



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 Corporation
中国航空油料集团公司子公司

坚韧
奋进

GROWTH STRENGTH RESILIENCE

Summary Report 2015

2015 年年报概要

Fuel for future 为明天加油

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CAO's Annual Report 2015 aims to give readers an account of the Group's integrated approach to value creation and sustainability development. Our report provides an overview of key activities, events and results in 2015, together with commentary on the Group's performance in the year and our priorities as we move forward to realise our strategic vision.

Financial Highlights

业绩亮点



GROWTH STRENGTH RESILIENCE

坚韧奋进

Strongly-rooted, upright, fast-growing, resilient. Bamboos are a picture of vitality and solidity, making them a valuable and widely-used perennial evergreen plant variety in many regions and cultures.

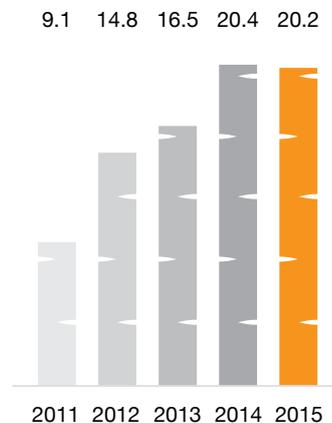
Emerging from the ground in full diameter, with a new shoot growing vertically until the whole stem reaches its full height, it then branches out, hardens, and strengthens further. Withstanding strong winds, it graciously bends and then vigorously goes back to its upright position, nimble yet not losing its ground.

These same qualities have been exhibited by China Aviation Oil over the years. A balance of adaptability and durability that enables the Group to stand and grow steadily as evidenced by its strong performance despite the harsh market conditions in 2015.

Total Supply and Trading Volume (million tonnes)

总业务量(百万吨)

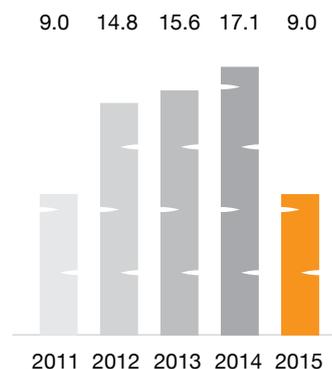
20.2
million tonnes



Revenue (US\$ billion)

营业额(十亿美元)

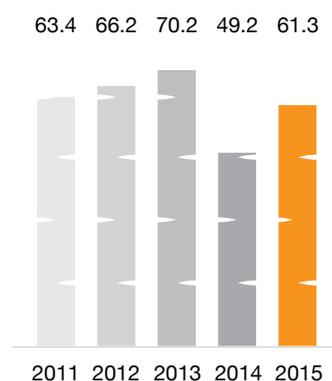
US\$9.0
billion



Net Profit (US\$ million)

净利润(百万美元)

US\$61.3
million



Return on Equity
净资产回报率

10.7%

Return on Assets
资产回报率

5.7%

Net Asset Value/Share
每股净资产值(美分)

US68.90¢

International Reach

国际触角



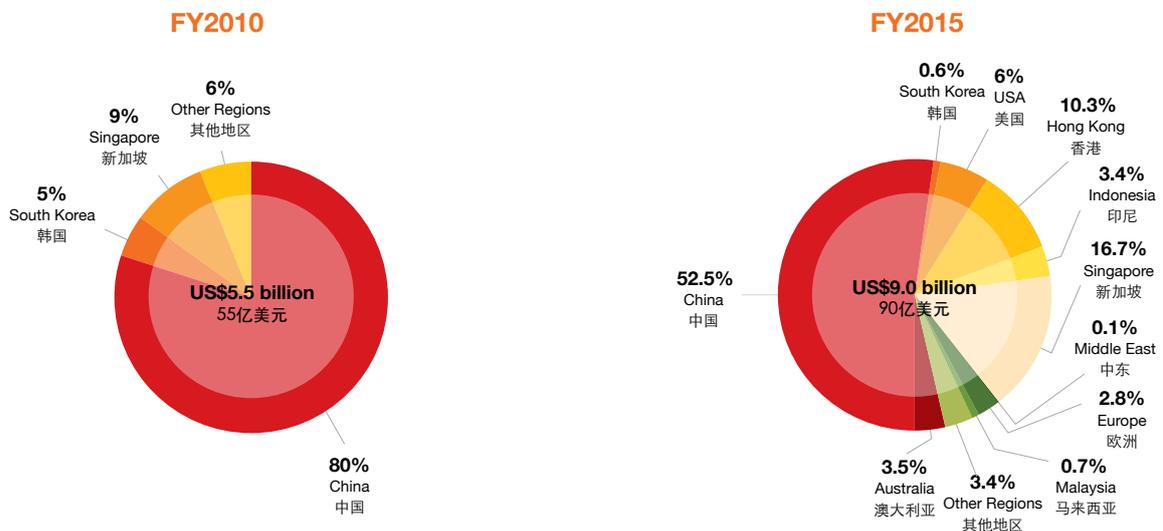
CAO Headquarter & Subsidiaries
CAO 总部及其子公司



Supply & Trading Network
供应与贸易网络

Diversified Geographic Base

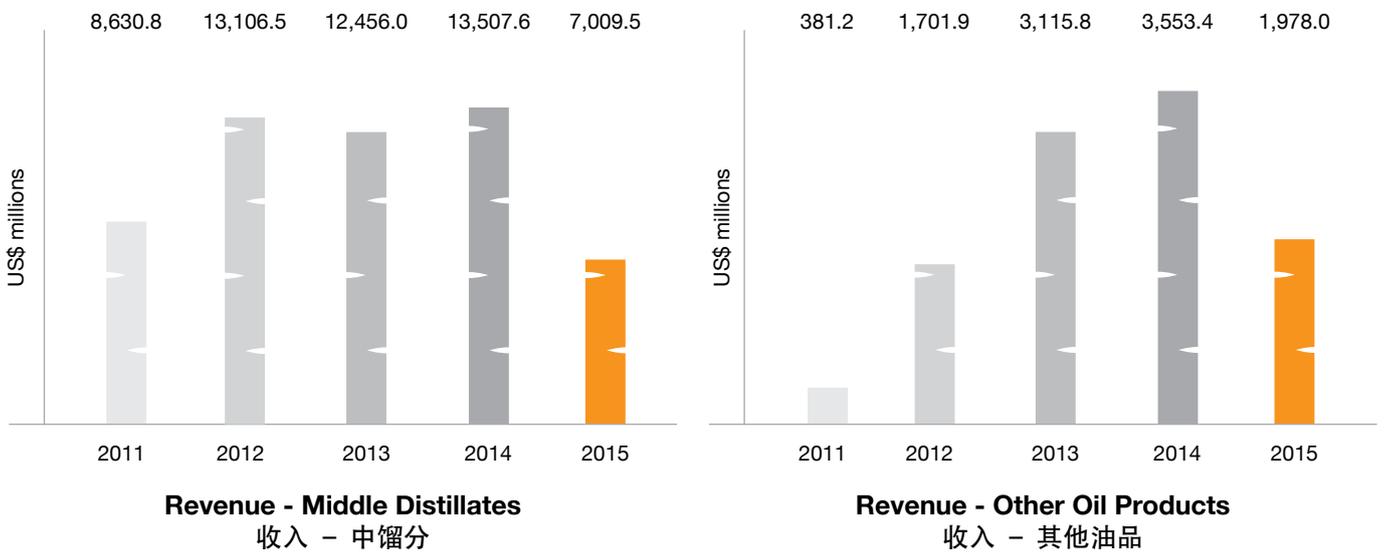
地理多元化



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



Diversified Product Base
产品多元化



Sustainable Business Model

可持续的业务模式

OUR VISION

To be a constantly innovating **global** top-tier **integrated transportation fuels** provider.

We procure internationally and deliver cargoes to customers globally.

我们在全球范围内采购货物，交付至不同区域客户的手中。

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.

CAO 致力于供应与贸易一体化，利用不断扩大的业务规模和市场占有率，加强集团的盈利能力。

Secure Resources
锁定资源

Optimise Logistics
优化物流

Storage
储罐

Enhancing Integrated Supply Chain
through Oil-related Asset Investments
通过实业投资强化一体化供应链



• Xinyuan
新源公司

• OKYC
韩国丽水枢纽油库有限公司

愿景

成为富有创新精神的**全球**一流
运输燃料**一体化**方案提供商



Create Demand 创造需求

Pipelines
管线

Airport Refuelling Facilities
机场加注设施



TSN - PEKCL
管输公司

• SPIA
浦东航油

• CNAF HKR
中国航油香港供油有限公司

Chairman's Statement

Dear Shareholders,

I am deeply honoured to be appointed Chairman and Director of the CAO Group with effect from 11 August 2015, following the retirement of Mr Sun Li as Chairman of CNAF.

The cumulative efforts of CAO's Board of Directors, past and present, its management team and all staff of CAO, have honed CAO into the international corporation that it is today. Collectively, we have realised the internationalisation of CAO, building the Group's integrated value chain which today spans across the Asia Pacific, Europe and USA. With the support of its shareholders, Board of Directors and the management, CAO has also resolved major issues from the past, leading CAO to the forefront of development as a Singapore-listed company. Today, CAO supplies to more than 30 international airports outside mainland China and is the largest physical trader of jet fuel in Asia Pacific.

In recent years, CAO has gained several corporate honours such as the Singapore International 100 ranking in 2014 and 2015, achieving No 3 ranking in Overseas Turnover Excellence; winning Securities Investors Association Singapore's ("SIAS") "Most Transparent Company" award for six consecutive years and more recently in 2015, winning Best Investor Relations (Gold) at Singapore Corporate Awards. CAO has also been named as one of the most valuable companies in the world in the Forbes Global 2000 ranking for three consecutive years. These many achievements of CAO were the outcome of management's dedication, effective control and operational effectiveness as well as the hard work of all employees led by CEO Mr Meng Fanqiu.

CAO's increasingly solid corporate standing further attests to the support its parent company CNAF and strategic partner BP had put in to hone management expertise and leadership to spearhead, optimise and strengthen the Group's strategy and core competencies. Today, CAO boasts a strong balance sheet, robust enterprise risk management processes, a strong management team and heightened corporate governance practices which set the foundation for its sustainable growth going forward. These key corporate strengths developed over the years have heightened the Group's resilience to overcome the challenges ahead as our industry goes through difficult times and are the very building blocks which will ensure the continued success of CAO even as the Group becomes more proactive in creating value for itself as well as its stakeholders, ready to seize any opportunities that may arise and invest prudently, to take CAO to the next level.

2015 PERFORMANCE

Despite 2015 being a tumultuous year for the oil industry as a whole, CAO's performance in 2015 was creditable as the Group navigated across the dramatic changes of the global oil market structure during the year, and took advantage of market trends. In 2015, the Group continued to progress on the back of its global expansion strategy and while revenues declined from a year ago as a result of the depressed oil prices, profitability grew 24.7% over 2014.

The macroeconomic environment in 2015 was extremely challenging with increased turbulence in global oil markets causing the oil trading environment to be very difficult. The Group swiftly responded to the changing oil market dynamics by fine-tuning its strategy, adjusted its business structure and focused on its core jet fuel supply and trading business. Total revenue of the Group for the 12 months ended 31 December 2015 ("FY2015") was US\$9.0 billion, a decrease of 47.4% from a year ago due to the depressed oil prices even as total supply and trading volumes for jet fuel and other oil products remained relatively stable at 20.2 million tonnes for the year. Net profit attributable to shareholders grew 24.7% from FY2014 to US\$61.3 million. Earnings per share were 7.12 US cents for FY2015 with a return on equity of 10.7% compared to 5.72 US cents and a return on equity of 9.1% a year ago.

DIVIDEND POLICY

In November 2015, the Board approved the adoption of a dividend policy based on a growth-based dividend payout formula in keeping with its corporate objective to enhance returns to shareholders. With effect from financial year 2015, CAO will declare dividends comprising 30% of CAO's annual consolidated net profits attributable to shareholders (one-tier, tax exempt) for each financial year, rounded to the nearest Singapore cent as part of CAO's commitment to allow shareholders to participate in its growth and enhance shareholder value. Given the financial results achieved for FY2015, the Board of Directors has therefore recommended that shareholders receive a first and final (one-tier, tax exempt) dividend of S\$0.03 per share, compared to FY2014 dividend of S\$0.02 per share.

