then screened at the meeting and announced to the SGX-ST after the meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings.

Provision 11.4 of the Code provides for a company's constitution to allow for absentia voting at general meetings of shareholders. The Constitution of the Company currently does not, however, permit shareholders to vote at general meetings in absentia (such as via mail, email or fax). The Company will consider implementing the relevant amendments to the Constitution if the Board is of the view that there is a demand for such alternative methods of voting, and after the Company has evaluated and put in place the necessary security processes to facilitate in absentia voting, and prevention measures against errors, fraud and other related security and integrity issues.

In line with Principle 11 of the Code, shareholders nevertheless have the opportunity to communicate their views on matters affecting the Company even when they are not in attendance at general meetings as shareholders are able to appoint proxies to vote on their behalf at general meetings through proxy forms sent in advance.

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable after the relevant general meeting. Such minutes will record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and management, which are addressed at the annual general meeting.

Where there are items of special business to be transacted at the AGM, comprehensive explanatory notes will be sent together with the notice of the AGM.

A shareholder who is not a "relevant intermediary" may appoint up to two proxies during his or her absence, to attend, speak and vote on his or her behalf at general meetings. Shareholders who are "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board ("**CPF**"), are allowed to appoint more than two proxies to attend, speak and vote at general meetings. This will enable indirect investors including CPF investors, to be appointed as proxies to participate at general meetings of the Company.

At each annual general meeting, the CEO or the CFO delivers a presentation on the financial performance of the Company for the financial year under review. Directors and the Management are in attendance to address queries and concerns about the Company. The Company's external auditors and internal auditors also attend the AGM. Shareholders are informed of the voting procedures and rules governing the meeting.

Shareholders also have the opportunity to communicate their views and discuss with the Board and Management matters affecting the Company after the general meetings.

The Constitution of the Company can be accessed from the Company's external website.

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Dividend Policy

The dividend policy of the Company (the "**CAO Dividend Policy**") sets out the guiding principles for dividend distribution by the Company (the "**Guiding Principles**"). The Guiding Principles included inter alia, maintaining a consistent baseline dividend payout ratio which constitutes 30 percent of the Company's annual consolidated net profits attributable to shareholders.

In approving or reviewing a dividend policy or making its recommendations on the timing, amount and form of any future dividends, the Board takes into consideration, among others:

(a) the expected future capital requirements and growth opportunities available to the CAO Group;
(b) net earnings of the CAO Group; and
(c) any regulatory approvals and/or where applicable, approvals required from third parties (e.g. banks and other financial institutions) as appropriate.

A summary of the CAO Dividend Policy can be accessed from the Company's external website.

DEALINGS IN THE COMPANY'S SECURITIES

In line with the recommended practices on dealings in securities set out under Rule 1207(18) of the SGX-ST Listing Manual and the Company's "Guidelines for Dealings in Securities by Directors and Employees of China Aviation Oil (Singapore) Corporation Ltd and its subsidiaries (the "**Internal Guidelines**"), the Company has issued a directive to all employees and directors not to deal in the Company's securities on short-term considerations and to abstain from dealing with the Company's securities for a period commencing two (2) weeks before the announcement of the results of the first half of the financial year and one (1) month before the announcement of the full-year results and ending on the date of the announcement of the relevant results.

INTERESTED PERSON TRANSACTIONS

Shareholders have approved the renewal of the general mandate for interested person transactions of the CAO Group on 27 April 2023 (the "**IPT Mandate**"). The IPT Mandate sets out the levels and procedures to obtain approval for such transactions. Information regarding the IPT Mandate is available on the Company's website at www.caosco.com. All business units are required to be familiar with the IPT Mandate and report any such transactions to the Legal & Compliance Department. The Legal & Compliance Department keeps a register of the CAO Group's interested person transactions.

Information on interested person transactions for the financial year 2023 are found under "Supplementary Information" on page 190.

REVIEW OF SYSTEM OF INTERNAL CONTROLS

As part of the Company's ongoing process of ensuring effectiveness of its system of internal controls, the established system of internal controls of the Company would be subject to annual review by an independent external reviewer with appropriate experience in corporate governance and risk management processes.

A review of the Company's system of internal controls (the "**Review of System of Internal Controls**") was conducted for the financial year 2023 by PWC. Following its review, PwC made the following observations and concluded that CAO had established an adequate and effective system of internal controls in terms of its processes, people and system:

- The design of the internal controls of CAO and its subsidiaries are generally adequate and the audit findings mostly related to improvements in the implementation of internal controls to enhance effectiveness.
- The Management embraces a culture that values internal controls and compliance with regulatory requirements and company policies.
- There is a second line of defence where risks and compliance-related matters are closely monitored by the Risk Management Department and Legal & Compliance Department on a day-to-day basis. Significant risk and compliance-related matters are also reported to the Risk Management Committee on a regular basis.
- CAO also continuously invested in information technology systems to enhance internal controls on areas, such as implementation of approval processes via OA system, and launch of the real-time large-screen platform system with the function of calculating accumulated profit and loss and monitoring stop-loss limits for the hedging business, etc.

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APPENDIX

(1) Charter of Lead Independent Director

The Company shall have a Lead Independent Director who shall be an independent director as defined under the 2018 Code.

Purpose

In circumstances where the Chairman of the Board of Directors is not independent, the Board of Directors of the Company considers it to be useful and appropriate to designate a Lead Independent Director to coordinate the activities of the independent directors of the Company and performing such other duties and responsibilities as the Board may determine from time to time.

Duties and Responsibilities

In addition to the duties of Board members as set forth in the 2018 Code, the specific duties and responsibilities of the Lead Independent Director shall be as follows:

Function as Principal Liaison with the Chairman and Senior Management

- Act as the principal liaison between the Independent Directors of the Company and the Chairman of the Board, and between the Independent Directors of the Company and senior management.

Call Meetings of Independent Directors

- Has the authority to convene meetings, as appropriate, among the Independent Directors of the Company and to ensure that Independent Directors have adequate opportunities to meet and discuss issues in sessions of the Independent Directors without the presence or participation of management.

Preside at Meetings

- Preside at any meetings held among the Independent Directors of the Company.

Approve Appropriate Provision of Information to the Board and the Board Committees

- Review the quality, quantity and timeliness of the information submitted to the Board and Board Committees.
- Advise and assist the Chairman on the meeting agenda items.
- Advise the Chairman and facilitate Board's approval of the number and frequency of meetings of the Board and Board Committees (including any special meetings of the Board) as well as meeting schedules to ensure that there is sufficient time for discussion of all agenda items.

Initiate Actions to Address any Concerns on Corporate Compliance Matters

- Has authority to initiate actions, for and on behalf of the Independent Directors of the Company, to address any concerns on corporate compliance matters including the engaging of external advisers and consultants, even at the displeasure of the Management or majority shareholders of the Company.

Function as Principal Liaison in Shareholder Communication

- Respond directly to the shareholders of the Company, questions and comments that are directed to the Lead Independent Director or to the Independent Directors of the Company as a group, with such consultation with the Chairman of the Board and the other Non-Independent Directors, as the Lead Independent Director may deem appropriate.

FINANCIAL STATEMENTS

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DIRECTORS' STATEMENT

The Directors are pleased to submit their statement to the members together with the audited financial statements of China Aviation Oil (Singapore) Corporation Ltd (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2023.

In our opinion:

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 117 to 189 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

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

Shi Yanliang	Executive Chairman
Teo Ser Luck	Lead Independent Director
Lin Yi	Chief Executive Officer/Executive Director
Shi Lei	
Zhang Yuchen	
Hee Theng Fong	
Fu Xingran	
Jeffrey Goh Mau Seong	
Richard Yang Minghui	

* Shi Yanliang was appointed as Executive Chairman of the Company on 15 December 2023 in place of Gong Feng, Non-Executive Chairman of the Company.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, none of the directors who held office at the end of the financial year had interests in shares of the Company, or of related corporations either at the beginning or at the end of the financial year.

None of the directors who held office at the end of the financial year had interests in shares of the Company, or of related corporations between the end of the financial year and 21 January 2024.

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' STATEMENT

AUDIT COMMITTEE

At the date of this statement, the members of the Audit Committee are:

- Teo Ser Luck (Chairman), non-executive, independent director
- Zhang Yuchen (Vice-Chairman), non-executive, non-independent director
- Hee Theng Fong, non-executive, independent director
- Fu Xingran, non-executive, independent director
- Richard Yang Minghui, non-executive, non-independent director

The Audit Committee performed its functions specified in Section 201B(5) of the Companies Act 1967, the SGX Listing Manual, the 2018 Code of Corporate Governance and the Corporate Governance Policy of the Company.

The Audit Committee has held four meetings since the last Annual General Meeting ("AGM") of the Company. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed *inter alia*, the following:

- assistance provided by the Company's officers to the internal and external auditors after holding an annual meeting with the auditors without the presence of the Company's management;
- half-yearly financial information and annual financial statements of the Group and the Company and the integrity of financial reporting of the Group and the Company (including the accounting policies) prior to their submission to the directors of the Company for approval;
- audit scopes, plans and reports of the internal auditors to ensure the adequacy and effectiveness of the significant internal controls of the Group and the Company (to address financial, operational, compliance, information technology controls risks) and risk management systems (including where relevant and as far as can be assessed, sanctions-related risk);
- audit scopes, plans and reports (including Key Audit Matters) of the external auditors to ensure adequacy of audit of the statutory financial statements of the Group and the Company and the effectiveness, independence and objectivity of the external auditors as well as the level of audit and non-audit fees.
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

Further details regarding the Audit Committee are disclosed in the Statement of Corporate Governance.

DIRECTORS' STATEMENT

INDEPENDENT AUDITORS

As part of the Company's good corporate governance initiatives and in line with the Company's internal policy which mandates that the same audit firm should not be retained for more than 5 consecutive full-year audits or up to 8 consecutive full-year audits in the case where certain requirements are fulfilled, the Audit Committee had recommended to the Board and the Board had approved, the proposed change of the external auditors of the Company from Deloitte & Touche LLP to BDO LLP at the forthcoming AGM of the Company.

The retiring auditors, Deloitte & Touche LLP will not be seeking re-appointment at the forthcoming AGM of the Company. BDO LLP has expressed its willingness to accept appointment as the independent auditors of the Company.

In appointing the auditors for the Company, subsidiaries and significant associates, we have complied with Rules 712 and 715 of the SGX Listing Manual.

On behalf of the Board of Directors

Teo Ser Luck
Lead Independent Director

Lin Yi
Chief Executive Officer/Executive Director

28 March 2024

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of China Aviation Oil (Singapore) Corporation Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and the notes to the financial statements, including material accounting policy, as set out on pages 117 to 189.

In our opinion, the accompanying 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 Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters	How the matters were addressed in the audit
Revenue recognition	
Recognition of revenue has been identified as a risk primarily due to: • complexity in the timing of recognition for trades with deliveries occurring on or around year end as a result of the extent of the Group's distribution network and varying shipping terms with customers; and • risk of potential deliberate misstatement of the Group's trading positions by failing to report the trades entered or failing to record the trades accurately or on a timely basis. The details of the Group's revenue are disclosed in Notes 3.14 and 20 to the financial statements.	Our audit approach included both controls testing and substantive procedures as follows: • We evaluated the design and tested the operating effectiveness of the Group's key controls over the recording of revenue and costs as well as the completeness and accuracy of recording trades; • On a sample basis, we tested that the recording of the revenue and cost for deliveries occurring on or around year end are in accordance with the shipping terms; and • On a sample basis, we obtained third party confirmations to confirm the validity and completeness of open trades as at year end.
Valuation of derivatives, trading inventories and open physical contracts	
The valuation of derivatives, trading inventories and open physical contracts requires significant management's judgement in applying the appropriate valuation methodology and incorporating of any contract specific terms including the use of valid and appropriate price index. The valuation techniques and the inputs used in the fair value measurements of the financial instruments are disclosed in Notes 26 and 29 to the financial statements.	Our audit approach included both controls testing and substantive procedures as follows: • We evaluated the design and tested the operating effectiveness of the Group's key controls over the valuation of derivatives, trading inventories and open physical contracts; • On a sample basis, we tested the valuation of derivatives, trading inventories and open physical contracts and evaluated the appropriateness of the valuation methodology and inputs used in the valuation; and • We reviewed the price index used in the valuation of derivatives, trading inventories and open physical contracts and noted that it is within reasonable range of our audit expectations.

INDEPENDENT AUDITOR'S REPORT

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

Information other than the financial statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Seah Gek Choo.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

28 March 2024

STATEMENTS OF FINANCIAL POSITION

Year ended 31 December 2023

	Note	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
Assets					
Non-current assets					
Property, plant and equipment	4	15,271	5,264	13,400	3,140
Right-of-use assets	5	5,772	11,971	3,761	8,299
Intangible assets	6	6,778	11,201	98	89
Subsidiaries	7	–	–	35,611	34,921
Associates	8	253,149	259,777	253,149	259,777
Financial asset at fair value through other comprehensive income	9	5,500	5,500	–	–
		286,470	293,713	306,019	306,226
Current assets					
Inventories	10	88,265	182,089	886	144,386
Trade and other receivables	11	1,039,739	715,621	1,031,465	641,734
Cash and cash equivalents	12	373,040	308,195	359,281	293,046
		1,501,044	1,205,905	1,391,632	1,079,166
Total assets		1,787,514	1,499,618	1,697,651	1,385,392
Equity and liabilities					
Capital, reserves and non-controlling interests					
Share capital	13	215,573	215,573	215,573	215,573
Reserves	14	732,827	687,405	707,459	673,721
Equity attributable to owners of the Company		948,400	902,978	923,032	889,294
Non-controlling interests		3,947	4,430	–	–
Total equity		952,347	907,408	923,032	889,294
Non-current liabilities					
Lease liabilities	18	734	4,281	3	2,026
Deferred tax liabilities	15	7,952	7,501	7,952	7,501
		8,686	11,782	7,955	9,527
Current liabilities					
Trade and other payables	16	813,620	564,884	759,778	478,271
Contract liabilities	17	3,619	4,916	–	–
Lease liabilities	18	5,559	8,283	3,844	6,432
Current tax liabilities		3,683	2,345	3,042	1,868
		826,481	580,428	766,664	486,571
Total liabilities		835,167	592,210	774,619	496,098
Total equity and liabilities		1,787,514	1,499,618	1,697,651	1,385,392

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Revenue	20	14,429,573	16,464,124
Cost of sales		(14,378,975)	(16,428,733)
Gross profit		50,598	35,391
Other income	21	18,716	1,005
Administrative expenses		(16,658)	(14,486)
Other operating expenses		(15,148)	(754)
Allowance for impairment loss on financial assets	21	(1,161)	(201)
Results from operating activities		36,347	20,955
Finance costs	22	(736)	(1,150)
Share of profit of associates (net of tax)	8	30,318	17,902
Profit before tax		65,929	37,707
Tax expense	23	(7,556)	(4,521)
Profit for the year	21	58,373	33,186
Profit attributable to:			
Owners of the Company		58,856	33,532
Non-controlling interests		(483)	(346)
		58,373	33,186
Earnings per share:			
Basic earnings per share (cents)	24	6.84	3.90
Diluted earnings per share (cents)	24	6.84	3.90

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	2023 US$'000	2022 US$'000
Profit for the year	58,373	33,186
Other comprehensive loss		
Items that are or may be reclassified subsequently to profit or loss:		
Translation differences relating to financial statements of foreign associates	(3,126)	(20,074)
Other comprehensive loss for the year, net of tax	(3,126)	(20,074)
Total comprehensive income for the year	55,247	13,112
Total comprehensive income attributable to:		
Owners of the Company	55,730	13,458
Non-controlling interests	(483)	(346)
	55,247	13,112

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

GROUP

	Note	Share capital US$'000	Foreign currency translation reserve US$'000	Statutory reserves US$'000	Reserve for own shares US$'000	Accumulated profits US$'000	Total attributable to owners of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2022		215,573	14,459	37,163	(5,482)	639,656	901,369	–	901,369
Total comprehensive income for the year:									
Profit for the year		–	–	–	–	33,532	33,532	(346)	33,186
Other comprehensive loss:									
Items that are or may be reclassified subsequently to profit or loss:									
Translation differences relating to financial statements of foreign associates		–	(20,074)	–	–	–	(20,074)	–	(20,074)
Total other comprehensive income		–	(20,074)	–	–	33,532	13,458	(346)	13,112
Total comprehensive income for the year		–	(20,074)	–	–	33,532	13,458	(346)	13,112
Contributions by and distributions to owners:									
Share of associates' accumulated profits transferred to statutory reserve	14	–	–	40	–	(40)	–	–	–
Dividends to equity holders	14	–	–	–	–	(11,849)	(11,849)	–	(11,849)
Total transactions with owners		–	–	40	–	(11,889)	(11,849)	–	(11,849)
Non-controlling interests arising from acquisition of a subsidiary		–	–	–	–	–	–	4,776	4,776
At 31 December 2022		215,573	(5,615)	37,203	(5,482)	661,299	902,978	4,430	907,408

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Year ended 31 December 2023

GROUP

	Note	Share capital US$'000	Foreign currency translation reserve US$'000	Statutory reserves US$'000	Reserve for own shares US$'000	Accumulated profits US$'000	Total attributable to owners of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2023		215,573	(5,615)	37,203	(5,482)	661,299	902,978	4,430	907,408
Total comprehensive income for the year:									
Profit for the year		–	–	–	–	58,856	58,856	(483)	58,373
Other comprehensive loss:									
Items that are or may be reclassified subsequently to profit or loss:									
Translation differences relating to financial statements of foreign associates		–	(3,126)	–	–	–	(3,126)	–	(3,126)
Total other comprehensive income		–	(3,126)	–	–	58,856	55,730	(483)	55,247
Total comprehensive income for the year		–	(3,126)	–	–	58,856	55,730	(483)	55,247
Contributions by and distributions to owners:									
Share of associates' accumulated profits transferred to statutory reserve	14	–	–	17	–	(17)	–	–	–
Dividends to equity holders	14	–	–	–	–	(10,308)	(10,308)	–	(10,308)
Total transactions with owners		–	–	17	–	(10,325)	(10,308)	–	(10,308)
At 31 December 2023		215,573	(8,741)	37,220	(5,482)	709,830	948,400	3,947	952,347

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Year ended 31 December 2023

COMPANY

	Note	Share capital US$'000	Foreign currency translation reserve US$'000	Statutory reserves US$'000	Reserve for own shares US$'000	Accumulated profits US$'000	Total equity US$'000
At 1 January 2022		215,573	14,475	37,163	(5,482)	630,772	892,501
Total comprehensive income for the year:							
Profit for the year		–	–	–	–	28,732	28,732
Other comprehensive loss:							
Items that are or may be reclassified subsequently to profit or loss:							
Translation differences relating to financial statements of foreign associates		–	(20,090)	–	–	–	(20,090)
Total other comprehensive income		–	(20,090)	–	–	28,732	8,642
Total comprehensive income for the year		–	(20,090)	–	–	28,732	8,642
Contributions by and distributions to owners:							
Share of associates' accumulated profits transferred to statutory reserve	14	–	–	40	–	(40)	–
Dividends to equity holders	14	–	–	–	–	(11,849)	(11,849)
Total transactions with owners		–	–	40	–	(11,889)	(11,849)
At 31 December 2022		215,573	(5,615)	37,203	(5,482)	647,615	889,294
At 1 January 2023		215,573	(5,615)	37,203	(5,482)	647,615	889,294
Total comprehensive income for the year:							
Profit for the year		–	–	–	–	47,172	47,172
Other comprehensive loss:							
Items that are or may be reclassified subsequently to profit or loss:							
Translation differences relating to financial statements of foreign associates		–	(3,126)	–	–	–	(3,126)
Total other comprehensive income		–	(3,126)	–	–	47,172	44,046
Total comprehensive income for the year		–	(3,126)	–	–	47,172	44,046
Contributions by and distributions to owners:							
Share of associates' accumulated profits transferred to statutory reserve	14	–	–	17	–	(17)	–
Dividends to equity holders	14	–	–	–	–	(10,308)	(10,308)
Total transactions with owners		–	–	17	–	(10,325)	(10,308)
At 31 December 2023		215,573	(8,741)	37,220	(5,482)	684,462	923,032

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Cash flows from operating activities			
Profit for the year		58,373	33,186
Adjustments for:			
Depreciation of property, plant and equipment		1,474	1,129
Depreciation of right-of-use assets		5,976	8,052
Amortisation of intangible assets		1,124	691
Impairment of goodwill		3,375	–
Gain on deemed disposal of an associate		–	(820)
Loss on property, plant and equipment written off		2	23
Gain on right-of-use asset written off		(74)	–
Allowance for impairment loss on doubtful debts			
– trade receivables		1,161	201
Allowance for impairment loss on investment in associate		8,654	–
Fair value gain on derivative instruments		(4,572)	(1,052)
Share of profit of associates (net of tax)		(30,318)	(17,902)
Tax expense		7,556	4,521
Interest income		(17,742)	(3,288)
Interest expense		2	6
Dividend income from financial asset at FVTOCI		(482)	–
Lease interest expense		289	199
Unrealised exchange differences		(604)	1,652
Operating cash flows before movements in working capital		34,194	26,598
Change in inventories		93,824	(139,163)
Change in trade and other receivables		(350,622)	89,722
Change in trade and other payables		281,674	(64,462)
Cash generated from (used in) operations		59,070	(87,305)
Tax paid		(4,512)	(1,463)
Net cash from (used in) operating activities		54,558	(88,768)
Cash flows from investing activities			
Interest received		14,019	3,562
Acquisition of property, plant and equipment		(11,483)	(287)
Acquisition of intangible assets		(76)	(32)
Acquisition of subsidiary, net of cash acquired		–	571
Dividend income from financial asset at FVTOCI		482	–
Dividends from associates (net of withholding tax paid)		23,313	20,632
Net cash from investing activities		26,255	24,446
Cash flows from financing activities			
Interest paid		(2)	(6)
Interest paid on lease liabilities		(289)	(199)
Repayment of lease liabilities		(5,973)	(8,414)
Proceeds from loans and borrowings		8,991	25,000
Repayment of loans and borrowings		(8,991)	(31,200)
Dividends paid		(10,308)	(11,849)
Net cash used in financing activities		(16,572)	(26,668)
Net increase (decrease) in cash and cash equivalents		64,241	(90,990)
Cash and cash equivalents at 1 January		308,195	400,837
Effect of exchange rate fluctuations on cash held		604	(1,652)
Cash and cash equivalents at 31 December	12	373,040	308,195

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 March 2024.

1 DOMICILE AND ACTIVITIES

China Aviation Oil (Singapore) Corporation Ltd (the "Company") is a company incorporated in the Republic of Singapore. The address of the Company's registered office, which is also its principal place of business is 8 Temasek Boulevard, #31-02 Suntec Tower Three, Singapore 038988.

The financial statements of the Group as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The principal activities of the Group are those relating to trading and supply of jet fuel and trading of other petroleum products, and investment holding.

The immediate and ultimate holding company during the financial year is China National Aviation Fuel Group Limited ("CNAF"), a company incorporated in the People's Republic of China ("PRC").

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

2.2 Basis of accounting

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (continued)

2.3 Adoption of new and revised standards

On 1 January 2023, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years, except as below.

Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*

The Group has adopted the amendments to SFRS(I) 1-12 for the first time in the current year. The scope of SFRS(I) 1-12 was amended to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in SFRS(I) 1-12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

The Group is in the process of assessing the potential exposure to Pillar Two income taxes as at 31 December 2023. As certain information required for the assessment is still being gathered and, therefore, the assessment is not complete, the potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable pending completion of the assessment. The Group continues to progress on the assessment and expects to complete the assessment by the end of financial year 2024.

2.4 New and revised SFRS(I) in issue but not yet effective

At the date of authorisation of these financial statements, the Group and Company have not applied the following SFRS(I) pronouncements that have been issued but are not yet effective:

Effective for annual periods beginning on or after 1 January 2024

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

All amendments generally require prospective application.

Management anticipates that the adoption of the above SFRS(I)s and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

2.5 Functional and presentation currency

These financial statements are presented in United States (US) dollars, which is the Company's functional currency. All financial information presented in US dollars has been rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (continued)

2.6 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed in Note 29.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

3.2 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition-date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 Business combinations (continued)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

3.3 Associates

An associate is an entity over which the Group and the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's and the Company's share of the profit or loss and other comprehensive income of the associate. When the Group's and the Company's share of losses of an associate exceeds the Group's and the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's and the Company's net investment in the associate), the Group and the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group and the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.3 Associates (continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's and the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's and the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 1-36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The Group and the Company discontinue the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group and the Company retain an interest in the former associate and the retained interest is a financial asset, the Group and the Company measure the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method is discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group and the Company account for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group and the Company reclassify the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

The Group and the Company continue to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group and the Company reduce its ownership interest in an associate but the Group and the Company continue to use the equity method, the Group and the Company reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3.4 Foreign currency

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in United States dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.4 Foreign currency (continued)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3.5 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.5 Property, plant and equipment (continued)

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold properties	25 years
Motor vehicles	8 to 10 years
Furniture and fittings	4 to 8 years
Equipment	4 to 8 years
Renovations	5 years
Computers	4 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, and adjusted if appropriate.