OUTLOOK

CAO's competitive advantage in the Chinese civil aviation market is deeply entrenched and bodes us well. While China's economic growth may be growing at a slower pace, its civil aviation industry is expected to



LIN WANLI
Chairman

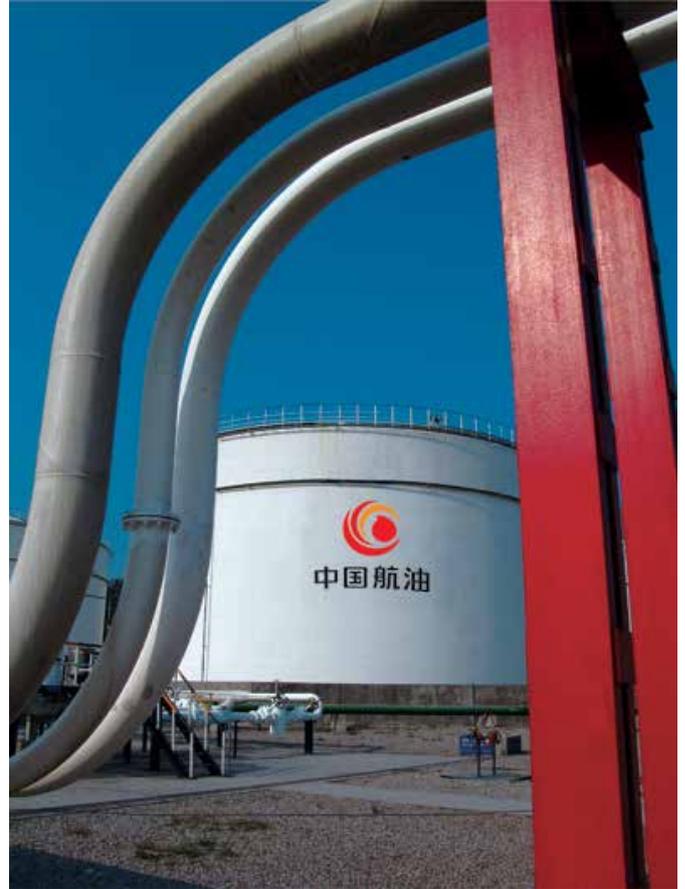
林万里
董事长

Chairman's Statement

continue its rapid growth momentum through to 2030, with total turnover projected to reach 170 billion tonne-kilometres by 2020 according to industry sources. Air passenger throughput in the PRC reached 400 million in 2015, an increase of about 11% year-on-year whilst total air transportation turnover volume for the same period reached 77.7 billion tonne-kilometres, an increase of 13.7% over 2014. China is set to be the world's largest civil aviation market by the 2030s and this burgeoning demand for jet fuel in China coupled with the dominant position of CAO's parent company, CNAF, in the Chinese civil aviation market will ensure that CAO's jet fuel business remains a key component of our Group's growth trajectory.

Apart from the organic growth of our business in China, the Group's global supply and trading network comprising CAOHK, NAFCO, CAOE and the Group's associate companies across China and South Korea further strengthens CAO's market positioning as a leading jet fuel supplier and trader globally, on top of being the sole importer of jet fuel into China. This international network is the platform for CAO's expanded growth. CAO has leveraged on its parent company's competitive strengths in China to expand its international business outside of mainland China through its internationalisation and diversification strategies. These efforts have yielded commendable results for to date, the proportion of revenue from outside mainland China contributes 47.5% of the Group's revenue compared to 20% in 2010.

As the PRC embarks on its development strategy of "One Belt, One Road", connectivity and cooperation among countries will see the development of infrastructure projects such as roads, railways, ports and airports across the Silk Road Economic Belt and the 21st Century Maritime Silk Road which together spans across three continents in Eurasia. CAO is well positioned to capture the impending opportunities and maintain a leading position in Asia Pacific through these new markets. By leveraging the consolidated scale of its international supply and trading network, CAO will also be able to increase its supply locations and volumes through partnership with airlines which will be supported by the burgeoning growth of the aviation industry in these emerging markets. At the same time, as the sole importer of jet fuel to the PRC, CAO has an important role to fulfil for the world's second largest aviation market which today consumes some 23.6 million metric tonnes of jet fuel annually. Jet fuel consumption in the PRC is set to sustain its double-digit growth and hit 39 million tonnes by 2020. This strong growth in the PRC aviation market is further expected to continue over the next two decades and will continue to augment CAO's business. Chinese



Oil storage facilities at CNAF
CNAF 储罐设施

passenger traffic has more than quadrupled over the last 10 years and by the 2030s, the Chinese market is set to be the world's largest in terms of both domestic and outbound passenger traffic. With presence in more international airports outside China today, the Group is poised to benefit from this impending growth as well.

BUILT ON FIRM FOUNDATIONS

Corporate Governance has been the cornerstone of CAO's foundation and as the Group continues to globalise its operations, becomes ever more critical in its strategic and investment decisions. Having implemented and put in place robust risk management systems and internal control processes incorporating the key principles of corporate governance across all its global platforms, the trying business climate this past year only validates the importance of robust risk management and corporate governance practices across the Group. As the realities of the world economy unfold, the Group will grow its business buttressed by the necessary financial resources to meet the challenges ahead and be strengthened in the process. Indeed, the Group



*Into-plane refuelling services at a PRC airport
在中国机场的航油加注服务*

is in good stead to continue its international business agenda in line with China's development strategy of "One Belt, One Road", riding on its firm foundations of sound corporate governance, robust risk management and a long-term corporate strategy. These business strategies, together with our deeply ingrained values of fairness, integrity, innovation and transparency, are the foundation to realise our vision to be an innovative, global top-tier, integrated transportation fuels provider.

ACKNOWLEDGEMENTS AND APPRECIATION

Even as 2016 looks increasingly set to be a year of subdued demand and lacklustre prospects, I am confident that CAO, led by its strong management team and armed with its robust balance sheet and sound principles of corporate governance, will successfully navigate through these tumultuous times. Today, CAO has grown into a multi-national enterprise with a multi-talented team less than 10 years after the Group's restructuring. Together with the support of CNAF, our parent company and majority shareholder, CAO management team is ready to bring CAO to the next level as a reputable international oil supplier and trader with an integrated value chain.

As I take over the helm from Mr Sun Li, I will endeavour to continue his good works and seek even greater development and success for CAO, furthering the Group's globalisation strategy. It is my wish to see the staff and management of CAO implement the strategic plans of the Board, further improve management capabilities, effective risk management, and achieve

sustainable growth. CAO is CNAF's platform for international growth which will be even more prevalent as CNAF embarks on China's development strategy of "One Belt, One Road". I would also like to express my heartfelt and sincere thanks to Mr Sun Li, CAO Board of Directors and all CAO employees for their efforts and contributions over the years!

As we march onward to shape CAO's future with the combined efforts of all at CAO, under the leadership of its Board of Directors, I am confident that CAO will achieve even greater success as a global leading transportation fuels supply and trading company, fulfilling its role as the international arm of CNAF and playing a significant part in the growth and development of CNAF as well.

On behalf of the Board and management, I wish to express my appreciation to all shareholders, business partners, investors and other stakeholders for your continued support and confidence in CAO as well as to the government agencies in China and Singapore for their counsel and guidance. With your continued support, I am confident that CAO will transform into a truly international enterprise and realise its 2020 vision to become a constantly innovating global top-tier integrated transportation fuels provider.

LIN WANLI
Chairman

董事长致辞

各位股东，

2015年8月11日起，我接替孙立先生，担任CAO集团董事长和董事，对此我深表荣幸。

CAO今日得以成为国际化企业要归功于CAO往届及本届董事会、管理层和全体员工的努力。我们携手初步实现了CAO的全球化发展，努力打造覆盖亚太、欧洲和美国的一体化价值链。在股东的支持下，CAO董事会和管理层一同解决了重大历史遗留问题，将CAO打造成为新加坡领先的上市企业。如今，CAO供应中国大陆以外超过30个国际机场，是亚太区最大的航油实货贸易商。

近些年来，CAO获得了多个荣誉奖项，如2014年入榜新加坡100家国际企业，2015年即成为该榜单排名第3的公司；连续六年获得新加坡证券投资者协会“最透明公司奖”，2015年更是获得新加坡企业奖的“最佳投资者关系”金奖，并连续3年跻身“福布斯上市公司2000强”。CAO获得的这些认可来源于管理层的付出、有效的控制、高效运营，以及在首席执行官孟繁秋先生领导下的所有员工的辛勤工作。

CAO声誉的提高，证明了在母公司中国航空油料集团公司和大股东BP给予的支持下，管理层磨砺经验和领导力，带领员工优化、强化CAO的战略和核心竞争力。如今的CAO有着健康的资产负债表、稳健的企业风险管理框架、经验丰富的管理团队和高水准的公司治理实践，这些都为未来的可持续发展打下良好基础。这些年打造的核心优势使得公司可以更灵活应对行业困境，保持行业领先地位。集团也积极为自身和相关各方创造价值，把握有利时机，进行明智投资，取得跨越式发展。

2015年经营业绩

虽然2015年油品行业不甚乐观，但CAO顺利应对全球油品市场结构的重大变化，成功把握了市场走势，财务业绩可圈可点。2015年，CAO在全球业务拓展战略的指导下继续发展，虽然由于油价走弱，收入同比有所降低，但利润同比增长24.7%。

2015年的宏观经济环境挑战重重，油品市场波动增加，油品贸易尤其艰难。面对油品市场的变化，集团反应迅速，完善策略，进行业务结构调整，强化核心主业——航油供应与贸易业务。截止2015年12月31日的2015财年（“2015财年”），由于油价持续低迷，尽管航油和其他油品供应与贸易量稳定保持在2020万吨，但集团收入同比降低47.4%至90亿美元。可分配给股东的净利润同比增长24.7%至6130万美元。2015财年每股盈利为7.12美分，净资产回报率为10.7%，2014财年每股盈利为5.72美分，净资产回报率为9.1%。

股息政策

2015年11月，董事会批准了与增长挂钩的股息政策，提高股东回报。从2015年起，CAO会将年度合并净利润的30%作为股息派发(单层免税，四舍五入至0.01新元)，让股东参与CAO的成长，增强股东价值。基于2015财年的业绩，董事会提议向股东发放每股0.03新元股息(2014年股息为每股0.02新元)。



CAO was awarded “Most Transparent Company” (Runner-up in Oil & Gas Category) at SIAS Investors’ Choice Award 2015
CAO获颁2015年SIAS投资者选择奖“最透明企业”（油气组别第二名）



Into-plane refuelling at a Chinese airport
在中国机场加注航油

展望

CAO在中国民航市场的竞争优势根深蒂固，为CAO的发展带来有利条件。虽然中国经济增速可能在放缓，但预计民航业会继续保持增长势头直到2030年，总周转量预计将在2020年达到1700亿吨公里。2015年中国客运吞吐量达到4亿人次，同比增加约11%；航空运输周转量达到777亿吨公里，同比增加13.7%。中国预计会在2030年前成为世界最大的民航市场，中国对航油的旺盛需求以及CNAF（CAO的母公司）在中国民航市场的主导性地位决定了CAO的核心发展板块是航油业务。

除了在中国的自然增长，集团全球供应与贸易网络(包括香港公司、北美公司、欧洲公司和CAO在中国及韩国的联营公司)进一步加强了CAO的市场地位，即领先的全球航油供应与贸易商，中国独家航油进口商；CAO依托全球网络拓展业务，利用在中国的竞争优势拓展中国以外的全球业务，以及通过全球化和多元化战略，寻找中国地区以外的增长点。在这方面，公司已经取得了喜人的成绩，截至今日中国以外的收入占集团总收入的47.5%，而2010年这一数字仅为20%。

随着中国政府“一带一路”发展战略的制定，国家间的连接和合作将日益密切，尤其是基础设施项目，如道路、铁路、港口和机场项目。丝绸之路经济带和21世纪海上丝绸之路覆盖欧亚非大陆三大洲。CAO有能力把握机遇，通过开拓新市场，保持在亚太区的领先地位。这些新兴市场民航业发展蓬勃，CAO可以借助全球供应与贸易网络，通过与航空公司的合作，增加供应点和供应量。同时，中国如今是世界第二大航空市场，航油消耗量为每年2360万吨，作为中国唯一航油进口商，CAO责任重大。预计中国将在2020年前保持双位数增速，并在2020年达到3900万吨。未来20年，预计中国民航业都将保持强劲增长，这对CAO的发展是一个利好消息。中国客运市场在过去10年翻了四倍多，中国将在2030年前成

为世界最大的国内及国际客运市场。CAO在中国以外有更多的全球机场供应点，也会极大受益于这部分增长。

稳中求进

公司治理是CAO发展的基础，随着集团业务全球化发展，公司治理在CAO的战略和投资决策中起着尤为重要的作用。公司制定实施了稳健的风险管理系统和内控流程，在各区域的运作平台上秉持高标准的公司治理，去年颇具挑战的商业环境更证明了公司治理和风险管理的重要性。随着全球经济的持续发展，集团会坚持稳扎稳打，储备足够资本应对挑战。集团会响应中国“一带一路”发展战略，继续打造全球业务，而高水准的公司治理、稳健的风险管理和严格的公司战略将会是进一步发展的基础和保障。这些可持续的发展战略是公司发展的支柱，将与公司“公平、诚信、创新和透明”的价值观一同，继续支持我们实现愿景，即成为具有创新精神的全球一流的运输燃料一体化方案供应商。

致意与感谢

虽然2016年的油品需求和行业前景不甚乐观，但我有信心，在优秀的管理团队的带领下，凭借健康的资产负债表和严格的公司治理，CAO一定会成功渡过难关。重组完成十年后的CAO已经成长为拥有多领域专业团队的跨国企业。在母公司及大股东CNAF的支持下，新加坡管理团队将带领CAO发展为一体化产业链的国际知名的油品供应与贸易商。

从孙立先生手中接棒后，我会竭尽所能，为CAO带来更大的发展，深化执行集团的全球化战略。我希望看到CAO的员工和管理层继续实施董事会的战略计划，加强管理能力，进一步提高公司治理，获得更大的发展。CAO是CNAF全球发展的平台，随着CNAF执行中国“一带一路”发展战略，CAO的重要地位会更加凸显。我衷心感谢孙立先生、CAO董事会和所有CAO员工这些年来的努力和贡献！

我相信在董事会的领导下，我们会齐心协力，创造更好的成绩，CAO将成为全球领先的运输燃料供应与贸易公司，发挥CNAF海外发展平台的作用，为CNAF的发展做出显著贡献。我代表董事会和管理层，感谢所有股东、商业伙伴、投资者和其他相关方的持续支持和对CAO的信心，感谢中新两国政府机构的指导。在各方的支持下，我相信CAO会成为一家真正的国际化企业，实现2020年愿景，成为具有创新精神的全球一流运输燃料一体化方案提供商。

林万里
董事长

Board of Directors

董事会





SEATED FROM LEFT
前排左至右

Wang Kai Yuen
王家園

Lin Wanli
林万里

Meng Fanqiu
孟繁秋

STANDING FROM LEFT
后排左至右

Luo Qun
罗群

Felipe Arbelaez

Li Runsheng
李润生

Bella Young
楊必麗

Zhao Shousen
赵寿森

Ang Swee Tian
汪瑞典

Chief Executive Officer's Strategic Report

A Message from Meng Fanqiu

Dear Shareholders,

In 2015, the Company faced unprecedented challenges as a result of increased uncertainty over a recovery in the global economy. China's slower rate of growth had a significant impact on the macroeconomic environment, further exacerbating the oversupply situation in global oil markets as demand in the world's largest consumer market slowed. Coupled with geopolitical uncertainties, regional wars, armed conflicts and terrorism as well as other macroeconomic factors, this led to increased volatility in global oil markets and oil prices fell sharply to hit its lowest since 2004 during the year.