Fully depreciated assets still in use are retained in the financial statements.

3.6 Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.7 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investees.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

Software	3 years
Customer contracts	1 year
Concession operating rights	10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.8 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial assets (continued)

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "other income" line item.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to accumulated profits.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other income" line item;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other income" line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade receivables, other receivables, trade amounts due from related corporations, subsidiaries and associates and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECLs for trade receivables, trade amounts due from related corporations, subsidiaries and associates, and contract assets. The expected credit losses on these financial assets are estimated using a simplified approach based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports and financial analysts, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely the commodities market in jet fuel and petroleum products.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments from outside parties are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Measurement and recognition of expected credit losses (continued)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (1) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, (2) held for trading, or (3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated profits upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities (continued)

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other income" line item for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

3.9 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.10 Impairment

Associates

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to Groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amounts of any goodwill allocated to the CGU (Group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (Group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.11 Inventories

Inventories held for trading purposes are measured at fair value less costs to sell and any changes in fair value less costs to sell are recognised in profit or loss in the period of change.

Inventories held by subsidiaries and associates, for sale to customers, are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.12 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.14 Revenue

The Group recognises revenue from the sale of physical oil commodity products including middle distillates and other oil products.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product to a customer.

Sale of physical commodity products

For sale of physical oil commodity products, revenue is recognised when control of the goods is transferred to the customer, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Under the Group's standard contract terms, customers do not have a right of return.

Trading of oil commodity derivatives

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately under revenue.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.14 Revenue (continued)

Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

3.15 Finance costs

Finance costs comprise bank charges, interest expenses on loans, lease liabilities and borrowings. Interest expenses are recognised in profit or loss using the effective interest method.

3.16 Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed as at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (continued)

3.17 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.18 Segment reporting

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. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's 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 (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

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

3.19 Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and fixed deposits with financial institutions but exclude restricted bank balances. These are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties US$'000	Motor vehicles US$'000	Furniture and fittings US$'000	Equipment US$'000	Renovations US$'000	Computers US$'000	Total US$'000
Group							
Cost							
At 1 January 2022	9,205	357	268	754	1,135	1,497	13,216
Additions	–	22	179	1	–	85	287
Adjustment	–	(47)	–	(44)	57	34	–
Acquisition of a subsidiary (Note 27)	–	2,113	4	183	–	3	2,303
Written off	–	–	(6)	(169)	–	(377)	(552)
At 31 December 2022	9,205	2,445	445	725	1,192	1,242	15,254
Additions	10,693	404	13	8	190	175	11,483
Written off	–	–	(10)	–	–	(24)	(34)
At 31 December 2023	19,898	2,849	448	733	1,382	1,393	26,703
Accumulated depreciation							
At 1 January 2022	6,430	147	128	629	997	1,059	9,390
Depreciation for the year	449	371	42	72	32	163	1,129
Adjustment	–	(56)	–	(11)	64	3	–
Written off	–	–	(6)	(165)	–	(358)	(529)
At 31 December 2022	6,879	462	164	525	1,093	867	9,990
Depreciation for the year	550	625	64	74	22	139	1,474
Written off	–	–	(9)	–	–	(23)	(32)
At 31 December 2023	7,429	1,087	219	599	1,115	983	11,432
Carrying amounts							
At 31 December 2022	2,326	1,983	281	200	99	375	5,264
At 31 December 2023	12,469	1,762	229	134	267	410	15,271

NOTES TO THE FINANCIAL STATEMENTS

4 PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold properties US$'000	Motor vehicles US$'000	Furniture and fittings US$'000	Equipment US$'000	Renovations US$'000	Computers US$'000	Total US$'000
Company							
Cost							
At 1 January 2022	9,205	236	133	674	1,106	1,325	12,679
Additions	–	–	170	–	–	63	233
Written off	–	–	(6)	(169)	–	(373)	(548)
At 31 December 2022	9,205	236	297	505	1,106	1,015	12,364
Additions	10,693	–	–	–	190	153	11,036
At 31 December 2023	19,898	236	297	505	1,296	1,168	23,400
Accumulated depreciation							
At 1 January 2022	6,430	62	43	601	980	932	9,048
Depreciation for the year	449	29	27	33	32	131	701
Written off	–	–	(6)	(164)	–	(355)	(525)
At 31 December 2022	6,879	91	64	470	1,012	708	9,224
Depreciation for the year	550	29	55	10	21	111	776
At 31 December 2023	7,429	120	119	480	1,033	819	10,000
Carrying amounts							
At 31 December 2022	2,326	145	233	35	94	307	3,140
At 31 December 2023	12,469	116	178	25	263	349	13,400

The followings are properties held by the Group and Company:

Location	Description/ Uses of property	Land area/Built-up area (square meters)	Leasehold term
8 Temasek Boulevard #31-01 Suntec Tower Three Singapore 038988	Office	324	99 years from 1 March 1989
8 Temasek Boulevard #31-02 Suntec Tower Three Singapore 038988	Office	440	99 years from 1 March 1989
8 Temasek Boulevard #31-03 Suntec Tower Three Singapore 038988	Office	377	99 years from 1 March 1989

The unit at #31-03 Suntec Tower Three was acquired in 2023.

NOTES TO THE FINANCIAL STATEMENTS

5 RIGHT-OF-USE ASSETS

The Group leases several assets including storage facilities, apartments for expatriates, office spaces, equipment and airport franchise. The average lease term is 2 years.

	Storage facilities US$'000	Property US$'000	Office spaces US$'000	Equipment US$'000	Airport franchise US$'000	Total US$'000
Group						
Cost						
At 1 January 2022	40,898	589	2,971	194	–	44,652
Additions	2,597	231	1,482	–	–	4,310
Acquisition of a subsidiary (Note 27)	–	–	–	–	1,657	1,657
Written off	(2,689)	(268)	–	(194)	–	(3,151)
At 31 December 2022	40,806	552	4,453	–	1,657	47,468
Additions	5,778	121	–	–	–	5,899
Reassessment	–	–	–	–	114	114
Written off	(38,209)	(352)	(2,577)	–	–	(41,138)
At 31 December 2023	8,375	321	1,876	–	1,771	12,343
Accumulated depreciation						
At 1 January 2022	27,834	432	2,123	194	–	30,583
Depreciation for the year	6,611	158	978	–	305	8,052
Written off	(2,689)	(255)	–	(194)	–	(3,138)
At 31 December 2022	31,756	335	3,101	–	305	35,497
Depreciation for the year	4,484	182	750	–	560	5,976
Written off	(32,470)	(353)	(2,079)	–	–	(34,902)
At 31 December 2023	3,770	164	1,772	–	865	6,571
Carrying amounts						
At 31 December 2022	9,050	217	1,352	–	1,352	11,971
At 31 December 2023	4,605	157	104	–	906	5,772

The write-off in 2023 is mainly due to termination of the Company's lease of oil storage tanks from an associate and termination of the Company's lease of an office unit.

NOTES TO THE FINANCIAL STATEMENTS

5 RIGHT-OF-USE ASSETS (continued)

	Storage facilities US$'000	Property US$'000	Office spaces US$'000	Equipment US$'000	Total US$'000
Company					
Cost					
At 1 January 2022	38,209	517	1,556	194	40,476
Additions	–	142	1,386	–	1,528
Written off	–	(195)	–	(194)	(389)
At 31 December 2022	38,209	464	2,942	–	41,615
Additions	5,778	121	–	–	5,899
Written off	(38,209)	(352)	(1,965)	–	(40,526)
At 31 December 2023	5,778	233	977	–	6,988
Accumulated depreciation					
At 1 January 2022	25,294	405	1,422	194	27,315
Depreciation for the year	5,740	121	529	–	6,390
Written off	–	(195)	–	(194)	(389)
At 31 December 2023	31,034	331	1,951	–	33,316
Depreciation for the year	3,619	138	445	–	4,202
Written off	(32,470)	(353)	(1,468)	–	(34,291)
At 31 December 2023	2,183	116	928	–	3,227
Carrying amounts					
At 31 December 2022	7,175	133	991	–	8,299
At 31 December 2023	3,595	117	49	–	3,761

NOTES TO THE FINANCIAL STATEMENTS

6 INTANGIBLE ASSETS

	Goodwill on consolidation US$'000	Customer contracts US$'000	Concession operating rights US$'000	Software US$'000	Total US$'000
Group					
Cost					
At 1 January 2022	1,181	634	–	4,046	5,861
Additions	–	–	–	32	32
Acquisition of a subsidiary (Note 27)	3,108	–	8,353	–	11,461
Written off	–	–	–	(105)	(105)
At 31 December 2023	4,289	634	8,353	3,973	17,249
Additions	–	–	–	76	76
At 31 December 2023	4,289	634	8,353	4,049	17,325
Accumulated amortisation					
At 1 January 2022	–	–	–	3,914	3,914
Amortisation for the year	–	–	616	75	691
Written off	–		–	(105)	(105)
At 31 December 2022	–	–	616	3,884	4,500
Amortisation for the year	–	–	1,057	67	1,124
At 31 December 2023	–	–	1,673	3,951	5,624
Impairment					
At 1 January 2022 and 31 December 2022	914	634	–	–	1,548
Charged for the year	3,375	–	–	–	3,375
At 31 December 2023	4,289	634	–	–	4,923
Carrying amounts					
At 31 December 2022	3,375	–	7,737	89	11,201
At 31 December 2023	–	–	6,680	98	6,778

The amortisation of software is included in "administrative expenses".

Impairment testing of goodwill

Goodwill on consolidation has been allocated to the Group's cash generating units ("CGUs") for impairment testing as follows:

	Group 2023 US$'000	Group 2022 US$'000
China Aviation Oil (Hong Kong) Company Limited ("CAOHK")	–	267
CNAF Hong Kong Refuelling Limited ("CNAF HKR")	–	3,108
	–	3,375

The recoverable amounts of the above CGUs were determined based on its value-in-use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGUs. In the current year, management assessed that the carrying amount of the CGUs were determined to be higher than its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

6 INTANGIBLE ASSETS (continued)

Key assumptions used in the estimation of value-in-use were as follows:

	2023		2022	
	CNAF HKR %	CAOHK %	CNAF HKR %	CAOHK %
Discount rate (pre-tax)	11	8	11	8
Long-term growth rate	N/A	1	–	1
Forecasted earnings before interest, tax, depreciation and amortisation ("EBITDA") growth rate (2023: Average of next five to 18 years (2022: Average of next five to 10 years))	8	1	8	1

The discount rate used is estimated based on past experience and industry weighted average cost of capital.

The long-term growth rate has been determined based on the long-term compound annual growth rate estimated by management with reference to the nominal GDP growth rate for the countries in which the CGU is based.

The forecasted EBITDA growth rates are estimated based on management's past experience of managing the CGUs and their expectations of the CGUs forecasted performances.

In relation to the determination of the recoverable amount of the CNAF HKR CGU, management determines that key assumptions relate to discount rates and long term revenue growth rates. An increase or decrease of discount rate of 1% will result in a decrease or increase in recoverable amount of US$510,000 (2022: US$610,000) or US$570,000 (2022: US$740,000) respectively. An increase or decrease in the long-term growth rate of 1% will result in an increase or decrease of recoverable amount by US$Nil (2022: US$1,070,000) or US$Nil (2022: US$Nil) respectively.

	Software US$'000
Company	
Cost	
At 1 January 2022	4,046
Additions	32
Written off	(105)
At 31 December 2022	3,973
Additions	76
At 31 December 2023	4,049
Accumulated amortisation	
At 1 January 2022	3,914
Amortisation for the year	75
Written off	(105)
At 31 December 2023	3,884
Amortisation for the year	67
At 31 December 2023	3,951
Carrying amounts	
At 31 December 2022	89
At 31 December 2023	98

NOTES TO THE FINANCIAL STATEMENTS

7 SUBSIDIARIES

	Company 2023 US$'000	Company 2022 US$'000
Equity investment at cost	76,637	74,905
Accumulated impairment	(41,026)	(39,984)
	35,611	34,921

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activity	Company Proportion of ownership interest and voting rights held 2023 %	2022 %
CAOHK*	Hong Kong SAR	Supply of jet fuel	100	100
North American Fuel Corporation ("NAFCO")#	United States of America	Trading and supply of jet fuel	100	100
China Aviation Fuel (Europe) Limited ("CAFEU")^	United Kingdom	Trading and supply of jet fuel	100	100
CNAF HKR+	Hong Kong SAR	Into-plane fuelling service	68	68

* Audited by overseas practices of Deloitte Touche Tohmatsu Limited
\# Audited by Hu and Company Accountancy Corporation
^ Audited by Fuller & Roper Limited
\+ Audited by BDO Limited

The Company issued financial guarantees to banks and trading counterparties on behalf of its subsidiaries. The fair value of the financial guarantees issued during the year amounted to US$1,732,000 (2022: US$7,668,000) and is accounted for as additional investment in the subsidiaries.

The fair value of the financial guarantees at the end of the financial year amounted to US$39,988,000 (2022: US$38,256,000).

The financial guarantees were given by the Company to the banks on behalf of its subsidiaries for banking facilities amounting to US$78,600,000 (31 December 2022: US$149,600,000). It is a continuing financial guarantee issued to the banks.

The financial guarantees amounting to US$368,700,000 (31 December 2022: US$435,600,000) were given by the Company to trading counterparties on behalf of its subsidiaries for credit terms extended by the trading counterparties to the subsidiaries.

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under these guarantees.

During the year, the Company carried out a review of the recoverable amount of its investment in subsidiaries. The review led to the recognition of an impairment loss of US$1,042,000 (2022: US$6,373,000) that has been recognised in profit or loss of the Company. The Company estimated the fair value of the subsidiaries through their net asset.

NOTES TO THE FINANCIAL STATEMENTS

8 ASSOCIATES

	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
Investments in associates	253,149	259,777	253,149	259,777

Movement of impairment on investment in associate:

	Group and Company 2023 US$'000	Group and Company 2022 US$'000
At beginning of financial year	–	–
Charge during the year	8,654	–
At end of financial year	8,654	–

The recoverable amount of National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL") was determined based on its value-in-use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of TSN-PEKCL. In the current year, management assessed that the carrying amount of the TSN-PEKCL was determined to be higher than its recoverable amount.

Key assumptions used in the estimation of value-in-use were as follows:

	2023 TSN-PEKCL %	2022 TSN-PEKCL %
Discount rate (pre-tax)	12	12
Long-term growth rate	2	N/A
Forecasted earnings before interest, tax, depreciation and amortisation ("EBITDA") margin growth rate (average of next 10 to 11 years)	5	9

The discount rate used is estimated based on past experience and industry weighted average cost of capital.

The long-term growth rate has been determined based on the long-term compound annual growth rate estimated by management with reference to the nominal GDP growth rate for the countries in which TSN-PEKCL is based.

The forecasted EBITDA margin growth rates are estimated based on management's past experience of managing TSN-PEKCL and their expectations of TSN-PEKCL's forecasted performance.

Management determines that key assumptions relate to discount rates and long term revenue growth rates. An increase or decrease of discount rate of 1% will result in a decrease or increase in recoverable amount of US$981,000 (2022: US$908,000) or US$1,215,000 (2022: US$975,000) respectively. An increase or decrease in the long-term growth rate of 1% will result in an increase or decrease of recoverable amount by US$582,000 (2022: US$Nil) or US$472,000 (2022: US$Nil) respectively.

NOTES TO THE FINANCIAL STATEMENTS

8 ASSOCIATES (continued)

Associates

The Group has one (2022: one) associate that is material and three (2022: three) other associates that are individually immaterial to the Group. All are equity accounted. Details of the material associate of the Group and the Company are as follows:

	Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("SPIA")#
Nature of business	Exclusive supplier of jet fuel at Shanghai Pudong International Airport
Principal place of business/Country of incorporation	PRC
Ownership interest/Voting rights held	33% (2022: 33%)

Audited by Wuyige Certified Public Accountants LLP Shanghai Free Trade Zone Branch Office, a member of the Chinese Institute of Certified Public Accountants, for statutory audit purpose. Audited by an overseas member firm of Deloitte Touche Tohmatsu Limited for consolidation purpose.

The following summarises the financial information of the Group's material associate based on its respective financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit and other comprehensive income of the remaining individually immaterial associates.

	SPIA US$'000	Immaterial associates US$'000	Total US$'000
31 December 2023			
Revenue	2,955,976	51,498	3,007,474
Profit for the year/Total comprehensive income	100,885	871	101,756
Non-current assets	43,850	342,444	386,294
Current assets	714,288	48,149	762,437
Non-current liabilities	–	(130,143)	(130,143)
Current liabilities	(273,653)	(45,891)	(319,544)
Net assets	484,485	214,558	699,044
Group's interest in net assets of investee at beginning of the year	152,188	71,251	223,439
Group's fair value adjustment at beginning of the year	–	13,644	13,644
Group's share of total comprehensive income (loss)	31,461	(1,143)	30,318
Group's share of profit for the year	31,461	98	31,559
Group's share of fair value adjustment	–	(1,241)	(1,241)
Dividend declared during the year	(22,067)	(3,098)	(25,165)
Group's share of translation differences for the year	(2,202)	(924)	(3,126)
Goodwill	21,709	984	22,693
Impairment on goodwill	–	(984)	(984)
Impairment on fair value	–	(7,670)	(7,670)
Carrying amount of interest in investee at end of the year	181,089	72,060	253,149
Carrying amount of fair value adjustment at end of the year	–	4,733	4,733

NOTES TO THE FINANCIAL STATEMENTS

8 ASSOCIATES (continued)

	SPIA US$'000	Immaterial associates US$'000	Total US$'000
31 December 2022			
Revenue	1,799,831	45,969	1,845,800
Profit (loss) for the year/Total comprehensive income (loss)	62,624	(1,150)	61,474
Non-current assets	48,198	356,508	404,706
Current assets	570,567	72,111	642,678
Non-current liabilities	–	(168,662)	(168,662)
Current liabilities	(156,072)	(34,917)	(190,989)
Net assets	462,693	225,040	687,733
Group's interest in net assets of investee at beginning of the year	169,515	76,588	246,103
Group's fair value adjustment at beginning of the year	–	14,885	14,885
Group's share of total comprehensive income (loss)	19,213	(1,311)	17,902
Group's share of profit (loss) for the year	19,213	(70)	19,143
Group's share of fair value adjustment	–	(1,241)	(1,241)
Dividend declared during the year	(21,718)	–	(21,718)
Group's share of translation differences for the year	(14,822)	(5,266)	(20,088)
Goodwill	21,709	984	22,693
Carrying amount of interest in investee at end of the year	173,897	85,880	259,777
Carrying amount of fair value adjustment at end of the year	–	13,644	13,644

During the year, dividends declared by associates amounting to US$25,165,000 (31 December 2022: US$21,718,000) were received during the financial year.

Details of immaterial associates of the Group are as follows:

Name of associate	Country of incorporation	Ownership 2023 %	Ownership 2022 %
Shenzhen Zhenghe Petrochemicals Co. Ltd ("Zhenghe")	PRC	39	39
Oilhub Korea Yeosu Co., Ltd.	Republic of Korea	26	26
China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL")	PRC	49	49

NOTES TO THE FINANCIAL STATEMENTS

9 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group	
	2023 US$'000	2022 US$'000
Investment in equity instrument designated as at FVTOCI		
– unquoted equity shares	5,500	5,500

The investment in unquoted equity instrument represents investment in a company that is incorporated in the Netherlands which holds the concession from the Schiphol Airport Authority to manage the storage and distribution of jet fuels on behalf of its shareholders to airlines at Amsterdam Airport Schiphol.

This investment is not held for trading. Instead, it is held for medium to long-term strategic purposes. Accordingly, management has elected to designate this investment in equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in this investment's fair value in profit or loss would not be consistent with the Group's strategy of holding this investment for long-term purposes and realising its performance potential in the long run.

No investment in equity instrument measured at FVTOCI has been disposed of during the current reporting period.

10 INVENTORIES

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Trading inventories at fair value less costs to sell	10,445	156,668	886	144,386
Inventories at the lower of cost and net realisable value	77,820	25,421	–	–
	88,265	182,089	886	144,386

The inventories recognised in cost of sales amounted to US$14,254,352,000 (31 December 2022: US$16,288,201,000) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Trade receivables	351,429	170,273	146,368	102,552
Other receivables	49,984	53,890	31,698	36,746
Amounts due from:				
– subsidiaries (trade)	–	–	312,121	170,279
– related corporations (trade)	435,365	216,155	304,647	105,192
– related corporations of a corporate shareholder (trade)	37,587	102,877	36,639	5,638
– associates (trade)	117,012	84,536	117,012	84,536
– holding company (non-trade)	–	2	–	2
– subsidiaries (non-trade)	–	–	83,759	100,238
	589,964	403,570	854,178	465,885
	991,377	627,733	1,032,244	605,183
Allowance for impairment loss on doubtful debts				
– trade receivables	(7,223)	(6,062)	(6,358)	(5,405)
Receivables	984,154	621,671	1,025,886	599,778
Derivative financial assets				
– oil commodity derivatives	9,959	39,621	5,579	40,559
	994,113	661,292	1,031,465	640,337
Prepayments	45,626	54,329	–	1,397
	1,039,739	715,621	1,031,465	641,734

Trade receivables

Transactions with subsidiaries, associates and related corporations are priced on terms agreed between parties. Outstanding balances with subsidiaries and related corporations are unsecured.

Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables for customers that have defaulted and declared bankruptcy.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS

11 TRADE AND OTHER RECEIVABLES (continued)

The following table details the risk profile of trade and other receivables from contracts with customers based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

31 December 2023	Expected credit loss rate*		Estimated total gross carrying amount at default(i)		Lifetime ECL(i)	
	Group	Company	Group	Company	Group	Company
	%	%	US$'000	US$'000	US$'000	US$'000
Customer ratings						
Grade A1	0.027	0.027	50,004	427,320	–	–
Grade A2	0.096	0.096	72,840	61,271	99	59
Grade B1	0.205	0.205	114,458	28,524	219	58
Grade B2	0.369	0.369	682,030	509,400	2,131	1,832
Grade C1	1.041	1.041	13,446	–	45	–
Grade C2	1.635	1.635	40,699	1,342	161	22
Grade D1	3.313	3.313	5,064	–	52	–
Grade D2	4.996	4.996	6,534	–	61	–
Grade E	15.422	15.422	1,826	–	48	–
Grade F	56.296	56.296	80	–	11	–
Total			986,981	1,027,857	2,827	1,971

31 December 2022	Expected credit loss rate*		Estimated total gross carrying amount at default(i)		Lifetime ECL(i)	
	Group	Company	Group	Company	Group	Company
	%	%	US$'000	US$'000	US$'000	US$'000
Customer ratings						
Grade A1	0.027	0.027	58,594	308,121	–	–
Grade A2	0.096	0.096	113,644	16,406	111	16
Grade B1	0.205	0.205	59,945	–	114	–
Grade B2	0.369	0.369	347,353	274,382	1,238	1,013
Grade C1	1.041	1.041	9,036	–	25	–
Grade C2	1.635	1.635	21,750	–	53	–
Grade D1	3.313	3.313	8,548	586	86	2
Grade D2	4.996	4.996	3,130	–	47	–
Grade E	15.422	15.422	1,563	1,554	241	240
Grade F	56.296	56.296	27	–	4	–
Total			623,590	601,049	1,919	1,271

(i) The estimated total gross carrying amount at default and lifetime ECL have excluded the individually credit-impaired customers of US$4,396,000 for the year ended 31 December 2023 (31 December 2022: US$4,143,000) of the Group and US$4,387,000 for the year ended 31 December 2023 (31 December 2022: US$4,134,000) of the Company.

* Expected credit loss rate includes debtors without credit insurance.

NOTES TO THE FINANCIAL STATEMENTS

11 TRADE AND OTHER RECEIVABLES (continued)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL – not credit-impaired Individually assessed		Lifetime ECL – credit-impaired		Total	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Group						
At beginning of financial year	1,919	1,718	4,143	4,134	6,062	5,852
Acquisition of a subsidiary (Note 27)	–	–	–	9	–	9
Change in loss allowance	908	201	253	–	1,161	201
At end of financial year	2,827	1,919	4,396	4,143	7,223	6,062
Company						
At beginning of financial year	1,271	1,374	4,134	4,134	5,405	5,508
Change in loss allowance	700	(103)	253	–	953	(103)
At end of financial year	1,971	1,271	4,387	4,134	6,358	5,405

The following tables explain how significant changes in the gross carrying amount of the trade receivables contributed to changes in the loss allowance. Changes in the loss allowance are primarily attributable to the origination of new trade receivables net of those settled during the reporting periods.