GROWTH

Faced with a difficult external environment and the collapse in oil prices reflecting the weak state of demand in the world economy, the Group responded swiftly to the changing market dynamics and fine-tuned its business strategies, leveraging on its core competencies in jet fuel supply and trading as well as its global supply and trading network. To mitigate the difficult operating environment, CAO adjusted its business plans and adopted a cautious trading strategy as well as suspended its petrochemical business even as the Group continued to work at developing structural advantages in its fuel oil business. With the combined teamwork and perseverance of all employees, CAO achieved commendable operating results and FY2015 net profit grew 24.7% to US\$61.3 million, reflecting the Group's single-minded focus to excel despite the times.

Due to the low oil prices, total revenue of the Group for FY2015 was US\$9.0 billion, a decrease of 47.4% from a year ago even as total supply and trading volumes for jet fuel and other oil products remained relatively stable

FY2015

Net Profit

US\$61.3m

Return on Equity

10.7%

at 20.2 million tonnes for the year. Earnings per share were 7.12 US cents for FY2015 with a return on equity of 10.7% compared to 5.72 US cents and a return on equity of 9.1% a year ago.

Despite the challenges in 2015, the Group continued to grow and expand its global supply and trading network as well as integrated value chain. Validating the improved efficacy and operational effectiveness of CAO's integrated global supply chain, CAO together with its subsidiaries NAFCO and CAO E collectively ran independent supply shipments from Asia to North America, successfully paving a smooth physical supply channel across the continents. This was a historic breakthrough for CAO's integrated business model; validating the Group's integrated value chain which today spans Asia, the United States and Europe.

STRENGTHENED

Indeed, CAO's globalisation strategy made historic breakthroughs in 2015, as seen in the Group's maiden independent cargoes from Asia to North America; the commencement of our operations in Hong Kong as Hong Kong International Airport's ("HKIA") third licensed refueller as well as the Group's progress in avgas and aviation marketing. Supplying to 38 international airports outside mainland China today, our aviation marketing business volumes has increased 32% with an enlarged customer base which includes reputable international airlines such as Emirates and Lufthansa in addition to the three major Chinese airlines. CAO is on track in the establishment of its brand name internationally as a specialised jet fuel company.

We have also significantly rebuilt the reputation of CAO to be a Company of sound corporate standing and repute amongst listed companies in Singapore. In terms of accolades, 2015 saw the Group being ranked as one of the most valuable companies in the world in the Forbes Global 2000 for the third consecutive year. In July 2015, CAO was awarded Best Investor Relations (Gold) at the Singapore Corporate Awards 2015, the only Chinese state-owned enterprise to have won the award since the commencement of the award 10 years ago. Also, CAO ranked 34th in the 100 Asian Corporate Governance Excellence Award, making CAO the top-ranking Chinese company listed on the Singapore Exchange in 2015 and in October 2015, CAO was awarded the "Most Transparent Company" by SIAS for the sixth consecutive year.



MENG FANQIU
*Chief Executive Officer/
Executive Director*

孟繁秋
首席执行官/执行董事

Chief Executive Officer's Strategic Report

A Message from Meng Fanqiu

RESILIENCE

Over the years, as CAO's good name continues to ascend, the Group has made significant progress in corporate standing which further attests to the support its parent company CNAF and strategic partner BP had put in to hone management expertise and leadership to spearhead, optimise and strengthen the Group's strategy and core competencies. Today, CAO boasts a strong balance sheet, robust enterprise risk management processes, a strong management team and heightened corporate governance practices which sets the foundation for its sustainable growth going forward. These key corporate strengths developed over the years have heightened the Group's resilience to overcome the challenges ahead as our industry goes through difficult times and are the very building blocks which will ensure the continued success of CAO even as the Group becomes more proactive in creating value for itself as well as its stakeholders, ready to seize any opportunities that may arise and invest prudently, to take CAO to the next level.

With the ongoing macroeconomic uncertainty, 2016 looks set to be a difficult year as global economies continue to be saddled with downside risks such as an oversupply of oil, depressed oil prices, volatilities in financial markets and geopolitical uncertainties. We therefore expect the oil trading environment to continue to be challenging in the year ahead; for which our efforts to shore up our resilience these past years will bode us well as we continue to seize growth opportunities for sustainable development.

Opportunities Amid the Headwinds

Whilst the global economy remains uncertain, the civil aviation industry bears huge potential for growth and development. China's economy will maintain growth rates of 6.5% to 7% and China's civil aviation industry is set to continue to maintain its double-digit growth rates. Regional imbalance in the oil markets will continue to create trade opportunities for CAO and structural changes in the oil industry will provide merger and acquisition opportunities.

One Belt, One Road

China's development strategy of "One Belt, One Road" has brought CAO new opportunities for development, which will also be supported by the burgeoning growth of the aviation industry in the resultant emerging markets. As a Singapore-listed entity with deeply entrenched Chinese state-owned enterprise parentage, CAO is poised to be at the forefront of China's "One Belt, One Road" development strategy. In line with its globalisation strategy, the Group will enter into new airports along the "One Belt, One Road" itineraries and continue to increase its supply locations and business volumes whilst seizing opportunities to invest in assets synergistic to its jet fuel supply and trading business. The Group is therefore set to capture the impending opportunities in the global arena and maintain a leading position through penetrating new markets.



CAO ranked 3rd in 2015 Singapore International 100 Ranking in Overseas Sales/Turnover Excellence category

CAO跻身“2015新加坡国际100强”（企业海外销售额/营业额），名列第三



CAO was awarded Best Investor Relations (Gold) at Singapore Corporate Awards 2015
CAO 获颁2015年新加坡企业大奖的“最佳投资者关系”金奖

APPRECIATION

Indeed, 2016 is set to be a key development milestone for CAO. Notwithstanding the difficult operating environment, with the lower oil prices, under the ambit of CAO's 2020 strategy, the Group will further fine-tune and adjust its strategic plans in line with market dynamics to strengthen its strategic initiatives as the sole importer of jet fuel into China. We see opportunities to further realise values through the Group's integrated global supply chain. The Group will continue to focus on building a global jet fuel supply and trading network so as to expand and grow its jet fuel supply and trading business globally, including expanding its aviation marketing business into more airports outside mainland China. With prudent risk management practices and controls, the Group will also continue to pursue its diversification strategies in other oil products, particularly in building structural advantages for its fuel oil business in line with market trends.

The Group will focus on pursuing its long-term strategy to ensure a steady and sustainable growth trajectory and procure the stable development of its businesses going forward while actively seeking opportunities to expand its investments in synergetic and strategic oil-related assets, with synergetic businesses to grow exponentially by way of mergers and acquisitions even as we continue to work single-mindedly toward the fulfillment of the Group's vision, mission and strategic objectives to be a constantly innovating global top-tier integrated transportation fuels provider.

On behalf of the management team and all CAO employees, I wish to thank our parent company, CNAF, and major shareholder BP, for their continuous support. I would also like to thank all our shareholders for their understanding and support.

I would also like to express my gratitude to our sister company, China National Aviation Fuel Corporation Ltd, our suppliers, trading counterparties, aviation clients, ship owners and other business partners for their support. We look forward to more mutually beneficial and deeper cooperation in the future.

A sincere thank you to our associated companies - SPIA, TSN-PEKCL, Xinyuan and OKYC. I would also like to thank all employees at CAO and its subsidiaries as well as CNAF HKR. CAO would not have overcome the numerous challenges we faced nor rebuilt itself if not for your commitment and perseverance through the years.

Lastly, my appreciation to all other stakeholders for their support. We look forward to your continued support in the future. I am excited over our prospects and firmly believe that with the continued support of our shareholders under the sterling leadership of our Board of Directors, if we all work together with persistence and resilience amid challenging times, we are poised to seize opportunities and achieve robust development and together bring CAO to a new level of growth!

MENG FANQIU

Chief Executive Officer/Executive Director

首席执行官战略报告

孟繁秋致辞

尊敬的各位股东，

2015年，全球经济复苏不确定性加剧，公司面临前所未有的挑战。作为全球最大的消费市场，中国经济放缓对全球经济产生重大影响，油品供应过剩的情况日益严重。伴随地缘政治的不确定性、区域战争、武装冲突和恐怖主义以及其他宏观经济因素，全球油品市场波动增加，油价也在2015年狂跌至2004年以来的最低点。

发展稳中求进

面对恶劣的外部环境、狂跌的油价和疲软的全球需求，集团反应迅速，完善业务战略，确定了以航油供应和贸易业务为核心优势，继续打造全球供应与贸易网络。为了应对艰难的运营环境，CAO调整了业务计划，采取了谨慎的贸易战略，暂停化工品业务，同时继续打造燃料油业务的结构性优势。在全体员工的共同努力下，CAO在2015年迎难而上，取得了不俗的成绩，净利润增长24.7%至6130万美元。

由于油价低迷，2015年集团收入同比下滑47.4%至90亿美元，但航油和其他油品供应与贸易总量保持在相对稳定的2020万吨。2015年每股盈利是7.12美分，净资产收益率为10.7%。2014年每股盈利是5.72美分，净资产收益率为9.1%。

尽管2015年遇到种种挑战，集团继续拓展全球供应与贸易网络和一体化供应链。CAO与北美子公司和欧洲子公司一起，将亚洲货物自主运作运往北美销售，证明了全球一体化供应链的有效性和运营效率。这对CAO的全球业务有重大意义，覆盖亚洲、美国和欧洲的一体化价值链彰显成效。

声誉显著提高

CAO的全球化战略在2015年取得了历史性的突破。除了首次打通亚洲到北美的货物运输渠道，我们也拿到香港国际机场第三张加注牌照，并开始运营。我们在中国海外供油的机场已经达到38个，业务量同比增加32%。阿联酋航空、汉莎航空等世界知名航空公司都成为我们的航空客户。CAO作为专业航油公司的海外品牌已经逐渐确立。

CAO的公司形象也得到显著改善，成为一家有着良好声誉的新加坡上市公司。2015年集团连续第三年位列福布斯2000强公司榜单，代表CAO被列为世界最有价值公司之一。2015年7月，CAO获得新加坡企业大奖“最佳投资者关系”金奖，也是该奖项设立十年以来获得该奖项的唯一一家中国国企。除此之外，CAO在亚洲公司治理卓越奖中排名第34，也是2015年新交所上市公



CNAF's into-plane refuelling services at a PRC airport
CNAF在中国机场的航油加注服务

2015 财年

净利润 **6130万美元**

净资产收益率 **10.7%**

司中排名第一的中国公司。2015年10月，CAO连续第六年获得新加坡证券投资者协会颁发的“最透明公司”奖。

机敏应对环境

这些年，CAO的声誉不断加强，证明了在母公司CNAF和战略伙伴BP的支持下，管理层磨砺经验和领导力，带领员工优化、强化CAO集团的战略和核心竞争力。如今的CAO有着健康的资产负债表、稳健的企业风险管理框架、经验丰富的管理团队和高水准的公司治理实践，这些都为未来的可持续发展打下良好基础。几年来打造的核心优势使得公司可以更灵活应对行业困境，保持行业领先地位。集团也积极为自身和相关各方创造价值，把握有利时机，进行明智投资，进入下一阶段的发展。

2016年，全球宏观经济的不确定性犹存，下行风险包括油品供应过剩、油价低迷、金融市场波动、地缘政治的不确定性。我们预计油品贸易环境在2016年依然充满挑战。经过几年的发展，CAO已经有能力机敏应对环境，抓住机遇，持续发展。