	Group Increase (Decrease) in lifetime ECL		Company Increase (Decrease) in lifetime ECL	
	Not credit-impaired US$'000	Credit-impaired US$'000	Not credit-impaired US$'000	Credit-impaired US$'000
31 December 2023				
Probable default by the customer	908	253	700	253
31 December 2022				
Probable default by the customer	201	–	(103)	–

The Group's and the Company's exposure to credit and currency risks, and impairment loss related to trade and other receivables, are disclosed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

11 TRADE AND OTHER RECEIVABLES (continued)

Other receivables, amounts due from holding company, subsidiaries and associates (non-trade)

For the purpose of impairment assessment, the other receivables, amounts due from subsidiaries (non-trade) and amounts due from associates (non-trade) are considered to have low credit risk as there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the financial position of the debtors, subsidiaries and associates, adjusted for factors that are specific to the debtors, subsidiaries and associates and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of the other receivables, subsidiaries and associates as well as the loss upon default. Management determines the other receivables, amounts due from subsidiaries (non-trade) and amounts due from associates (non-trade) are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

12 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Cash at bank				
– Interest-bearing	54,528	31,135	43,307	26,686
– Non-interest bearing	1,428	1,935	1,090	1,360
Interest-bearing fixed deposits with financial institutions	317,084	275,125	314,884	265,000
Cash and cash equivalents in the statement of cash flows	373,040	308,195	359,281	293,046

As at 31 December 2023, interest-bearing fixed deposits of US$317,084,000 (31 December 2022: US$275,125,000) were placed with a related corporation, China National Aviation Fuel Finance Co., Ltd. The related corporation is a financial institution approved by the China Banking Regulatory Commission and is based in PRC.

NOTES TO THE FINANCIAL STATEMENTS

12 CASH AND CASH EQUIVALENTS (continued)

The weighted average effective interest rates per annum relating to interest-bearing deposits with banks and financial institutions at the reporting date are as disclosed below:

	2023 Interest rate %	2023 Carrying amount US$'000	2022 Interest rate %	2022 Carrying amount US$'000
Group				
Cash at bank	3.0	54,528	2.8	31,135
US$ fixed deposits	5.6	307,200	4.5	275,125
RMB fixed deposit	2.6	9,884	–	–
		371,612		306,260
Company				
Cash at bank	3.7	43,307	3.2	26,686
US$ fixed deposits	5.6	305,000	4.7	265,000
RMB fixed deposit	2.6	9,884	–	–
		358,191		291,686

The Group's and the Company's exposure to foreign currency, interest rate risks and fair values of derivatives are disclosed in Note 19.

13 SHARE CAPITAL

	Group and Company			
	2023 Number of shares ('000)	2022 Number of shares ('000)	2023 US$ ('000)	2022 US$ ('000)
Fully paid ordinary shares, with no par value inclusive of:				
In issue at 31 December	866,184	866,184	215,573	215,573

The Company's share capital includes 6,000,000 (2022: 6,000,000) treasury shares amounting to US$5,482,000 (2022: US$5,482,000).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

All rights attached to the ordinary shares are suspended for the Company's own shares bought back and held by the Group. Such rights are reinstated when these shares are reissued.

NOTES TO THE FINANCIAL STATEMENTS

13 SHARE CAPITAL (continued)

Capital management

The Company defines capital as share capital and reserves. The consolidated share capital and reserves attributable to equity owners of the Company amounted to US$948,400,000 (31 December 2022: US$902,978,000). The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board also monitors the level of dividends declared to ordinary shareholders.

From time to time, the Company may purchase its own shares in the market; the timing of these purchases depends on market prices. The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the shares is determined by the Directors or such authorised personnel as appointed by the Board of Directors for the purposes of effecting purchases or acquisitions of shares by the Company under the Share Purchase Mandate.

There were no changes in the Group's approach to capital management during the year.

14 RESERVES

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Foreign currency translation reserve[(a)]	(8,741)	(5,615)	(8,741)	(5,615)
Statutory reserves[(b)]	37,220	37,203	37,220	37,203
Reserve for own shares[(c)]	(5,482)	(5,482)	(5,482)	(5,482)
Accumulated profits	709,830	661,299	684,462	647,615
	732,827	687,405	707,459	673,721

(a) The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

(b) The associates of the Group ("PRC Associates") established in PRC follow the accounting principles and relevant financial regulations of the PRC applicable to enterprises established in the PRC (PRC GAAP) in the preparation of the accounting records and its financial statements. Under the relevant PRC regulations, the PRC Associates transferred a portion of their accumulated profits to statutory reserve for the following purposes:

Statutory reserves

Pursuant to accounting regulations for foreign-invested PRC enterprises and the PRC Company Law, the associates are required to appropriate 10% of the profit arrived at in accordance with PRC GAAP for each year to a statutory reserve. The profit arrived at must be used to set off against any accumulated losses. The appropriation to statutory reserve, after offsetting against any accumulated losses, must be made before the distribution of dividends to shareholders. The appropriation is required until the statutory reserve reaches 50% of the registered capital. This statutory reserve is not distributable in the form of cash dividends. During the current and immediate preceding financial year, SPIA did not appropriate any profit to the statutory reserve as the statutory reserve of SPIA has reached 50% of its registered capital. The movement in statutory reserve in the current year is contributed by TSN-PEKCL.

NOTES TO THE FINANCIAL STATEMENTS

14 RESERVES (continued)

(c) The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2023, the Group held 6,000,000 (31 December 2022: 6,000,000) of the Company's shares.

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

	Group and Company 2023 US$'000	Group and Company 2022 US$'000
Final exempt dividends paid in respect of the previous financial year of S$0.016 (2022: S$0.019) per share	10,308	11,849

(e) After the respective reporting date, the Directors have proposed a final (one-tier tax exempt) ordinary dividend of S$0.0271 (2022: S$0.016) per share and a special (one-tier tax exempt) cash dividend of S$0.0234 per share (2022: Nil), amounting to US$33,014,000 (2022: US$10,198,000). The dividends have not been provided for.

15 DEFERRED TAX LIABILITIES

Deferred tax liabilities are attributable to the following:

	Group and Company 2023 US$'000	Group and Company 2022 US$'000
Deferred tax liabilities		
Investments in associates	(7,952)	(7,501)

Movements in temporary differences during the year are as follows:

	At 1 January 2022 US$'000	Recognised in profit or loss US$'000	At 31 December 2022 US$'000	Recognised in profit or loss US$'000	At 31 December 2023 US$'000
Group and Company					
Accelerated tax depreciation	446	(446)	–	–	–
Investments in associates	(6,732)	(769)	(7,501)	(451)	(7,952)
	(6,286)	(1,215)	(7,501)	(451)	(7,952)

NOTES TO THE FINANCIAL STATEMENTS

16 TRADE AND OTHER PAYABLES

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Trade payables	319,851	377,783	241,195	332,207
Other payables and accruals	63,096	54,716	56,288	52,593
Amounts due to:				
– holding company (non-trade)	10,126	10,125	–	–
– subsidiary (trade)	–	–	11,861	12,249
– related corporation (trade)	404,135	–	403,488	–
– related corporation of a corporate shareholder (trade)	7,273	78,887	–	39,332
– subsidiaries (non-trade)	–	–	40,192	–
Derivative financial liabilities:				
– oil commodity derivatives	9,139	43,373	6,754	41,890
	813,620	564,884	759,778	478,271

Amounts due to holding company, subsidiaries and related corporations are unsecured, interest-free and repayable on demand.

The Group's and the Company's exposures to foreign currency, liquidity risks and fair values of derivatives are disclosed in Note 19.

17 CONTRACT LIABILITIES

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Current	3,619	4,916	–	–

Revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. When the customer initially purchases the goods, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer.

NOTES TO THE FINANCIAL STATEMENTS

18 LEASE LIABILITIES

	Group 2023 US$'000	Group 2022 US$'000	Company 2023 US$'000	Company 2022 US$'000
Analysed as				
Non-current	734	4,281	3	2,026
Current	5,559	8,283	3,844	6,432
	6,293	12,564	3,847	8,458
Maturity analysis of lease liabilities based on undiscounted gross cash flows:				
Year 1	5,718	8,365	3,957	6,512
Year 2	604	3,505	5	1,899
Year 3	–	807	–	96
	6,322	12,677	3,962	8,507

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's finance function.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows, as cash flows from financing activities.

The cash flows represent the repayment of lease liabilities in the consolidated statement of cash flows.

	Group 2023 US$'000	Group 2022 US$'000
1 January	12,564	14,350
Financing cash flow	(6,262)	(8,613)
New leases	6,013	5,967
Cancellation of leases	(6,309)	–
Other changes	287	860
31 December	6,293	12,564

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

Financial assets

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Amortised cost				
Trade and other receivables	984,154	621,671	1,025,886	599,778
Cash and cash equivalents	373,040	308,195	359,281	293,046
	1,357,194	929,866	1,385,167	892,824
Fair value through profit or loss				
Derivative financial assets	9,959	39,621	5,579	40,559
Fair value through other comprehensive income				
Equity instrument	5,500	5,500	–	–

Financial liabilities

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Amortised cost				
Trade and other payables	804,481	521,511	753,024	436,381
Fair value through profit or loss				
Derivative financial liabilities	9,139	43,373	6,754	41,890
Lease liabilities	6,293	12,564	3,847	8,458

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Trade and other receivables	984,154	621,671	1,025,886	599,778
Cash and cash equivalents	373,040	308,195	359,281	293,046
Derivative financial assets	9,959	39,621	5,579	40,559
	1,367,153	969,487	1,390,746	933,383

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Impairment losses

The ageing of trade and other receivables (excluding derivative financial assets and prepayments) at the reporting date is:

	2023 Gross US$'000	2023 Impairment losses US$'000	2022 Gross US$'000	2022 Impairment losses US$'000
Group				
Not past due	915,304	(2,575)	606,346	(1,868)
1 to 30 days	71,686	(261)	17,244	(51)
31 to 90 days	–	–	–	–
Over 90 days	4,387	(4,387)	4,143	(4,143)
	991,377	(7,223)	627,733	(6,062)
Company				
Not past due	971,282	(1,762)	601,049	(1,271)
1 to 30 days	56,575	(209)	–	–
31 to 90 days	–	–	–	–
Over 90 days	4,387	(4,387)	4,134	(4,134)
	1,032,244	(6,358)	605,183	(5,405)

The Group's and the Company's loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses and individually assessed credit impaired.

The movements in the allowance for impairment loss in respect of trade and other receivables during the year are as follows:

	Group 2023 US$'000	Group 2022 US$'000
At 1 January	6,062	5,852
Acquired on acquisition of a subsidiary	–	9
Allowance for impairment loss – net	1,161	201
At 31 December	7,223	6,062

	Company 2023 US$'000	Company 2022 US$'000
At 1 January	5,405	5,508
Allowance (Reversal of allowance) for impairment loss – net	953	(103)
At 31 December	6,358	5,405

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Liquidity risk

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting arrangements:

	Cash flows	
	Contractual cash flows US$'000	Within 1 year US$'000
Group		
31 December 2023		
Non-derivative financial liabilities		
Trade and other payables(i)	(804,481)	(804,481)
Oil commodity derivatives		
Gross outflows(ii)		
– Oil physical derivative instruments purchase contracts	(220,223)	(220,223)
Net outflows		
– Oil paper derivative instruments	(3,646)	(3,646)
	(1,028,350)	(1,028,350)
31 December 2022		
Non-derivative financial liabilities		
Trade and other payables(i)	(521,511)	(521,511)
Oil commodity derivatives		
Gross outflows(ii)		
– Oil physical derivative instruments purchase contracts	(698,554)	(698,554)
Net outflows		
– Oil paper derivative instruments	(7,516)	(7,516)
	(1,227,581)	(1,227,581)

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

	Cash flows	
	Contractual cash flows US$'000	Within 1 year US$'000
Company		
31 December 2023		
Non-derivative financial liabilities		
Trade and other payables[i]	(753,024)	(753,024)
Oil commodity derivatives		
Gross outflows[ii]		
– Oil physical derivative instruments purchase contracts	(126,961)	(126,961)
Net outflows		
– Oil paper derivative instruments	(3,692)	(3,692)
	(883,677)	(883,677)
31 December 2022		
Non-derivative financial liabilities		
Trade and other payables[i]	(436,381)	(436,381)
Oil commodity derivatives		
Gross outflows[ii]		
– Oil physical derivative instruments purchase contracts	(642,787)	(642,787)
Net outflows		
– Oil paper derivative instruments	(6,960)	(6,960)
	(1,086,128)	(1,086,128)

(i) Excludes derivative financial liabilities, advance receipts and intra-Group financial guarantees.
(ii) The gross outflows represent the undiscounted cash outflows of the outstanding oil physical derivative instruments.