机遇与挑战共存

虽然全球经济依然充满变数，但民航业充满了巨大发展潜力。中国经济还会继续保持6.5%至7%的增长速度，中国的民航业也将保持两位数的增长。油品市场区域间的不平衡会为CAO带来贸易机会，油品市场的结构性变化也会带来并购机遇。

一带一路

“一带一路”战略为CAO发展带来了新机遇，新兴经济体民航业的蓬勃发展也势必会带动CAO的发展。作为有国企背景的新加坡上市公司，CAO处在执行中国“一带一路”战略的最前沿。集团将结合实施全球化发展战略，开拓“一带一路”国家机场供应点和增加供应量，并投资与航油供应与贸易具有协同性的资产。以此把握全球发展机遇，通过进入新市场保持领先地位。

2016年对CAO的发展将是关键性的一年。尽管运营环境困难，油价低迷，作为中国唯一航油进口商，在2020年战略的指导下，集团会继续根据市场变化适时调整完善战略规划，加强业务战略。全球一体化供应链可以帮助CAO把握机会，创造价值。集团会继续打造全球航油供应与贸易网络，拓展航油供应与贸易业务，包括在中国大陆以外更多机场拓展航空市场营销业务。在稳健的风险管理实践和控制下，集团会继续执行其他油品的多元化战略，尤其是顺应市场趋势，为燃料油业务打造结构性优势。

集团会专注于长期战略，确保稳定可持续的增长。CAO也会积极寻找机会投资有协同性的战略油品资产或业务板块，以并购的方式，实现跨越式发展，推动实现公司的愿景、使命和战略目标，成为全球一流的运输燃料一体化方案提供商。

致谢

我谨代表管理层和全体员工，感谢母公司CNAF和大股东BP长期以来的支持，也诚挚感谢所有股东的理解和信任。

感谢兄弟姐妹中国航空油料有限责任公司、供应商、贸易伙伴、航空客户、船东，以及其他商业伙伴的支持，期待着我们在未来开展更深入的互惠合作。

感谢浦东航油、管输公司、新源公司和OKYC的贡献。感谢CAO和子公司以及香港加注公司的所有员工，如果没有你们的付出和坚持，CAO无法成功应对各种挑战，取得今天的业绩。

最后，感谢所有关心和支持CAO的各界朋友，也希望可以继续得到你们的支持。我对公司的前景充满信心。我相信在股东的持续支持和董事会的卓越领导下，我们会齐心协力，知难而进，稳中求进，机敏应对，把握发展机遇，使CAO再上一个新台阶！

孟繁秋
首席执行官/执行董事

Chief Executive Officer's Strategic Report

Strategic Risks Review

CAO recognises that effective risk management is key to the Group's continued growth and success as the sole importer of jet fuel to the civil aviation industry of China and the largest physical jet fuel trader in the Asia Pacific region. We have a risk management model designed to assist the Group in achieving its strategic objectives infusing risk recognition, evaluation and treatment into decision-making, thereby enhancing shareholder value through risk-adjusted business decisions. At CAO, we have embedded strategic risk management into our critical decision-making processes and management decisions with regards to business strategy, investments and operations, noting that strategic risks may be near or long-term in nature and in some cases, be reflective of CAO's material sustainability issues.

The following tables set out the key strategic risks over the long-term and near-term, details mitigation plans for CAO's sustainability development and how the respective risks link to our corporate strategy.

STRATEGIC RISKS - HOW WE MANAGE LONG-TERM RISKS

Risk	Context	Mitigation	Link to strategy
Strategic Growth			
Core competitive advantage in jet fuel supply and trading	Jet fuel supply and trading remains our dominant business. As the sole importer of jet fuel to the civil aviation industry of China, the Group is susceptible to changing demand and supply dynamics in China.	CAO is building jet fuel supply and trading network globally to diversify its geographic base and extend its global presence and value chain with synergistic businesses such as aviation marketing. CAO has also diversified into other oil products and while the bottomline contribution of other oil products may currently be limited and volatile, total supply and trading volume of the Group reached new highs with its diversification strategy. The Group continues to build structural advantages for its businesses by building an integrated value chain.	CAO's vision is to be a constantly innovating global top-tier integrated transportation fuels provider, and its 2020 strategy toward sustainable growth is based on the following objectives: <ul style="list-style-type: none"> - A global leader in international aviation oil supply and trading, a strong competitor in global supply and trading of other oil products, with a focus on transportation fuels. - An important player in international aviation fuel services - A niche market player in future clean transport fuels.
Exclusive importer of jet fuel to China	CAO's exclusive import rights into China provides the Group competitive advantages, loss of it through market liberalisation or regulatory changes could materially impact CAO's market share and financial performance.	CAO has increased its portfolio strengths through both geographic and product diversification. Extending its jet fuel trading activities and international aviation marketing business beyond China through its global supply and trading network, revenues from ex-China markets have increased from 20% in 2010 to 47.5% in 2015. CAO will further develop and optimise its trading structure for new markets.	These are underpinned by strategic imperatives of establishing a global aviation fuel supply and trading network, developing structural advantages for other oil products and clean energy, as well as asset investments to create end-demand, optimise logistics and secure resources.

Risk	Context	Mitigation	Link to strategy
Human Resources			
Management expertise and trading capabilities may need further enhancement to manage increasingly international operations	To develop trading capabilities to meet our growth ambitions as an international company, CAO needs to recruit and retain qualified traders and mid/back office support personnel as well as seasoned managers to originate and execute major projects.	The development of management and trading capabilities within CAO is an integral part of our human resources strategy. CAO's learning strategy balances standardised curriculum-based learning with on-the-job application to achieve a culture of life-long learning. We also attract and retain talents by offering short-term and long-term incentive packages and personalised career development plans.	One of CAO's corporate missions: - Create a people-oriented corporate culture of Fairness, Integrity, Innovation and Transparency where our people can grow and develop together with the Company
Operational			
A major safety, health or environmental ("SHE") incident or liability	As a global oil products supplier and trader, our facilities and their respective operations are subject to various risks including fires, explosions, leaks and other industry-related incidents. We remain committed to safe operations with zero harm to people and the environment being a responsible and accountable corporate citizen.	We have strict operations manual and performance targets, and adhere to global and local industrial SHE standards wherever our business is conducted. We regularly update and train our staff on key SHE requirements and carry out internal and external audits to ensure compliance.	One of CAO's corporate missions: - Operate in a safe, reliable, efficient and environmentally sound environment, maintaining high SHE standards
Supply disruption	Our aviation fuel delivery to end-receivers in China and various overseas airports is subject to supply continuity risks (safety, quality, on-time delivery).	We have strict performance targets to ensure security of supply: - We strategically deploy storage sites and time charters close to our demand centres to enhance supply continuity. - We proactively maintain close working relationships with our end users and customers to better cope with any of their short-notice requirement changes. - We have contingency back-up plans in the event of any supply emergencies. With our global trading network, we continue to build a diverse supplier base to mitigate any shortfall in any single supplier.	

Chief Executive Officer's Strategic Report

Strategic Risks Review

Risk	Context	Mitigation	Link to strategy
Regulatory			
Non-compliance with applicable laws, regulations and standards	<p>Authorities globally are intensifying efforts to enforce compliance with laws, and are focused on anti-competitive behavior in particular. Various jurisdictions have specialised legislation aimed at combating corruption and companies found guilty of contraventions face fines and damage to their reputations. Tax laws are also becoming increasingly complex, as are sanctions against certain jurisdictions.</p> <p>As the Group continues to globalise its operations and investments across multiple jurisdictions, it faces risk of failure to comply with local, national and regional laws and regulations</p>	<p>We have centralised risk management and governance structure with systems and processes in place to ensure compliance with legal and regulatory matters wherever we operate. We also set up legal and compliance as two independent departments.</p> <p>We also focus on identifying changes in the regulatory landscape that pose implications for the Group, ensuring that we are prepared to respond to these changes.</p> <p>CAO has taken various measures to comply with sanctions legislation.</p>	Compliance is an integral part of our corporate strategy. CAO will consistently uphold high levels of corporate governance and undertake strategic initiatives to further enhance compliance and governance across its businesses.
Financial			
CAO's business sustainability and strategy has been developed to mitigate macro-economic risks	<p>China's economic slowdown and domestic refining capacity may have an impact on aviation fuel import requirements, resulting in reduced imports of jet fuel into China for the Group.</p> <p>Our aviation marketing and airport supply to airlines as well as other oil products trading are sensitive to global economic performance.</p> <p>Oil price fluctuation has implications on the profitability of our main associates and the development of clean energy in the short-term.</p>	<p>CAO focuses on expanding its global supply and trading network to capture more trading opportunities from global oil trade flows. Structural shift in global oil markets present opportunities which CAO is poised to seize via its international operations even as it looks to asset investments to enhance the Group's structural advantages.</p> <p>We focus on providing high quality integrated fuel services to our airline customers and help associate companies develop core competencies to better respond to oil price volatility. We have developed plans for clean energy to gain a first movers' advantage to grow our business in the long-term.</p> <p>Our diversification strategy has resulted in a diversified product base, a diversified customer base, a diversified supply base as well as geographic diversification which generates multiple sources of income.</p>	<p>As part of developing CAO's long-term strategy, we review long-term macroeconomic and supply and demand dynamics on an ongoing basis, as well as the competitive landscape likely to influence our markets in the future, to ensure that our business strategies take them into account.</p> <p>Globalisation, integration, and diversification are business strategies paramount to CAO's overarching strategy which is reviewed and fine-tuned on an ongoing basis according to market dynamics.</p>

STRATEGIC RISKS - HOW WE MANAGE NEAR-TERM RISKS

CAO enhanced its near-term risk management process in FY2015, which seeks to address matters of immediate concern likely to impact the Group’s common objectives, strategy and growth targets during the year. In identifying these near-term issues, we ensure that pertinent implications of policy and regulatory changes as well as socio-economic and reputational drivers are properly understood. CAO seeks to take proactive steps to limit the possibility that a particular issue becomes a long-term risk or material sustainability issue for the Group.

Top issues impacting our business	
CAO’s response to the changes in the fuel landscape	<p>New/clean energy will become increasingly relevant in the long run. CAO’s long-term strategy therefore covers future clean transportation fuels</p> <ul style="list-style-type: none"> - Long-term: A niche market player in future clean transportation fuels - Short/Medium-term: Develop plan and trial operations for specific clean transportation fuels.
Heavy reliance on aviation fuel	<ul style="list-style-type: none"> - Long-term: A strong competitor in global supply and trading of other oil products, with a focus on transport. Maintain our global leading position in aviation fuel. - Short/Medium-term: Trading and Business Development teams exploring and building structural advantages for non-jet fuel products. Develop other aviation related services to better meet our aviation customers’ needs. - Product diversification strategy has been implemented. Today, CAO has abilities to trade and participate in other oil products such as fuel oil and avgas.



CAO trading bench
CAO 贸易团队

首席执行官战略报告

战略风险回顾

作为中国独家航油供应商和亚太地区最大航油实货供应商，CAO认为有效的风险管理是集团持续发展和成功的关键。我们的风险管理系统可以协助公司在进行决策时，识别、评估风险，进而规避风险，实现战略目标，提高股东价值。我们在进行有关业务战略、投资和运作的决策中，实施战略风险管理，因为战略风险可能是短期或长期风险，某些时候反映出CAO的重大可持续性问题。

下表列出了CAO在追求可持续发展过程中所面对的长期与短期战略风险、应对措施以及它们与公司战略的关系。

战略风险 —— 我们如何管理长期风险

风险	说明	应对措施	和战略的联系
战略发展			
航油供应与贸易的核心竞争力	航油供应与贸易业务仍占主导地位。作为中国独家航油进口商，集团受到中国供需关系变化的影响。	CAO打造航油供应与贸易的全球业务网络，在全球多个地区发展业务，增强国际影响力，并延伸供应链，如开展航空市场营销业务，实现协同价值，同时开展其他油品业务。虽然现在其他油品的利润贡献可能有限且不稳定，集团的供应与贸易总量在多元化战略的指导下达到新高。集团将继续打造一体化价值链和结构性优势。	CAO的2020年战略确定公司的愿景是： <ul style="list-style-type: none"> - 成为有创新精神的全球一流的运输燃料一体化方案提供商 战略目标包括以下几个方面： <ul style="list-style-type: none"> - 全球领先的国际航油供应和贸易商，全球知名的其他油品供应与贸易商，专注于运输燃料 - 重要的国际机场供油服务商 - 具有独特优势的未来清洁能源燃料的市场参与者
中国独家航油供应商	中国的独家进口权为CAO提供了竞争优势，如果国内市场开放或政策改变导致CAO丧失中国独家进口权，CAO的市场份额以及盈利能力将受到严重影响。	CAO已经通过地理拓展和产品多元化战略增强了业务能力。在中国以外地区，借助全球网络，开展航油贸易业务和航油营销业务，中国以外地区贡献的收入比例从2010年的20%增至2015年的47.5%。 我们将进一步优化新市场的贸易结构和国际贸易网络。	为了实现公司愿景和达成上述目标，需要建立全球航油供应与贸易网络、打造其他油品与清洁能源的结构性优势，通过实业投资创造需求、优化物流、保障资源。
人力资源			
需要进一步提升管理与贸易能力，管理日渐全球化的运作	为了成长为一家全球性企业，需要增强贸易能力，招聘并留住有能力的贸易员、中/后台员工和经验丰富的经理来发起和执行重大项目。	CAO管理与贸易能力的发展是人力资源战略的重要部分。CAO的持续学习战略包括标准课程项目和在职培训。我们还通过短期和长期激励措施和个性化职业发展规划来吸引和留住员工。	CAO的企业使命之一是以人为本，培育以公平、诚信、创新、透明为核心的企业文化，使员工与公司共同发展。

风险	说明	应对措施	和战略的联系
运作			
重大的安全、健康或环境 (“SHE”) 事故或责任	作为全球油品供应与贸易商，我们的设施与相应运作可能会引起火灾、爆炸、泄露和其他事故。我们致力于安全的运作，不对人和环境造成任何损害，成为负责任的企业公民。	我们有严格的运作手册和业绩目标，在开展业务的各地坚守国际与本地的行业SHE标准。我们定期向员工通报关键的SHE要求和更新，通过内审和外审确保合规。	公司使命之一是确保运营环境安全、可靠、高效、环保，坚持SHE高标准。
供应中断	向中国用户和海外机场的航油供应可能会面临供应中断风险（安全、质量、船期）	我们为供应安全设置了严格的绩效目标。 我们在需求中心附近有储罐资产，期租油船，确保供应。 我们与用户保持密切的关系，更好处理需求的临时变化。 我们也有应急计划应对供应危机。 在全球贸易网络的支持下，我们会与多个供应商保持合作关系，规避单个供应商的潜在风险。	
法律法规			
违反适用法律、法规与标准的风险	全球各地在加强法律管制，尤其是反竞争行为。不同地区有打击腐败的专门立法，违法企业将面临罚款和声誉危机。不同地区的税务法律和制裁也更加复杂。 随着业务与投资活动的全球化，面临更多当地法律、国家法律和地区法律法规的合规风险。	我们具备集中的风险管理和治理框架，分别建立了法律和合规部门。其中的系统和流程可以确保公司在各个业务地区遵守法律和法规。 我们还重视识别对集团产生影响的法规变化并合理应对。 CAO已经采取多种措施确保遵守制裁法律。	合法合规是战略的重要内容之一。公司始终秉承高标准的公司治理，采取战略措施进一步加强合规和治理。
财务业绩			
CAO已经制定了业务持续和发展战略，应对宏观经济风险	中国经济放缓和国内产能可能会影响航油进口需求，减少集团向中国进口航油的机会。 我们的航油营销、机场供应、其他油品贸易受全球经济的影响。 油价波动影响联营公司的盈利和清洁能源在短期的发展。	CAO专注于打造全球供应与贸易链，从全球贸易流中把握贸易机会。全球油品市场的结构变化给CAO带来了机遇，CAO也将通过资产投资加强结构性优势。 我们致力于向航空公司客户提供高质量的一体化服务，帮助联营公司打造核心竞争力，更好应对油价波动。我们已经制定了清洁能源的发展计划，为业务的长期发展提前做好准备。 在多元化战略的指导下，CAO已经实现了产品多元化、客户多元化、供应多元化和地理多元化，带来多元化收入来源。	作为CAO长期战略的一部分，我们会持续回顾未来可能会影响我们的因素，确保我们的战略考虑了长期宏观经济、供需关系、竞争格局。 全球化、一体化和多元化战略是CAO整体战略至关重要的一部分，我们会根据市场情况持续回顾与完善。

首席执行官战略报告

战略风险回顾

战略风险——我们如何管理短期风险

2015年，CAO强化了短期风险管理流程，以此应对可能会影响集团一般目标、战略与增长目标的短期问题。在此过程中，我们确保正确理解了政策法规的变化、社会经济以及声誉情况。CAO将努力避免某个问题成为长期风险，对集团的可持续发展产生严重影响。

影响业务的主要问题

CAO应对油品格局变化的能力	<p>长期来看，新能源/清洁能源的重要性会不断增加。CAO的长期战略包括未来清洁能源。</p> <ul style="list-style-type: none"> - 长期：成为具有独特优势的未來清洁能源运输燃料供应与贸易商 - 中短期：制定特定清洁能源运输燃料的发展计划和试行方式
CAO对航油的严重依赖	<ul style="list-style-type: none"> - 长期：全球其他油品 (专注运输燃料) 供应与贸易的强有力竞争者。保持航油的全球领先地位 - 中短期：贸易与业务发展团队为非航油产品打造结构性优势。发展其他航油相关服务，更好满足客户需求 - 实施了产品多元化战略。如今CAO有能力进行其他油品贸易 (如燃料油和航汽)
CAO应对油品市场波动和艰难的贸易环境的能力	<ul style="list-style-type: none"> - 继续优化现有结构，创造需求中心，通过航空市场营销和资产投资，在动荡的贸易环境中优化航煤与其他油品的贸易结构 - 寻找有稳定回报的资产投资机会，进一步拓展收入来源 - 加强CAO 全球化和 一体化价值链，开展新业务，进入新市场



Jet fuel discharging from vessel at port
港口卸油

Chief Executive Officer's Strategic Report

Audit and Internal Control

Internal controls provide assurance that business processes operate effectively and efficiently and help to manage corresponding business and strategic risks. At CAO, an overarching internal controls assurance framework has been established to guide operations at CAO and its subsidiaries, promoting the following key areas to oversee the effective design and operations of internal controls, management assurance and internal audit.

MANAGEMENT ASSURANCE

An integrated organisational model is adopted whereby the Board determines the overall strategic direction of the Group while the CEO is responsible for implementing the Group's strategy which is collectively supported by the employees.

Detailed reports on operations are submitted to the Board and Board committees on a regular basis for evaluation and assessment to highlight key performance results and trends that may affect the operations of the Group as well as enforce corporate governance practices to ensure compliance and protect the interests of minority shareholders. Clear job descriptions focusing on qualifications and capabilities of staff have been established to better ensure that roles are filled by appropriate staff with the right skill sets. Reporting lines for functional departments have also been designed to require strong and ongoing check and balances such as independent risk management and internal audit functions.

A comprehensive set of Standard Operating Procedures ("SOPs") has also been established to ensure governance of all business activities and processes within the organisation. As key management tools used to promote quality through consistent implementation of a process or procedure within the organisation, SOPs are periodically reviewed by auditors for compliance with organisational and regulatory requirements where appropriate.

The Group recognises the potential strategic, operational, financial and reputational risks associated with business interruptions and the importance of maintaining viable capability to continue the company's business processes with minimum impact in the event of an emergency.

A Business Continuity Policy ("BCP") has been adopted to define the principles and framework necessary to ensure effective emergency response, resumption and recovery of business functions and processing resources in a timely manner coupled with well-defined

communication channels among key management and staff to address emergency response during any business interruption event. The BCP exercise is conducted at a disaster recovery site on an annual basis with any significant shortcomings identified, communicated and improved upon in subsequent exercises.

Quarterly written assurances on the proper functioning of respective operating processes are provided by management including highlights of any significant deficiencies, for immediate attention.

INTERNAL AUDIT

Reporting directly to the CEO, the Head of Audit and Internal Control ("AIC") may also report directly to the Audit Committee for important matters. Assisted by a team of qualified professionals from an international auditing firm, the AIC Head adopts a risk-based approach in formulating the audit plan that aligns its activities to the key risks across the Group's business. This plan is annually reviewed and approved by the Audit Committee.

The AIC department assists the Audit Committee and the Board by conducting periodic evaluations on the Group's internal controls, financial and accounting matters, compliance and business policies and procedures to ensure that internal controls are adequate to meet the Group's requirements and are consistent with the best corporate governance practices. It also reviews interested person transactions for compliance on a quarterly basis and prepares audit reports and recommendations for improvement following each audit and ensures that appropriate measures are then taken to implement such recommendations. Status reports on management's action plans are presented to the Audit Committee regularly to track for timely implementation and audit closure.

CAO commissions a biennial review by an independent external reviewer using the Committee of Sponsoring Organisations ("COSO") framework to assess the proper functioning of the overall internal control system. Serving as a reference, the review focuses on the key elements of the internal control system such as risk management processes, board practices and accounting and reporting systems. CAO's ongoing conformance to the COSO internal control framework further strengthens CAO's internal control objectives for its globalised operations.

首席执行官战略报告

内部控制

内部控制可以确保业务流程高效及有效运作，帮助管理相应的业务和战略风险。CAO制定了内部控制框架，指导CAO与各子公司的运营，重点关注以下几个关键领域，监督内部控制的有效设计与运营、管理保障和内部审计。

管理保障

CAO采纳了一体化的业务模式，董事会确定集团整体战略方向，CEO带领全体员工实施集团战略。

董事会和董事委员会将定期审阅和评估经营报告，其中包括主要经营业绩、影响公司运营的趋势和公司治理情况，确保合规，避免损害小股东利益。职位描述对员工的资历和能力做出清楚要求，确保员工发挥所长，各尽其用。我们也会持续检查不同部门的汇报途径，如风险管理部和内部审计部。

CAO建立了一系列标准操作流程 (“SOPs”)，指导公司内所有的业务活动与流程。SOPs是重要的管理工具，在集团内部实施一致的流程或程序可以帮助提高业务质量。审计师会定期回顾SOPs，确保符合公司规定和相关法规。

集团认识到业务中断会带来潜在的战略、运作、财务和声誉风险，也了解公司在紧急情况下保持稳定运作的重要性。公司制定了业务持续计划 (“BCP”)，确定了原则和框架，确保有效应对紧急情况，及时恢复业务运转，及时利用资源，同时保证管理层和员工的有效沟通，尽量

减少紧急情况对业务流程的干扰。CAO每年在设有临时备份的应急地点进行业务持续计划演习，总结与通报显著缺陷，在下一轮演习中进行改善。

每季度，管理层还会为操作流程的有效运行提供书面确认，包括通报明显的缺陷，立即引起重视。

内部审计

审计与内部控制部 (“AIC”) 主管直接向CEO汇报，如有重要事项，也可以直接汇报审计委员会。在国际审计公司经验丰富的团队的协助下，AIC主管会基于集团业务风险，制定内审方案，每年由审计委员会审阅批准。

AIC部门协助审计委员会和董事会，定期审查公司的内控、财务和会计事宜、合规、业务政策与流程，确保现有的政策满足公司需求，符合业内最佳的公司治理实践。AIC部门还会每季度审查关联交易是否符合合规，制定审计报告和改进建议，确保改进建议得到实施，实施进度也会定期呈交给审计委员会，检查完成进度。

半年度内控系统全面回顾

CAO聘请独立外部顾问，参照全美反舞弊性财务报告委员会发起组织 (“COSO”) 框架，对整体内控系统的运行有效性进行半年回顾。回顾重点为风险管理流程、董事会流程和会计报告系统。此举将进一步强化CAO全球业务的内部控制。



TSN-PEKCL Pipeline's control room operations
天津管输公司监控室运作

Chief Executive Officer's Strategic Report

Operations Review

MIDDLE DISTILLATES – JET FUEL & GAS OIL

In 2015, oil prices fell to eleven-year lows and Brent oil price declined to a low of US\$36 per barrel during the year. Oil market fundamentals continued to be in oversupply, even as the global economy became increasingly volatile and uncertain with the slowdown in emerging economies and China's slower rate of growth raising concerns of a global economic slowdown.

During the year, strong gasoline demand supported its cracking margin and this, together with increased refining capacity from the East and the Arabian Gulf led to a fundamentally oversupplied middle distillates market. The middle distillates team focused on building global trading activities, leveraging on CAO's jet fuel demand in Los Angeles and successfully delivered sizeable physical jet fuel cargoes from Asia to Los Angeles. For a first time, CAO also exported jet fuel from China to Los Angeles, seizing market opportunities as China transformed itself from an oil import country to an oil export country. Leveraging on its global supply and trading network, the middle distillates team actively developed and captured demands in overseas markets in line with China's development as an oil export nation and successfully exported Chinese jet fuel cargoes to the Philippines. With the increased business opportunities, the middle distillates team achieved good trading profit through efficient storage and logistics optimisation as well as through executing effective hedging strategies.

With the poor economic outlook ahead and expectations that jet fuel and gasoil markets will continue to be in oversupply, the middle distillates team will focus on enlarging and strengthening its global trading network through consolidating & optimising resources and aggressively developing & penetrating new demand markets.

AVIATION MARKETING

In 2015, transportation operators notably the commercial airline industry saw a marked improvement in their financial results driven by lower operating cost as jet fuel prices slumped to its lowest in 11 years. Despite the slowing global economy due in part by China's slower rate of growth, global air traffic remained robust by historical standards.

With the low oil price auguring well for the commercial airline industry, commercial airline fleet is forecast to increase by over 900 aircraft to 28,000 aircraft by 2016 according to industry sources. This bodes well for CAO's aviation marketing business which in 2015, continued

to extend its international presence and penetrated strategic markets covering the major regions of Asia Pacific, USA, Europe and the Middle East. By leveraging on its core competencies in jet fuel supply and trading, CAO Group increased the volume of jet fuel supplied to airlines at international airports by 32% and expanded the supply network from 34 to 38 international airports outside mainland China.