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Currency risk

Exposure to currency risk

The Group's and Company's exposures to foreign currency risk were as follows based on notional amounts:

	Singapore dollar US$'000	Renminbi US$'000	Hong Kong dollar US$'000	Euro US$'000	British pound US$'000
Group					
31 December 2023					
Trade and other receivables	177	122	48	67	71
Cash and cash equivalents	988	10,055	53	40	325
Trade and other payables	(6,041)	(310)	(275)	(1,680)	(730)
	(4,876)	9,867	(174)	(1,573)	(334)
31 December 2022					
Trade and other receivables	270	127	1,085	385	63
Cash and cash equivalents	911	108	547	444	65
Trade and other payables	(6,823)	(624)	(538)	(745)	(242)
	(5,642)	(389)	1,094	84	(114)

	Singapore dollar US$'000	Renminbi US$'000
Company		
31 December 2023		
Trade and other receivables	177	55
Cash and cash equivalents	988	10,012
Trade and other payables	(6,041)	(164)
	(4,876)	9,903
31 December 2022		
Trade and other receivables	270	87
Cash and cash equivalents	911	41
Trade and other payables	(6,823)	(564)
	(5,642)	(436)

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

Sensitivity analysis

At the reporting date, a 10% strengthening of the US dollar against the following currencies would increase/(decrease) profit/(loss) before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Profit/(Loss) before tax		Company Profit/(Loss) before tax	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Singapore dollar	443	513	443	513
Renminbi	(897)	35	(900)	40
Hong Kong dollar	16	(99)	–	–
Euro	143	(8)	–	–
British pound	30	10	–	–

A 10% weakening of the US dollar against the above currencies would have an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Company	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Financial assets	371,612	306,260	358,191	291,686

Interest rate sensitivity analysis

Management does not expect a change in interest rate will have significant impact to the Group's and Company's profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Fair values

Fair values versus carrying amounts

At the reporting date, the carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost approximate their fair values because of the short period to maturity.

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group				
31 December 2023				
Financial asset at FVTOCI*	–	–	5,500	5,500
Derivative financial assets	–	9,959	–	9,959
Derivative financial liabilities	–	(9,139)	–	(9,139)
	–	820	5,500	6,320
31 December 2022				
Financial asset at FVTOCI*	–	–	5,500	5,500
Derivative financial assets	–	39,621	–	39,621
Derivative financial liabilities	–	(43,373)	–	(43,373)
	–	(3,752)	5,500	1,748
Company				
31 December 2023				
Derivative financial assets	–	5,579	–	5,579
Derivative financial liabilities	–	(6,754)	–	(6,754)
	–	(1,175)	–	(1,175)
31 December 2022				
Derivative financial assets	–	40,559	–	40,559
Derivative financial liabilities	–	(41,890)	–	(41,890)
	–	(1,331)	–	(1,331)

* There was no movement to the Level 3 fair value measurement of the financial asset during the financial year.

The valuation techniques and the inputs used in the fair value measurements of the financial instruments are disclosed in Notes 26 and 29.

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting agreement or similar agreement.

The Group's paper derivative transactions are all transacted on an exchange.

In certain circumstances - for example, only when a credit event such as a default occurs, the non-defaulting party can choose to exercise the right of set-off. As such, the above master netting agreements do not meet the criteria for offsetting in the statement of financial position.

	Gross amounts of recognised financial instruments included in the statement of financial position US$'000	Related amounts that are not offset US$'000	Net amounts US$'000
Group			
31 December 2023			
Financial assets			
Oil physical derivative instruments	4,980	–	4,980
Oil paper derivative instruments	4,979	(3,151)	1,828
Total	9,959	(3,151)	6,808
Financial liabilities			
Oil physical derivative instruments	5,493	–	5,493
Oil paper derivative instruments	3,646	(3,151)	495
Total	9,139	(3,151)	5,988
31 December 2022			
Financial assets			
Oil physical derivative instruments	34,738	(340)	34,398
Oil paper derivative instruments	4,883	(4,883)	–
Total	39,621	(5,223)	34,398
Financial liabilities			
Oil physical derivative instruments	35,857	(340)	35,517
Oil paper derivative instruments	7,516	(4,883)	2,633
Total	43,373	(5,223)	38,150

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Offsetting financial assets and financial liabilities (continued)

	Gross amounts of recognised financial instruments included in the statement of financial position US$'000	Related amounts that are not offset US$'000	Net amounts US$'000
Company			
31 December 2023			
Financial assets			
Oil physical derivative instruments	2,382	–	2,382
Oil paper derivative instruments	3,197	(3,197)	–
Total	5,579	(3,197)	2,382
Financial liabilities			
Oil physical derivative instruments	3,063	–	3,063
Oil paper derivative instruments	3,691	(3,197)	494
Total	6,754	(3,197)	3,557
31 December 2022			
Financial assets			
Oil physical derivative instruments	34,459	(222)	34,237
Oil paper derivative instruments	6,100	(4,883)	1,217
Total	40,559	(5,105)	35,454
Financial liabilities			
Oil physical derivative instruments	34,930	(222)	34,708
Oil paper derivative instruments	6,960	(4,883)	2,077
Total	41,890	(5,105)	36,785

NOTES TO THE FINANCIAL STATEMENTS

20 REVENUE

The Group derives its revenue from the transfer of goods at a point in time in the following major lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 25).

A disaggregation of the Group's revenue for the financial year is as follows:

	Group	
	2023 US$'000	2022 US$'000
Revenue from middle distillates	8,693,851	8,529,418
Revenue from other oil products	5,735,722	7,934,706
	14,429,573	16,464,124

The revenue from middle distillates and other oil products are recognised at a point in time.

Included in revenue is net loss of US$5,086,000 (2022: loss of US$119,254,000) recognised in relation to derivative financial instruments. The Group holds derivative financial instruments to hedge the changes in oil commodity prices. The gain or loss on remeasurement of these instruments at fair value is recognised in the consolidated statement of profit or loss as revenue.

21 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

	Group	
	2023 US$'000	2022 US$'000
Other income		
Interest income	17,742	3,288
Foreign exchange gain (loss) – net	344	(3,708)
Gain on deemed disposal of an associate	–	820
Others	630	605
	18,716	1,005
Allowance for impairment loss on doubtful debts – net	(1,161)	(201)
Allowance for impairment loss on investment in associate	(8,654)	–
Depreciation of property, plant and equipment	(1,474)	(1,129)
Depreciation of right-of-use assets	(5,976)	(8,052)
Amortisation of intangible assets	(1,124)	(691)
Expense relating to short-term leases	(5,406)	(4,969)
Expense relating to leases of low value assets	(3)	(5)
Staff costs	(17,737)	(15,827)
Contributions to defined contribution plans, included in staff costs	(1,631)	(1,560)
Audit fees paid and payable to:		
– auditor of the Company and Deloitte network firms	(292)	(222)
– other auditors	(247)	(190)
Non-audit fees paid and payable to auditor of the Company	(10)	(6)
Aggregate amount of fees paid to auditors	(549)	(418)

NOTES TO THE FINANCIAL STATEMENTS

22 FINANCE COSTS

	Group 2023 US$'000	Group 2022 US$'000
Bank charges	445	945
Interest expenses	2	6
Interest expenses on lease liabilities	289	199
	736	1,150

23 TAX EXPENSE

	Group 2023 US$'000	Group 2022 US$'000
Current tax expense		
Current year	5,828	2,688
Underprovision in prior year	19	284
	5,847	2,972
Deferred tax expense	–	446
Withholding tax expense	1,709	1,103
Total tax expense	7,556	4,521
Reconciliation of effective tax rate		
Profit before tax	65,929	37,707
Tax using Singapore tax rate of 17% (2022: 17%)	11,208	6,411
Effects of tax rates in foreign jurisdictions	709	199
Tax exempt income	(13)	(337)
Tax effects of revenue at concessionary tax rate	(2,121)	(1,662)
Effects of results of associates presented net of tax	(5,154)	(3,043)
Effect of expenses not deductible	1,218	1,404
Utilisation of previously unused tax assets	–	446
Withholding tax expense	1,709	1,103
	7,556	4,521

The Company was granted concessionary rate of tax for a period of 5 years from 1 August 2020 to 31 July 2025. Income derived from qualifying trading transactions of approved products by the Company is taxed at the concessionary rate instead of the normal statutory rate of 17%. This incentive is granted subject to the achievement of certain business volume and other terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS

24 EARNINGS PER SHARE

Basic earnings per share

At the reporting date, the calculation of basic earnings per share was based as follows:

Profit attributable to ordinary shareholders

	2023 US$'000	2022 US$'000
Basic and diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	58,856	33,532

Weighted average number of ordinary shares

	2023 Number of shares ('000)	2022 Number of shares ('000)
Issued ordinary shares at 31 December*	860,184	860,184

* Excludes 6,000,000 ordinary shares held as treasury shares.

25 OPERATING SEGMENTS

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. For each of the strategic business units, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Middle distillates: Jet fuel and gas oil supply and trading.
- Other oil products: Fuel oil, crude oil, gasoline and naphtha supply and trading.
- Investments in oil-related assets: Investments in oil-related assets through the Group's holdings in associates.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

NOTES TO THE FINANCIAL STATEMENTS

25 OPERATING SEGMENTS (continued)

	Middle distillates US$'000	Other oil products US$'000	Investment in oil-related assets US$'000	Total US$'000
2023				
Revenue	8,693,851	5,735,722	–	14,429,573
Gross profit	44,796	5,802	–	50,598
Other administrative/operating expenses	(16,738)	(2,168)	–	(18,906)
Impairment expenses	(3,375)	–	(8,654)	(12,029)
Depreciation and amortisation	(1,799)	(233)	–	(2,032)
Foreign exchange loss	304	40	–	344
Interest income	15,708	2,034	–	17,742
Other income	558	72	–	630
Finance costs	(302)	(434)	–	(736)
Share of profit of associates (net of tax)	–	–	30,318	30,318
Tax expense	(5,464)	(383)	(1,709)	(7,556)
Reportable segment profit after tax	33,688	4,730	19,955	58,373
Reportable segment total assets	1,464,945	63,920	258,649	1,787,514
2022				
Revenue	8,529,418	7,934,706	–	16,464,124
Gross profit	33,760	1,631	–	35,391
Other administrative/operating expenses	(12,734)	(615)	–	(13,349)
Depreciation and amortisation	(1,996)	(96)	–	(2,092)
Foreign exchange loss	(3,537)	(171)	–	(3,708)
Interest income	3,137	151	–	3,288
Gain on deemed disposal of an associate	–	–	820	820
Other income	577	28	–	605
Finance costs	(354)	(796)	–	(1,150)
Share of profit of associates (net of tax)	–	–	17,902	17,902
Tax expense	(3,446)	(24)	(1,051)	(4,521)
Reportable segment profit after tax	15,407	108	17,671	33,186
Reportable segment total assets	1,181,909	52,433	265,276	1,499,618

NOTES TO THE FINANCIAL STATEMENTS

25 OPERATING SEGMENTS (continued)

Geographical segments

The People's Republic of China is a major market for trading in jet fuel and petroleum products. The Group also operates in other regions including Singapore.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the revenue transacted. Segment assets are based on the geographical location of the assets.

Geographical information	Revenue US$'000	Non-current assets US$'000
2023		
People's Republic of China	8,778,362	209,012
Republic of Korea	194,349	44,137
United States of America	887,477	80
Hong Kong SAR	656,481	9,443
Malaysia	233,836	–
Japan	85,182	–
Australia	107,062	–
Singapore	935,821	17,259
Philippines	129,023	–
Netherlands	940,653	6,539
Myanmar	250,045	–
Germany	261,656	–
Indonesia	153,989	–
Bangladesh	61,483	–
France	134,866	–
Other countries	619,288	–
	14,429,573	286,470
2022		
People's Republic of China	8,777,851	215,544
Republic of Korea	213,048	44,232
United States of America	933,620	229
Hong Kong SAR	494,977	14,613
Malaysia	351,972	–
Japan	663,321	–
Australia	212,308	–
Singapore	1,906,497	11,529
Philippines	147,481	–
Netherlands	1,426,923	7,566
Myanmar	158,915	–
Germany	316,132	–
Indonesia	181,262	–
Bangladesh	142,848	–
Belgium	95,839	–
Other countries	441,130	–
	16,464,124	293,713

NOTES TO THE FINANCIAL STATEMENTS

25 OPERATING SEGMENTS (continued)

Major customers

Revenue from five customers (2022: six customers) for the supply and trading of jet fuel and other oil products amounting to approximately US$6,545,584,000 (2022: US$7,688,258,000), represents 45% (2022: 47%) of the Group's total revenue.