During the year, CAO continued to strengthen its participation in the US airport fuel storage consortia and enhanced its supply capability in the US markets, supplying to both Chinese and international airlines. Volumes supplied to non-Chinese carriers doubled even as CAO maintained its leading position as the largest overseas supplier by volume to the three large Chinese carriers namely Air China, China Eastern Airlines and China Southern Airlines. This validates CAO's international branding as a professional jet fuel supplier in overseas markets.

CAO's aviation marketing arm will continue to expand its presence to new markets in line with its overarching 2020 strategy, focusing on critical supply chain and inventory management as well as seek collaboration with strategic partners to expand its supply network to become an important, reliable and long-term fuel supplier to the airline industry.

AVGAS

In 2015, CAO's avgas business grew rapidly and expanded to India, Indonesia, Saudi Arabia and China. Total avgas supply volume in 2015 increased substantially compared to 2014. Apart from fulfilling its role as a key supplier to China, CAO's avgas team will continue to develop & enter new demand markets by leveraging on its integrated global value chain.

FUEL OIL

In 2015, fuel oil supply and demand were imbalanced with overall supply surpassing demand for most parts of the year. Supported by the low oil prices however, Singapore bunker sales volume increased 6.5% to 45.2 million metric tonnes and CAO's fuel oil team seized the resulting market opportunities. By focusing on physical cargo and bunker ex-wharf trading around its storage, the fuel oil bench achieved its highest trading volume and profits in the Group's history. The fuel oil team will remain active in cargo and bunker trading and adopt flexible trading strategy to enhance the bench's profitability going forward.

Chief Executive Officer's Strategic Report

Operations Review

ASSOCIATED COMPANIES

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

SPIA owns and operates all the refuelling facilities at Pudong Airport, including the hydrant system, dispenser fleet, refuelling stations, airport tank farm, storage terminal with total capacity of 140,000 m³ and a 42-km dedicated jet pipeline connecting Pudong Airport to Waigaoqiao terminal. As the exclusive supplier of jet fuel at PRC's second largest airport – Shanghai Pudong International Airport ("Pudong Airport"), SPIA provides jet fuel distribution and refuelling service to about 127 Chinese and foreign airlines operating at Pudong Airport. CAO owns a 33% stake in SPIA. The other two shareholders of SPIA are Shanghai International Airport Co., Ltd (40%) and Sinopec Assets Management Co. Ltd (27%).

In 2015, SPIA continued to maintain high safety standards with zero accident, zero injury and zero pollution. Despite the challenging operating environment with sustained decline in oil prices, SPIA successfully maintained stable performance with its total refuelling volume increasing 8.6% over 2014 to 3.8 million tonnes. SPIA remains an important profit contributor to the CAO Group contributing US\$38.9 million to CAO's share of profit from associates.

SPIA is set to see further growth in refuelling volumes in view of expected tourism increase in Shanghai with the official opening of Shanghai Disneyland Park in June 2016.

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

Connecting Tianjin Nanjiang terminal with Beijing Capital International Airport and Tianjin Binhai International Airport, TSN-PEKCL's key asset is a 185-km long pipeline transporting the majority of jet fuel requirements of Beijing Capital International Airport and Tianjin Binhai International Airport ("the Pipeline"). The Pipeline is the longest multi-oil product pipeline with the biggest diameter and highest transfer volume in the PRC Civil Aviation industry. CNAF Logistics and CAO hold 51% and 49% equity stakes in TSN-PEKCL respectively.

Jet fuel transportation volume of TSN-PEKCL achieved a record 2.8 million tonnes in 2015, an increase of 10% compared to 2014. This increase was mainly driven by higher air traffic turnover at Beijing Capital International Airport. As a result, the Group's share of profits from TSN-PEKCL increased 35.4% to US\$2.2 million for FY2015. In terms of operational safety, TSN-PEKCL's facilities operated well and achieved the excellent record of "zero error and zero pollution" in 2015.

The jet fuel transportation business for TSN-PEKCL is expected to be promising as jet fuel transportation volumes to Beijing Capital International Airport and Tianjin Binhai International Airport are set to further increase.



Handling of oil storage tank valves
开储油罐阀门



*Into-plane refuelling operations at Pudong Airport
浦东机场的飞机加注服务*

China Aviation Oil Xinyuan Petrochemicals Co., Ltd (“Xinyuan”)

Xinyuan is mainly engaged in the storage and trading of jet fuel and other oil products. Xinyuan owns a storage tank of 75,000 m³ near Shuidong harbour located in the city of Maoming, Guangdong Province, PRC. Shenzhen Juzhengyuan Petrochemicals Co., Ltd, CAO and CNAF hold 60%, 39% and 1% equity stakes in Xinyuan respectively.

Despite the challenges in the oil industry, Xinyuan expanded its business as well as explored new revenue growth opportunities in 2015. The Group’s share of profits from Xinyuan in 2015 was US\$0.7 million even as its Shuidong storage continued to achieve high safety standards by fully conducting comprehensive safety management measures on a regular basis.

Oilhub Korea Yeosu Co., Ltd (“OKYC”)

Oilhub Korea Yeosu Co., Ltd is CAO’s joint investment with six other companies to develop and operate a storage capacity of 1.3 million m³ for crude oil and oil products. CAO is the second largest shareholder (26%) of OKYC after Korea National Oil Corporation, which holds 29% of the total issued shares of OKYC. The remaining issued share capital is held by conglomerates such as Samsung C&T Corporation and LG International Corp.

OKYC’s operations maintained high safety standards in 2015 with zero accidents. Favourable market structure has enabled OKYC to successfully achieve high utilisation rate for the year with reputable oil companies and oil majors as its storage customers, accomplishing a profit for the first time since its commercial operation. CAO Group’s share of profit from OKYC in 2015 was US\$1.4 million.

CNAF Hong Kong Refuelling Limited (“CNAF HKR”)

CNAF HKR, a Hong Kong joint-venture company under CAO’s wholly owned subsidiary, CAOHK, provides into-plane fuelling services at Hong Kong International Airport at Chek Lap Kok (“HKIA”). Shareholders of CNAF HKR include CAOHK, Shenzhen Cheng Yuan Aviation Oil Company, China United Petroleum (Holding) Company Limited and Cheer Luck Investment Limited. CAOHK holds 39% of the total issued shares of CNAF HKR, while the other three companies hold equity stakes of 37%, 14% and 10% respectively.

CNAF HKR is the third licensed refueller to provide into-plane fuelling services at HKIA. With a site area of around 3,000 m², the refuelling station includes an administration office, scheduling office and a maintenance workshop fully equipped with dispensers and refuellers. CNAF HKR commenced operations on 1 August 2015.

首席执行官战略报告

经营概况

中馏分——航油和柴油

2015年油价跌至11年新低，布伦特价格跌至36美元每桶。油品市场依然供应过剩，全球经济日益动荡，中国等新兴经济体放缓引发全球经济衰退的恐慌。

2015年，汽油需求强劲支撑利润走高，东部国家与海湾地区产能增加，造成中馏分市场供大于求。中馏分团队借助洛杉矶的航油需求，进行全球贸易，成功将航油从亚洲运至洛杉矶，还首次将中国航油出口至洛杉矶，把握中国从油品进口国向油品出口国的转变中出现的市场机遇。通过全球供应和贸易网络，中馏分团队牢牢把握海外市场需求，成功将航油出口至菲律宾。随着业务机会的增加，中馏分团队通过有效的储存和物流优化，执行套保策略，取得较高的贸易利润。

经济前景不甚乐观，预计航油和柴油市场将继续保持供应过剩的局面，中馏分团队会继续专注拓展全球贸易网络，整合优化资源，积极进入新市场。

航空市场营销

2015年，运输业尤其是商业航空业绩明显改善，这主要归功于航油价格降幅超50%，创11年最低，而航油费用占航空公司运营成本的很大一部分。尽管中国经济放缓带动全球经济增长放缓，国际航空运输的表现仍高于历史水平。

油价下跌对商业航空明显利好，根据行业机构预测，商业航空在2016年增加900架飞机，使行业运营的飞机数达到28,000架。这也印证了CAO航空市场营销业务在2015年的发展——继续拓展国际市场，深入在战略市场的渗透。核心战略市场包括美国、欧洲、亚太和中东的重要地区。CAO集团通过其在航油供应与贸易领域的优势，2015年对航空公司在中国大陆以外的国际机场供应量增加32%，将中国大陆以外的国际供应网络从34个机场拓展至38个机场。

2015年，CAO也继续巩固了在美国机场的业务，提升了在美国市场对国际航空公司的供应能力。对外航的供应量翻番的同时，CAO仍保持中国三大航空公司（国航、东航、南航）在海外领先供应商的地位。这些成绩进一步加强了CAO在海外市场专业航油供应商的品牌形象。

CAO航空市场营销业务将继续按照2020战略，推动新市场拓展，发展的重点是核心供应链和库存管理，与战略伙伴合作扩展供应网络，成为航空业长期可靠的航油供应商。

航汽

2015年，CAO航汽业务快速发展，覆盖印度、印尼、沙特阿拉伯和中国。2015年航汽供应量同比激增。除了供应中国，航汽团队会继续利用一体化全球价值链进入新市场。

燃料油

2015年大多数时候燃料油市场供大于求。在低油价的支撑下，新加坡船用燃料油业务量增加6.5%至4520万吨，燃料油团队把握市场机会，利用储罐，通过码头交货模式进行实货贸易，实现了集团历史上最高的贸易量和利润。燃料油团队会继续积极发展实货和船用燃料油贸易，采取灵活贸易战略，加强燃料油板块的盈利能力。

联营公司

上海浦东国际机场航空油料有限责任公司(“浦东航油”)

浦东航油拥有并经营浦东机场全部加油设施，包括全套机坪管网、管线加油车队和罐式加油车队、航空加油站、机场内油库、总库容量达14万立方米的码头油库以及连接浦东机场与外高桥码头的42公里专用航油管线。作为中国第二大机场——上海浦东国际机场（“浦东机场”）的唯一航油供应商，浦东航油向在浦东机场运营的约127家中国及其他国家的航空公司提供销售和加注航油服务。CAO拥有浦东航油33%的股份。浦东航油的另外两位股东分别是上海国际机场股份有限公司（持股40%）和中石化资产管理有限公司（持股27%）。

2015年，浦东公司继续保持“零事故、零伤害、零污染”的安全生产态势，在油价持续下跌的不利经营环境下，浦东航油在2015年维持了稳定的经营业绩，总加注量相比2014年增加8.6%，达到约380万吨。浦东航油仍然是CAO集团主要利润来源之一，2015年贡献了3890万美元并账利润。

上海迪士尼乐园2016年6月正式开园，这将带动旅游业发展，浦东公司的加注量也将取得进一步增长。

中国航油集团津京管道运输有限责任公司(“管输公司”)

管输公司的主要资产是全长185公里的管道（“津京管道”），连接天津南疆码头和北京首都国际机场及天津滨海国际机场，并通过该管道向北京首都国际机场和天津滨海国际机场提供航油输送服务。津京管道是中国民航市场中最长、管径最大和输油量最高的多油品输送管道。中国航油集团物流有限公司和CAO是管输公司两大股东，分别持股51%和49%。



OKYC storage facilities
OKYC的储罐设施

2015年，在北京首都机场周转量增长的带动下，管输公司的航油运输量同比增加10%至280万吨，创历史新高。2015年来自管输公司的并账利润达220万美元，比2014年增长35.4%。安全运营方面，管输公司的设备运行良好，实现了零失误、零差错、零污染。

北京、天津两大机场的运输量预计将进一步增长，管输公司的运营前景较为乐观。

中国航油集团新源石化有限公司（“新源公司”）

新源公司主要从事航油和其他油品的储存和贸易业务。新源公司拥有位于中国广东省茂名市的库容为7.5万立方米的水东油库。新源公司的股东分别为深圳巨正源石化有限公司、CAO和中国航空油料集团公司，分别持股60%、39%、1%。

2015年，面对不利的贸易经营环境，新源公司不断开拓新业务，寻找新的利润增长点，2015年来自新源公司的并账利润达到70万美元，水东油库保持安全运营，圆满完成了安全管理任务。

韩国丽水枢纽油库有限公司（“OKYC”）

韩国丽水枢纽油库有限公司拥有130万方原油和成品油油库，由CAO与另外6家公司合资建立和运营。CAO是

OKYC的第二大股东（持股26%），仅次于韩国国家石油公司（持股29%）。OKYC的其余发行股本由三星C&T股份有限公司及LG国际集团公司等大型企业持有。

2015年OKYC没有发生任何安全和运营事故。有利的市场结构，使OKYC的储罐租用率达到较高水平，客户包括声誉良好的油企和石油巨头，也实现了投入运营以来的首次盈利，2015年向CAO贡献利润140万美元。

中国航油香港供油有限公司（“CNAF HKR”）

CNAF HKR是CAO全资子公司CAOHK旗下的合资公司，在香港赤腊角国际机场（简称“香港国际机场”）提供航油加注服务。CNAF HKR的股东包括CAOHK，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。CAOHK持有CNAF HKR全部已发行股票的39%，其余三家公司分别持有37%、14%和10%的股份。

CNAF HKR是在香港国际机场提供加注服务的第三家获批航油加注服务商。加油站占地面积约3,000平方米，包括行政办公室，调度室，维修车间等，并配有管线加油车和罐式加油车。CNAF HKR已经于2015年8月1日投入运营。

Chief Executive Officer's Strategic Report

Financial Review

EARNINGS REVIEW

China Aviation Oil ("CAO") Group net profit rose 24.7% year-on-year to US\$61.3 million for the financial year ended 31 December 2015 ("FY2015"), compared to US\$49.2 million for year ended 31 December 2014 ("FY2014").

Revenue for the Group decreased 47.4% to US\$9.0 billion compared to US\$17.1 billion a year ago, which was mainly attributable to lower oil prices as well as product mix. Total supply and trading volume was 20.2 million tonnes, almost the same as FY2014's 20.4 million tonnes.

Revenue from middle distillates declined 48.0% from a year ago to US\$7.0 billion, mainly due to the drastic drop in oil prices even as jet fuel accounted for 71.4% of the Group's total revenue in FY2015. Volume of jet fuel supply and trading was 11.9 million tonnes for FY2015, a reduction of 1.6% compared to 12.1 million tonnes for FY2014.

Revenue from other oil products declined 44.8% from a year ago to \$2.0 billion, due principally to the decline in oil prices even as the trading volume of other oil products remained unchanged at 8.3 million tonnes for FY2015. China remained the Group's largest market, accounting for 52.5% of the Group's revenue in FY2015. Accordingly and in line with the Group's strategy in building a global supply and trading network, 47.5% of the Group's revenue in FY2015 was derived from outside China, compared to 49.0% in FY2014.

CAO Group gross profit rose 29.4% to US\$35.4 million for FY2015, compared to US\$27.4 million for FY2014 mainly due to higher trading profits derived from jet fuel trading. Gross profit from the trading in fuel oil and other oil products improved but was partially offset by losses incurred in petrochemicals trading. In view of the weak demand in China, the Group suspended petrochemical trading in September 2015 to focus more on its jet fuel core businesses.

Total expenses decreased 32.9% to US\$13.9 million for FY2015, compared to US\$20.7 million for FY2014, mainly due to lower finance cost relating to bank charges and interest expense, lower professional fees and the recovery of monies due from MF Global amounting to US\$3.10 million.

Share of profits from associates and joint venture decreased 2.1% to US\$42.3 million for FY2015 compared to US\$43.2 million for FY2014, primarily due to lower contribution from SPIA. Profit contribution from SPIA decreased 7.1% to US\$38.9 million for FY2015, compared to US\$41.9 million for FY2014 mainly due to lower jet fuel prices despite higher refuelling volumes.

OKYC saw a turnaround in FY2015, contributing share of profit of US\$1.4 million in FY2015 compared to share of loss of US\$1.7 million in FY2014. The profit generated from its oil storage leasing activity was partially offset by the Marked-to-Market ("MTM") loss of its Cross Currency interest rate Swap ("CRS") contracts. The Group's share of loss for OKYC of US\$1.7 million in FY2014 was due mainly to lower storage leasing income and MTM loss from its CRS contracts. OKYC entered into CRS contracts to hedge against future revenue in US Dollar. In accordance with the International Financial Reporting Standards, MTM gains or losses have to be recorded in the Income Statement.

Share of profit from TSN-PEKCL was US\$2.2 million for FY2015 compared to US\$1.7 million for FY2014, an increase of 35.4%. Share of profit from Xinyuan decreased by US\$0.9 million to US\$0.7 million, as there was a reversal of impairment provision on its oil storage properties in FY2014.

The share of loss from CNAF-HKR was US\$0.8 million for FY2015 compared to US\$0.2 million for FY2014, mainly due to the pre-operating expenses incurred since its incorporation on 10 September 2013. The construction of the facility was completed and it commenced operations in August 2015.

The Group's earnings per share was 7.12 US cents for FY2015 compared to 5.72 US cents for FY2014.

ASSETS

The Group continued to maintain a robust balance sheet with zero gearing as at 31 December 2015. Total assets amounted to US\$845.5 million, compared to US\$1.4 billion a year ago due mainly to lower accounts receivables as a result of the slump in oil prices.



Handling of tank valves at CNAF storage facilities
CNAF 储罐设施的储油罐阀门运作

The Group's liquidity and debt servicing ability remained strong. As at 31 December 2015, the Group's total trade and banking facilities amounted to US\$3.2 billion and US\$170.5 million in cash and cash equivalents, compared to US\$94.3 million as at 31 December 2014. As at 31 December 2015, the Group's current ratio and quick ratio were 2.29 and 2.06 respectively (31 December 2014: 1.33 and 1.30 respectively), reflecting the Group's strong liquidity and robust financial health.

BORROWINGS

There were no borrowings as at 31 December 2015 and 31 December 2014. The Group's net assets stood at US\$592.6 million or 68.90 US cents per share as at 31 December 2015, compared to US\$553.5 million or 64.35 US cents per share as at 31 December 2014. The higher net asset value per share was attributable to the earnings generated in FY2015.

The Group continues to monitor its overall liquidity position to support its growing business expansion. Currently, the principal sources of cash flows are from its supply and trading business operations and dividends received from its associates.

The Group continues to maintain a healthy bank balance as it exercised stringent credit management and focused on credit control and collections as well as working capital management, while proactively seeking synergetic and strategic asset investment opportunities to diversify its income streams.

ECONOMIC VALUE ADDED

Economic Value Added ("EVA") profit for FY2015 was US\$22.9 million, increased by 52.7% or US\$7.9 million from US\$15.0 million for FY2014. Accounting net profits rose 24.7% year-on-year to US\$61.3 million for FY2015, compared to US\$49.2 million for FY2014. The rate of increase in economic profit surpassed the 24.7% year-on-year increase in accounting net profits. This is testament that the Group has created value beyond and above all financial obligations, including a capital charge. During the year, the Group has produced returns above the capital charge by reducing capital employed in the business and by improving returns through reducing expenses and cost of capital.

Chief Executive Officer's Strategic Report

Financial Review

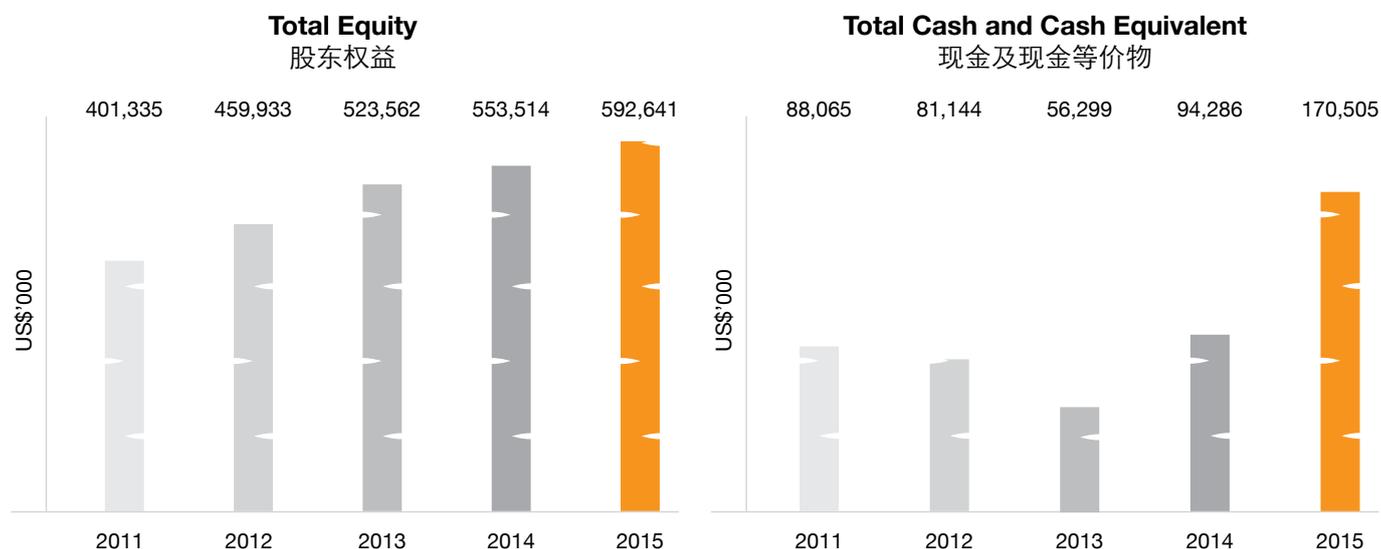
5-Year Financial Summary	2011	2012	2013	2014	2015
Income Statement 损益表 (US\$'000)					
Revenue 营业额	9,011,978	14,807,984	15,571,869	17,061,031	8,987,487
Gross Profit 毛利	39,966	42,750	52,491	27,397	35,444
Associated Companies 联营公司	40,232	43,187	46,476	43,194	42,296
Net Profit Attributable to Equity Holders of the Company (PATMI) 可向股东分配净利润	63,401	66,189	70,216	49,160	61,281
Balance Sheet 资产负债表 (US\$'000)					
Total Assets 总资产	1,194,261	1,650,339	1,574,890	1,378,715	845,517
Total Equity 股东权益	401,335	459,933	523,562	553,514	592,641
Cash And Cash Equivalent 现金及现金等价物	88,065	81,144	56,299	94,286	170,505
Financial Ratios 财务比率					
Earnings Per Share (US\$ Cents)* 每股收益(美分)*	8.83	9.16	8.16	5.72	7.12
Net Assets Per Share (US\$ Cents) 每股净资产(美分)	55.99	64.16	73.04	64.35	68.9
Return On Equity 净资产回报率#	17.0%	15.4%	14.3%	9.1%	10.7%
Return On Assets 资产回报率#	5.9%	4.7%	4.5%	3.5%	5.7%
Debt Equity Ratio 股本带息负债率	7.5%	0.4%	5.5%	0.0%	0.0%

* The diluted earnings per shares are adjusted for transactions that adjust the number of shares without a corresponding changes in resources. The effects of the bonus shares, issued on 10 March 2014, which is before the financial statements are authorised for issue, have been included in the diluted earnings per share calculation for the years ended 31 December 2011 to 2015.

稀释每股收益依照影响股份数量而不影响相应金额的交易进行调整。于2014年3月10日在财务报表批准公布前发行的股票股利的影响已被考虑在2011年至2015年的每股收益计算中。

Average shareholders' equity or average total assets used in calculations.

计算时取股东权益或总资产的平均值。



首席执行官战略报告

财务业绩

盈利分析

截止2015年12月31日的2015财年（“2015财年”）CAO净利润同比增加24.7%至6130万美元，截止2014年12月31日的2014财年（“2014财年”）净利润为4920万美元。

2015年集团收入减少47.4%至90亿美元，2014年为171亿美元。主要是由于较低的油价，以及业务结构的变化。供应与贸易总量为2020万吨，与2014年的2040万吨基本一致。

2015年集团中馏分收入同比降低48%至70亿美元，主要由于油价的大幅降低，2015年航油对集团总收入的贡献为71.4%。2015年航油供应与贸易量为1190万吨，相比2014年的1210万吨降低1.6%。

2015年集团其他油品收入同比降低44.8%至20亿美元，主要由于油价下跌，其他油品贸易量稳定在830万吨。中国依然是集团最大的市场，2015年占集团总收入52.5%。秉承集团打造全球供应与贸易网络的战略，集团47.5%的收入来自中国以外地区，2014年这一数字为49%。

2015财年CAO集团毛利为3540万美元，较上年同期的2740万美元增加29.4%，主要是由于航油贸易盈利较高所致。燃料油和其他油品毛利有所改善，但还是被化工品的贸易亏损部分抵消。由于中国经济放缓拖累中国需求，以及不断增加的利率风险，集团在2015年9月暂停了化工品贸易，更加专注航油核心业务。

2015年累计费用总额为1390万美元，较2014年的2070万美元减少32.9%。主要是因为银行费用和利息费用的降低使得财务费用减少、专业服务费降低，以及收回MF Global坏账310万美元。

来自联营公司的投资收益较上年同期的4320万美元减少2.1%至4230万美元，主要是来自浦东航油投资收益降低所致。浦东航油投资收益为3890万美元，相比2014年的4190万美元减少7.1%，主要由于航油价格下跌，虽然加油量有所增加。

2015年OKYC扭亏为盈，贡献利润140万美元，2014年亏损170万美元。OKYC储罐租赁业务的盈利部分被外币掉期合约盯市损失抵消。OKYC 2014年170万美元的投资亏损主要是由于储罐租赁业务收入较低，以及外币掉期合约的盯市损失。OKYC签订外币掉期合约主要是为了对冲未来的美元收入。按照国际财务报告准则，盯市损失必须记录在损益表中。

2015年来自天津管输的投资收益累计为220万美元，相比2014年的170万美元增长35.4%。2015年新源的投资收益累计为70万美元，较上年减少90万美元，主要是2014年冲回以前年度计提的储罐减值准备。

2015年来自香港加注公司的投资亏损为80万美元，2014年投资亏损为20万美元，主要由于2013年9月10日公司成立以来的运营前期费用投入。设施已经建设完毕并于2015年8月投产。