26 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- interest rate risk
- foreign currency risk
- commodity price risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk. Additional quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment which all employees understand their roles and obligations.

The Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group and the Company manage these risks by monitoring credit-worthiness and limiting the aggregate risk to any individual counterparty. The Group and the Company have purchased credit insurance for certain customers during the year.

The Group develops and maintains its credit risk ratings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with certain trade receivables is reduced because they are secured by credit insurance and letters of credit. There has not been any significant changes in the quality of the credit enhancement.

The Group's current credit risk rating framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery.	Amount is written off

The assessment of the credit quality and exposure to credit risk of the Group and Company's trade and other receivables have been disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

The tables below detail the credit quality of the Group's trade and other receivables, as well as maximum exposure to credit risk:

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US$'000	Loss allowance US$'000	Net carrying amount US$'000
31 December 2023						
Trade receivables	11	(i)	Lifetime ECL (simplified approach)	351,429	(5,375)	346,054
Other receivables	11	Performing	12-month ECL	49,984	–	49,984
Amount due from related corporations (trade)	11	(i)	Lifetime ECL (simplified approach)	435,365	(1,380)	433,985
Amount due from related corporations of a corporate shareholder (trade)	11	(i)	Lifetime ECL (simplified approach)	37,587	(36)	37,551
Amount due from associates (trade)	11	(i)	Lifetime ECL (simplified approach)	117,012	(432)	116,580
				991,377	(7,223)	984,154
31 December 2022						
Trade receivables	11	(i)	Lifetime ECL (simplified approach)	170,273	(5,478)	164,795
Other receivables	11	Performing	12-month ECL	53,890	–	53,890
Amount due from holding company(non-trade)	11	Performing	12-month ECL	2	–	2
Amount due from related corporations (trade)	11	(i)	Lifetime ECL (simplified approach)	216,155	(171)	215,984
Amount due from related corporations of a corporate shareholder (trade)	11	(i)	Lifetime ECL (simplified approach)	102,877	(101)	102,776
Amount due from associates (trade)	11	(i)	Lifetime ECL (simplified approach)	84,536	(312)	84,224
				627,733	(6,062)	621,671

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US$'000	Loss allowance US$'000	Net carrying amount US$'000
31 December 2023						
Trade receivables	11	(i)	Lifetime ECL (simplified approach)	146,368	(4,880)	141,488
Other receivables	11	Performing	12-month ECL	31,698	–	31,698
Amount due from subsidiaries (trade)	11	(i)	Lifetime ECL (simplified approach)	312,121	–	312,121
Amount due from subsidiaries (non-trade)	11	Performing	12-month ECL	83,759	–	83,759
Amount due from related corporations (trade)	11	(i)	Lifetime ECL (simplified approach)	304,647	(1,011)	303,636
Amount due from related corporations of a corporate shareholder (trade)	11	(i)	Lifetime ECL (simplified approach)	36,639	(35)	36,604
Amount due from associates (trade)	11	(i)	Lifetime ECL (simplified approach)	117,012	(432)	116,580
				1,032,244	(6,358)	1,025,886
31 December 2022						
Trade receivables	11	(i)	Lifetime ECL (simplified approach)	102,552	(4,698)	97,854
Other receivables	11	Performing	12-month ECL	36,746	–	36,746
Amount due from subsidiaries (trade)	11	(i)	Lifetime ECL (simplified approach)	170,279	–	170,279
Amount due from subsidiaries (non-trade)	11	Performing	12-month ECL	100,238	–	100,238
Amount due fromholding company (non-trade)	11	Performing	12-month ECL	2	–	2
Amount due from related corporations (trade)	11	(i)	Lifetime ECL (simplified approach)	105,192	(388)	104,804
Amount due from related corporations of a corporate shareholder (trade)	11	(i)	Lifetime ECL (simplified approach)	5,638	(7)	5,631
Amount due from associates (trade)	11	(i)	Lifetime ECL (simplified approach)	84,536	(312)	84,224
				605,183	(5,405)	599,778

(i) For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 11 includes further details on the loss allowance for these trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Trade receivables

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. This allowance is a specific loss component that relates to individually significant exposures. The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. The banks and financial institutions are assigned high credit ratings by international credit-rating agencies and considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

At 31 December 2023, there was no significant concentration of credit risk except for amounts receivable due from 3 (31 December 2022: 3) major customers amounting to US$349,293,000 (31 December 2022: US$264,736,000) which accounted for 37% (2022: 46%) of the Group's gross trade receivables.

At 31 December 2023, the Company has a significant concentration of credit risk with subsidiaries and related corporations which accounted for 67% (2022: 49%) of the Company's gross trade receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Guarantees

There is no exposure to the Company in respect of the intra-Group financial guarantee (see Note 7) at the end of the reporting period as it is remote that the subsidiaries default on the utilised facilities extended by the bank and trading counterparties.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group manages its liquidity risk by maintaining adequate lines of credit.

Interest rate risk

It is the Group's policy to obtain the most favourable interest rates available without increasing its foreign currency exposure. Surplus funds are placed with reputable banks to earn interest income.

As the Group's interest bearing financial assets are short term in nature, any future variations in interest rates will not have a material impact on the results of the Group.

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT (continued)

Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this foreign currency risk are primarily the Singapore dollar, the Chinese renminbi, Hong Kong dollar, Euro and British pound.

The Group monitors its foreign currency exposures on an on-going basis and ensures that the net exposure is kept to an acceptable level. The Group did not actively hedge its foreign currency exposure in 2023 and 2022.

The Group is also exposed to currency translation risk on its net investments in foreign operations. Such exposures are reviewed and monitored on a regular basis.

Commodity price risk

The Group manages its costs of purchase and sales of oil commodities, using commodity paper derivative instruments. Management manages its commodity price risk using a suite of risk management tools which include marginal value at risk limits and hypothetical stress-tests of various scenarios. These risk management tools were designed by management, reviewed by the Risk Management Committee, and approved by the Board of Directors.

The Group enters into commodity paper derivative instruments, in which it agrees to exchange the difference between the fixed and floating prices, calculated by reference to an agreed-upon principal quantity, with its counterparties. The commodity paper derivative instruments entered into commit the Group to settle these instruments at various settlement dates.

Sensitivity analysis

Based on the Group's open positions at end of year, a change of 10% in oil forward price at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as the financial year ended 31 December 2022.

	Profit or loss	
	10% increase US$'000	10% decrease US$'000
2023		
Oil physical and paper derivative instruments	2,530	(2.530)
2022		
Oil physical and paper derivative instruments	(59)	59

The Group considers holding oil inventory as part of their overall trading strategy. An increase of 10% in the fair value of oil inventory would have increased profit or loss by US$1,035,000 (2022: US$15,462,000). A 10% weakening of the fair value of oil inventory would have an equal but opposite effect on profit or loss.

The above sensitivity analysis is hypothetical and should not be predictive of the Group's future performance as the physical inventory volume and derivative positions change daily and are not static.

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT (continued)

Estimation of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and the Company.

Derivative financial instruments

The fair values of oil physical and paper derivative instruments were determined based on price indices after adjusting for contract specific factors.

Financial asset at FVTOCI

The fair value of the financial asset was determined based on the income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee.

Revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries ranging from 0.2% to 0.4% (2022: 0.2% to 0.4%) per annum. A slight increase in the revenue growth rate used in isolation would result in a significant increase in the fair value.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

27 ACQUISITION OF SUBSIDIARIES

On 31 May 2022, CAOHK, a wholly owned subsidiary of the Company, had subscribed for, and was allotted 97 million ordinary shares in the capital of CNAF HKR at a cash consideration of HK$1.00 per share.

Following the aforesaid allotment, the Company's deemed interest in the issued shares of CNAF HKR, held through CAOHK, by virtue of the provisions of Section 4 of the Securities and Futures Act 2001, has increased from 39 million ordinary shares in CNAF HKR to 136 million ordinary shares in CNAF HKR, representing 68% of the total issued shares in CNAF HKR.

NOTES TO THE FINANCIAL STATEMENTS

27 ACQUISITION OF SUBSIDIARIES (continued)

Assets acquired and liabilities assumed at the date of acquisition and consideration transferred

The following summarises the consideration transferred and the recognised amount of assets acquired and liabilities assumed based on determined fair values at the date of acquisition:

	Note	Total US$'000
CNAF Hong Kong Refuelling Limited		
Property, plant and equipment	4	2,303
Intangible assets	6	8,353
Right-of-use assets	5	1,657
Current assets		13,480
Non-current liabilities		(1,575)
Current liabilities		(9,295)
Net identifiable assets and liabilities acquired		14,923
Goodwill on acquisition	6	3,108
Gain on deemed disposal of associate	21	(820)
Non-controlling interests		(4,776)
Cash consideration paid, satisfied in cash		12,435
Cash acquired		(13,006)
Net cash inflow		(571)

Had the acquisition occurred at the beginning of year 2022, the Group's revenue would have been US$16,464,556,000 and the Group's profit before tax would have been US$36,839,000.

28 RELATED PARTIES

Key management personnel compensation

Key management personnel compensation comprises:

	Group 2023 US$'000	Group 2022 US$'000
Directors' fees	377	324
Directors' remuneration	282	264
Key executive officers' remuneration	1,542	1,288
	2,201	1,876

The key management personnel compensation for the financial years ended 31 December 2023 and 2022 were made up of short-term employee benefits.

The immediate and ultimate holding company, CNAF, is a state-owned enterprise established in the PRC. In accordance with SFRS(I) 1-24 *Related Party Disclosures*, government-related entities and their subsidiaries, apart from entities under CNAF, which the PRC government has control, joint control or significant influence over are also considered as related parties of the Group. For the purpose of the related party transactions disclosures, the Group applies the exemption on disclosure of related parties transactions as allowed under SFRS(I) 1-24.

The Group assessed that these transactions with government-related entities were carried out based on market terms in the ordinary course of business. The Group's transactions with government-related entities include sales and purchases of oil commodities, banking fees and operating lease expenses.

NOTES TO THE FINANCIAL STATEMENTS

28 RELATED PARTIES (continued)

For the financial year ended 31 December 2023, the Group's sales and purchases of physical oil commodities with government-related entities account for approximately 59% (2022: 48%) of the Group's total sales and 58% (2022: 49%) of the Group's total purchases. During the year, approximately 35% (2022: 45%) of the Group's banking fees were transacted with government-related entities and interest income of approximately 39% (2022: 58%) was received from government-related entities.

Other than those as disclosed elsewhere in the financial statements, the Group had the following significant transactions with related parties:

	Group	
	2023 US$'000	2022 US$'000
Related parties under CNAF:		
Related corporations		
Sale of jet fuel	2,056,438	2,413,836
Purchase of jet fuel	(686,371)	(899,258)
Supply chain service rendered from	(895)	(3,763)
Interest income	6,395	176
Related corporations of a corporate shareholder:		
Sale of fuel oil	–	34,024
Sale of jet fuel	146,943	1,257,926
Sale of gas oil	–	55,481
Purchase of jet fuel	(389,494)	(413,812)
Purchase of fuel oil	(71,577)	(161,796)
Associate:		
Sale of jet fuel	1,875,940	1,278,294
Purchase of jet fuel	(58,160)	(14,981)
Storage tank rental expense	(4,100)	(6,052)

29 ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group believes the following critical accounting policies involved the most significant judgements and estimates used in the preparation of the financial statements.

Key source of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

NOTES TO THE FINANCIAL STATEMENTS

29 ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES (continued)

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amounts of the Group's and the Company's trade and other receivables are disclosed in Note 11 to the financial statements.

Impairment assessment of investment in associates

The Group evaluates whether there are any indicators of impairment in the investment in associates at each reporting date. If there are indicators of impairment, management performs an evaluation of the investment's recoverable amount. The recoverable amount is based on the higher of value-in-use or fair value less cost to sell.

Value-in-use is estimated based on management's forecast of future cash flows discounted to present value using the pre-tax discount rate. The fair value less cost to sell requires an estimate of the market value of the investments. Significant estimates and assumptions are made in determining value-in-use and fair value less cost to sell.

The carrying amounts of the Group's and the Company's investment in associates are disclosed in Note 8 to the financial statements.

Fair value of derivative financial instruments and open physical contracts

The Company holds derivative financial instruments and open physical contracts to hedge the changes in oil commodity prices. The Company has not applied hedge accounting to derivative financial instruments and open physical contracts that economically hedge the exposure of the changes in oil commodity prices. All outstanding derivative financial instruments and open physical contracts are recognised initially at fair value. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of profit or loss as revenue.

The fair value of the derivative financial instruments and open physical contracts are based on the price index, Platts, after adjusting for contract specific factors. The use of a different price index may impact the Company's estimate of the fair value of its derivative financial instruments and open physical contracts.

The carrying amounts of the Group's and the Company's derivative financial instruments and open physical contracts are disclosed in Notes 11 and 16 to the financial statements.

Critical judgement made in applying accounting policies

The management is of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates described above.

SUPPLEMENTARY INFORMATION

INTERESTED PERSON TRANSACTIONS

	Nature of Relationship	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	
		2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Sales to related corporations of a corporate shareholder	Associates of Controlling Shareholder, China National Aviation Fuel Group Limited	–	–	2,759,326	2,525,780
Purchases from related corporations of a corporate shareholder		–	–	1,186,168	1,461,363
Supply chain services rendered from related corporations		–	–	4,401	5,476
Transportation revenue earned by associate from related corporations*		–	–	–	1,963
Into-plane refueling services rendered by a related corporation		–	–	196	105
Principal deposited with a related corporation		–	–	1,504,424	1,212,524
Interest income earned from principal deposited with a related corporation		–	–	5,542	2,339
Services rendered from a related corporation		259	333	–	–
Financial assistance rendered to a related corporation		600	248	–	–
Subscription of additional shares in associate of controlling shareholder		–	12,435	–	–
Sales to related corporations of a corporate shareholder	Associates of Controlling Shareholder, BP Investments Asia Limited	–	–	37,996	425,417
Purchases from related corporations of a corporate shareholder		–	–	719,130	398,574
Carbon trading transaction with a related corporation		662	–	–	–
Purchases of into-plane services from a related corporation		1,533	–	–	–

* Based on the shareholders' approval obtained at the Annual General Meeting of the Company held on 18 April 2017 for the jet fuel transportation services framework agreement entered into between China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL") and China National Aviation Fuel Corporation Ltd ("CNAFCL") relating to the provision of pipeline transportation services by TSN-PEKCL to CNAFCL.

STATISTICS OF SHAREHOLDINGS

As at 8 March 2024

Number of Issued Shares	:	866,183,628
Number of Issued Shares (excluding Treasury Shares)	:	860,183,628 ordinary shares
Number/Percentage of Treasury Shares	:	6,000,000 (0.69%)
Number/Percentage of Subsidiary Holdings +	:	0 (0%)
Class of Shares	:	Ordinary Shares
Voting Rights (excluding Treasury Shares and Subsidiary Holdings)	:	1 vote per share

Based on information available to the Company as at 8 March 2024, 28.52% (1) of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual of SGX-ST is complied with.

Note: + Subsidiary Holdings is defined in the Listing Manual of SGX-ST to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.
(1) Percentage is calculated based on the total number of 860,183,628 issued shares excluding treasury shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	671	5.46	33,425	0.00
100 – 1,000	1,853	15.08	1,088,127	0.13
1,001 – 10,000	6,394	52.04	28,438,214	3.30
10,001 – 1,000,000	3,348	27.25	133,127,490	15.48
1,000,001 and above	21	0.17	697,496,372	81.09
Total	**12,287**	**100**	**860,183,628**	**100**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No.of Shares	%
1	China National Aviation Fuel Group Limited	441,332,912	51.31
2	BP Investments Asia Limited	173,476,942	20.17
3	DBS Nominees (Private) Limited	20,670,723	2.40
4	Citibank Nominees Singapore Pte Ltd	15,676,825	1.82
5	Raffles Nominees (Pte.) Limited	7,669,635	0.89
6	HSBC (Singapore) Nominees Pte Ltd	5,568,336	0.65
7	United Overseas Bank Nominees (Private) Limited	4,548,376	0.53
8	Lee Fook Choy	3,200,000	0.37
9	Phillip Securities Pte Ltd	3,089,887	0.36
10	UOB Kay Hian Private Limited	2,902,656	0.34
11	Maybank Securities Pte. Ltd.	2,887,967	0.34
12	OCBC Nominees Singapore Private Limited	2,839,259	0.33
13	OCBC Securities Private Limited	2,567,149	0.30
14	iFAST Financial Pte. Ltd.	2,304,527	0.27
15	BPSS Nominees Singapore (Pte.) Ltd.	1,511,578	0.18
16	Jack Investment Pte Ltd	1,302,400	0.15
17	Li Guomin @Li Guoming	1,298,800	0.15
18	Kang Hian Soon or Keh Siu Kim	1,240,000	0.14
19	ABN AMRO Clearing Bank N.V.	1,203,900	0.14
20	Lam Yew Chong	1,113,800	0.13
	Total	**696,405,672**	**80.97**

SUBSTANTIAL ORDINARY SHAREHOLDERS

(As shown in the Register of Substantial Shareholders as at 8 March 2024)

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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

As of 31 March 2024

Name of Director	Shi Yanliang	
Date of appointment	15 December 2023	
Date of last re-appointment (if applicable)	N.A.	
Age	52	
Country of principal residence	Singapore	
The Board's comments on this re-election/appointment	After reviewing the recommendation of the Nominating Committee and Mr Shi's qualifications and experience (as set out below), the Board has approved that Mr Shi stands for re-election as an executive, non-independent Director. Mr Shi will, upon re-election, continue to serve as the Executive Chairman of the Company.	
Whether appointment is executive, and if so, the area of responsibility	Executive	
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman	
Professional Qualifications	Master's Degree in Petroleum and Natural Gas Engineering, Yangtze University, China Qualified Engineer	

	Teo Ser Luck	Shi Lei	Hee Theng Fong
	24 April 2019	1 September 2021	24 April 2019
	27 April 2022	27 April 2022	27 April 2022
	55	59	69
	Singapore	China	Singapore
	After reviewing the recommendation of the Nominating Committee, and Mr Teo's qualifications and experience (as set out below), the Board has confirmed Mr Teo's independence and approved that Mr Teo stands for re-election as a non-executive and independent Director. Mr Teo will, upon re-election, continue to serve as Lead Independent Director, Chairman of the Audit Committee and Sustainability Committee. A member of the Nominating Committee and Risk Management Committee.	After reviewing the recommendation of the Nominating Committee and Mr Shi's qualifications and experience (as set out below), the Board has approved that Mr Shi stands for re-election as a non-executive and non-independent Director of the Company. Mr Shi will, upon re-election, continue to serve as Vice Chairman of the Nominating Committee, Vice Chairman of the Remuneration Committee and a member of the Risk Management Committee of the Company.	After reviewing the recommendation of the Nominating Committee and Mr Hee's qualifications and experience (as set out below), the Board has confirmed Mr Hee's independence and approved that Mr Hee stands for re-election as a non-executive and independent Director. Mr Hee will, upon re-election, continue to serve as Chairman of the Risk Management Committee and a member of the Audit Committee, Remuneration Committee and Sustainability Committee.
	Non-executive	Non-executive	Non-executive
	Non-executive and Lead Independent Director Chairman of Audit Committee Chairman of Sustainability Committee Member of Nominating Committee and Risk Management Committee	Non-Executive and Non-Independent Director Vice Chairman of Nominating Committee Vice Chairman of Remuneration Committee Member of Risk Management Committee	Non-executive and Independent Director Chairman of Risk Management Committee Member of Audit Committee, Remuneration Committee and Sustainability Committee
	Degree in Accountancy, Nanyang Technological University, Singapore	Radio-Electronics, School of Electronics, Shandong University Master of Business Administration, Shandong University Qualified Senior Engineer	L.L.B. (Honours), National University of Singapore Diploma in PRC Law, Suzhou University

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

As of 31 March 2024

Name of Director	Shi Yanliang
Working experience and occupation(s) during the past 10 years	March 2023 to Present Chairman China National Aviation Petrochemicals Pipeline Co., Ltd December 2018 to March 2023 General Manager China National Aviation Petrochemicals Pipeline Co., Ltd August 2013 to September 2015 Executive Director China Aviation Oil Import and Export Co., Ltd
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Executive Chairman of the Company
Conflict of interest (including any competing business)	No
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7))	Yes

	Teo Ser Luck	Shi Lei	Hee Theng Fong
	2017 to Present Chairman of BRC Asia Limited Deputy Chairman of Serial System Ltd Independent Director of Straco Corporation Limited Independent Director of Yanlord Land Group Limited Independent Director of Super Hi International Holding Ltd 2017 to 2020 Lead Independent Director of United Engineers Ltd 2006 to 2020 Singapore Member of Parliament 2006 to 2022 Minister of State for Trade and Industry Senior Parliamentary Secretary in the Ministry of Transport and Ministry of Community Development, Youth and Sports Minister of State for Manpower Mayor of the North East District	June 2019 to Present Assistant to General Manager of China National Aviation Fuel Group Limited and General Manager of Human Resource Department of China National Aviation Fuel Group Limited November 2016 to Present General Manager, Human Resource Department China National Aviation Fuel Group Limited April 2011 to November 2016 General Manager of China National Aviation Fuel Corporation Ltd, Northwest Branch Company	February 2023 to Present Independent Arbitrator and Mediator with The Arbitration Chambers January 2014 to February 2023 Harry Elias Partnership LLP (formerly known as Eversheds Harry Elias LLP) – Consultant May 2011 to June 2014 RHTLaw Taylor Wessing LLP – Senior Partner
	No	No	No
	No	Assistant to General Manager/ General Manager of Human Resource Department of China National Aviation Fuel Group Limited, the parent company of the Company	No
	No	No	No
	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

As of 31 March 2024

Name of Director	Shi Yanliang	
Other Principal Commitments* including Directorships# * "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018		
Past (for the last 5 years)	March 2023 to Present Chairman China National Aviation Petrochemicals Pipeline Co., Ltd December 2018 to March 2023 General Manager China National Aviation Petrochemicals Pipeline Co., Ltd	
Present	Executive Chairman of the Company **Other Principal Directorships** Chairman of China National Aviation Petrochemicals Pipeline Co., Ltd	
Information required Disclose the following matters concerning an appointment of director		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	
(c) Whether there is any unsatisfied judgement against him?	No	
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty, which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	

	Teo Ser Luck	Shi Lei	Hee Theng Fong
	Lead Independent Director of United Engineers Limited Lead Independent Director of MindChamps PreSchool Limited	Nil	Consultant of Harry Elias Partnership LLP Independent Director Zheneng Jinjiang Environment Holding Company Limited Independent Director of Tye Soon Limited Independent Director of APAC Realty Limited
	Other Listed Companies BRC Asia Limited (Chairman) Serial System Ltd (Deputy Chairman) Straco Corporation Limited (Independent Director) Yanlord Land Group Limited (Independent Director) Super Hi International Holding Ltd. (Independent Director) **Other Principal Commitments** President of the Institute of Singapore Chartered Accountants (ISCA)	**Other Principal Directorships** China National Aviation Fuel Corporation Limited (Director) **Other Principal Commitments** Assistant to General Manager, China National Aviation Fuel Group Limited General Manager, Human Resource Department, China National Aviation Fuel Group Limited	**Other Listed Companies** Straco Corporation Limited (Independent Director) Yanlord Land Group Limited (Independent Director) Haidilao International Holding Ltd (Independent Director) H World Group Limited (Independent Director) **Other Principal Directorships** Green Link Digital Bank Pte. Ltd. (Director) **Other Principal Commitments** Independent Arbitrator and Mediator with The Arbitration Chambers
	No	No	No
	No	No	No
	No	No	No
	No	No	No
	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

As of 31 March 2024

Name of Director	Shi Yanliang	
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misinterpretation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust?	No	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	

	Teo Ser Luck	Shi Lei	Hee Theng Fong
	No	No	No
	No	No	No
	No	No	No
	No	No	No
	No	No	No
	No	No	No
	No	No	No
	No	No	No
	No	No	No

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

A subsidiary of China National Aviation Fuel Group Limited
中国航空油料集团有限公司子公司

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