2015年集团每股盈利为7.12美分，2014年为5.72美分。

资产状况

集团资产负债表健康，截止2015年12月31日零负债。总资产达8.455亿美元，2014年为14亿美元，主要由于油价下跌，应收账款降低。

集团流动性和偿债能力稳健。截止2015年12月31日，集团总授信额度达32亿美元，现金和现金等价物总额1.705亿美元，2014年12月31日为9430万美元。截止2015年12月31日，集团流动比率和速动比率分别为2.29和2.06（2014年12月31日分别为1.33和1.30），反映了集团较强的流动性和健康的财务状况。

借贷

截止2015年12月31日集团无贷款，与2014年12月31日一致。截止2015年12月31日集团净资产为5.926亿美元，即68.9美分每股。截止2014年12月31日，净资产为5.535亿美元，即64.35美分每股。每股净资产值的提高是由于2015年盈利的增加。

集团继续控制整体流动性，支持业务拓展。目前现金主要来源是供应与贸易业务产生的自有现金，以及联营公司的分红。

集团银行存款水平良好，实施严格的信用管理，专注信用控制、应收账款回收和流动资金管理，同时积极寻找有协同性的战略资产投资机会，拓展收入来源。

经济附加值

2015年经济附加值为2290万美元，相比2014年的1500万美元增加52.7%，即790万美元。2015年净利润同比增长24.7%至6130万美元，2014年为4920万美元。经济附加值的增值超过了净利润24.7%的增值，这证明集团创造的价值远远超过财务成本（包括资本成本）。本年度，集团减少了业务所需资本，并通过减少费用和资本成本提高了回报。

Chief Executive Officer's Strategic Report

Investor Relations

Committed to high corporate governance and transparency standards, maintaining active, open and fair communication with our stakeholders is a top priority for CAO. Particularly in a challenging 2015 marked by depressed oil prices and turbulence in global equity markets, the Group continued to step up its investor relations efforts to foster a sustained communication flow in order to provide the investment community with accurate, fair and timely information about CAO's business operations and performance. These sustained efforts in investor relations underscore the Group's commitment to create long-term value for its stakeholders.

ENGAGING INVESTORS PROACTIVELY

2015 was a volatile year for global stock markets, with the investing community unsettled by the oil price slump and macroeconomic uncertainty due mainly to the weaker growth in China, the world's largest consumer market. This was further exacerbated by geopolitical tensions and impending interest rate hikes which severely affected market sentiments throughout the year.

Against this backdrop, CAO's Senior Management and Investor Relations team heightened engagement with the investor community, proactively communicating with existing and potential institutional investors, financial analysts, the media as well as retail shareholders on various communication platforms.

In 2015, CAO held close to 200 investor meetings and conference calls with institutional investors and undertook several non-deal roadshows in Singapore, Malaysia and Hong Kong, presenting CAO to shareholders and potential investors across various asset classes through one-on-one and group meetings, conference calls and forums. At these meetings, Senior Management engaged investors, keeping them abreast of the Company's strategic direction, mounting operational competitiveness and realigned business portfolio.

To further engage its retail shareholders, Senior Management undertook to present the Group's FY2014 business performance to some 152 attending retail shareholders at its 2015 Annual General Meeting, providing them insights into the Group's business, with a lively question-and-answer session where the Board of Directors and Senior Management addressed each and every investor query and concern. We believe the proactive outreach deepens relationships with long-term shareholders, promotes greater transparency with a better understanding and appreciation of the

Group's value proposition; the capital market responded positively to the active engagement with improved liquidity of CAO shares, sustaining CAO share price to close at S\$0.80, an increase of 19.4% in the first half of 2015.

In the second half of 2015, the equity markets became increasingly negative, primarily due to the low oil prices and the sudden devaluation of the renminbi currency by the Chinese central bank to support the sluggish Chinese economy. CAO share price likewise was on a volatile swing, reflecting the general trend of the stock markets. Still, CAO intensified its engagement with the investment community and convened its Corporate Access Day in September where Senior Management shared with shareholders, analysts and investors on the "The Global Stratosphere of Aviation Marketing", explaining the aviation marketing segment's significance for the Group and outlining our strategic value chain and synergistic assets investments strategy. Alongside our interaction with the global investor community, we also heightened our outreach efforts with the international investing and financial community through international media engagements, as a means to engage both retail as well as institutional investors. In 2015, CAO's share of voice increased to over 100 media articles.

ENHANCING COMMUNICATION

As the Group's investor base broadened to include global fund managers, CAO adopted new media platforms to enhance communication, particularly through the use of the internet to extend its reach to global investors. Led by its conviction to maintain high standards of corporate transparency and fair disclosure, the Investor Relations team also augmented the use of various multi-media tools during the year to reach out to the investor community globally through webcasts, videos and conference calls.

With the proliferation of mobile devices, a mobile compatible corporate website was developed to enhance the Group's investor communication. Designed as an easy-to-use tool, the use of this digital platform further reinforced CAO's global investor outreach strategy, supporting our efforts to provide useful information to investors in a timely manner.

As part of CAO's investor communication initiatives, the Group has undertaken since FY2014 to enhance its corporate reporting format, incorporating elements of the International Integrated Reporting Framework into its annual reports to further strengthen and promote transparency of the Group's business performance,

INVESTOR RELATIONS CALENDAR

投资者关系活动时间表



providing deeper insights into CAO’s business model and strategy as well as the risks and opportunities it faces in the constantly changing external environment.

All disclosures submitted to the Singapore Exchange are made available in the Investor Relations section of the Group’s corporate website, www.caosco.com. Investors can find comprehensive information about CAO including news releases, annual reports, presentations from our Corporate Access Days, webcasts of financial results’ briefings and stock exchange announcements. The website also allows web users to sign up for email alerts to stay up-to-date on the latest corporate developments. CAO actively seeks investors’ feedback to continuously improve its investor relations efforts. The Investor Relations team may be reached at ir@caosco.com for shareholders’ enquiries or suggestions.

ACCOLADES

In 2015, the Group’s proactive investor relations approach and commitment to corporate transparency was again recognised by the investment community. CAO was named runner-up for the Most Transparent Company in the oil and gas category at the SIAS Investors’ Choice awards for the sixth consecutive year. The Group’s investor relations efforts were further

recognised by the investment community with the award of Best Investor Relations (Gold) amongst listed companies with market capitalisation of S\$300 million to S\$1 billion at the Singapore Corporate Awards 2015.

DELIVERING VALUE

CAO stood by its commitment to reward shareholders in a year of turbulence and challenges. CAO share price while volatile during the year, proved resilient and resumed an upward trajectory to close at S\$0.71 on 31 December 2015 with an overall increase of 6% year-on-year, outperforming the Straits Times Index’s 14.3% decline in the same period. Reflecting the increased interest in CAO, average daily trades in CAO shares increased 33% year-on-year.

In response to feedback from minority shareholders and to afford shareholders a more direct participation in the Group’s earnings growth, the Board of Directors has approved the adoption of a dividend policy based on a growth-based dividend payout formula. Commencing from FY2015, CAO intends to declare dividends comprising 30% of CAO’s annual consolidated net profits attributable to shareholders (one-tier, tax exempt) for each financial year.

The Company has proposed a first and final (one-tier, tax exempt) dividend of S\$0.03 per share for FY2015.

Chief Executive Officer's Strategic Report

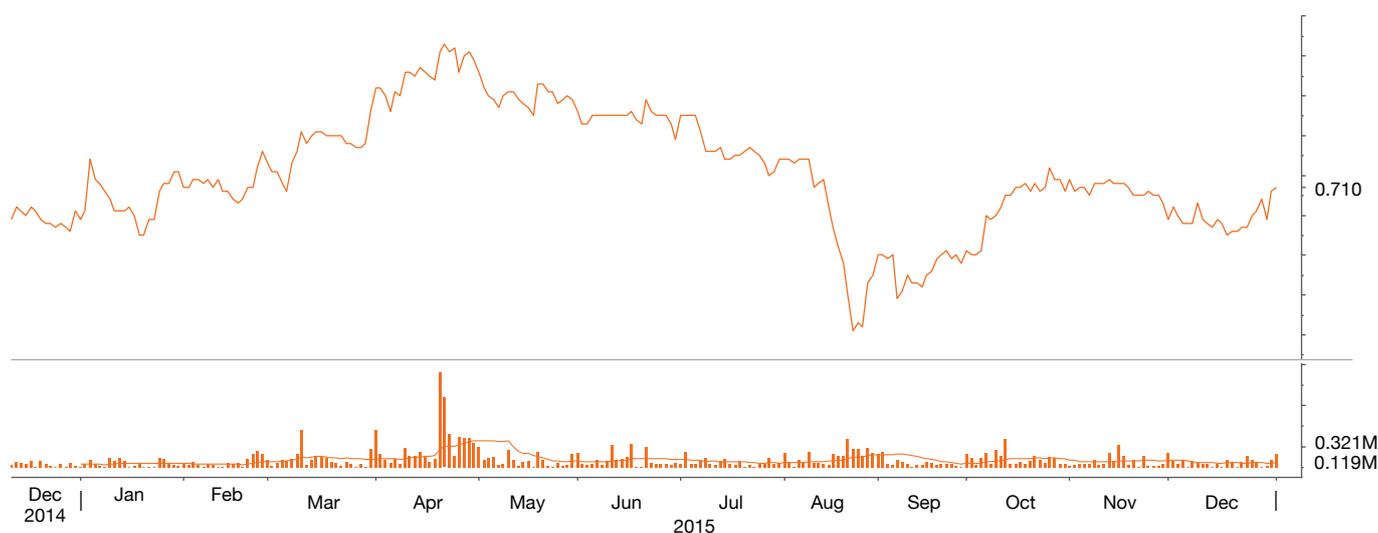
Investor Relations

The proposed dividend of S\$0.03 per share for FY2015 represents a 50% increase from a fixed final dividend payout of S\$0.02 per share for the preceding financial year.

As the Group continues to strengthen the resilience of its business portfolio and fully leverage on its core

capabilities to pursue opportunities and accretive investments that add scale to its core businesses, investor relations takes on a strategic function, helmed by Senior Management, to facilitate investor engagement at a heightened level, as CAO moves forward into its next phase of growth and drive the strategic transformation of the Group for healthy growth to create sustainable long-term value for our shareholders.

2015 CAO SHARE PRICE MOVEMENT & TRADING VOLUME



SHARE PRICE INFORMATION 股价信息

Share Price (S\$) 股价(新元)	2011	2012	2013	2014	2015
As at last trading day of the year 截至当年的最后一个交易日	0.985	1.000	1.045	0.670	0.710
High 最高价	1.610	1.335	1.230	1.070	0.900
Low 最低价	0.830	0.920	0.890	0.655	0.500
Average 平均	1.179	1.041	1.007	0.840	0.730

Source: Bloomberg & SGX Website

CORPORATE CALENDAR 公司事务时间表

2016	
Announcement of 4Q 2015 and 2015 full-year financial results 公告2015年全年业绩	25 February
Dispatch of Summary Reports to shareholders 向股东派发年报概要	On or about 24 March
22 nd Annual General Meeting 第22届常年股东大会	20 April
Proposed First and Final Dividend for FY2015 2015年首次及年终股息	
Books closure date 关账日	4 May
Payment date 付款日	17 May
Announcement of 1Q 2016 results 2016年第一季度业绩公告	April
Announcement of 2Q 2016 results 2016年第二季度业绩公告	July
Announcement of 3Q 2016 results 2016年第三季度业绩公告	November
2017	
Announcement of 4Q 2016 and 2016 full-year financial results 公告2016年全年业绩	February

首席执行官战略报告

投资者关系

保持高标准的公司治理和透明度，与股东保持积极、开放和公平的沟通对CAO来说至关重要。2015年油价疲软，全球股市动荡，集团继续通过投资者关系活动，确保沟通渠道顺畅，为投资者提供有关CAO业务和业绩的准确、公允和及时的信息，这些都体现了集团为股东创造长期价值的承诺。

积极接洽投资者

2015年对全球股市来说是动荡的一年，油价下跌和中国（全球最大消费市场）增长放缓带来的宏观经济不确定性困扰投资者，地缘政治紧张局势和加息压力更是严重影响了市场情绪。

在这种情况下，CAO的高级管理层和投资者关系团队增强了投资界的沟通，积极与现有和潜在机构投资者、财务分析师、媒体和散户通过各个沟通平台接洽。

2015年，CAO与将近200个投资者和机构投资者进行会议或电话会议，也参加了新加坡、马来西亚和香港的数个非交易型路演，向各个类型的股东和潜在投资者推介CAO，会议形式包括一对一面谈、多人会议、电话会议和研讨会。在这些会议上，高级管理层向投资者介绍公司的战略方向，包括增加运营竞争力，重新规划业务结构。

为了进一步接洽散户投资者，高级管理层在2015年常年股东大会上向152名散户股东介绍2014年的财务业绩和集团业务。董事会和高管也在问答环节解答每个投资者的问题和顾虑。我们相信积极主动的沟通会深化与长期股东的关系，使他们更好地了解集团的价值定位。资本市场对这些努力反映热烈，CAO股票流动性得到提升，股价在2015年上半年高达0.8新元，增加19.4%。

2015年下半年，股市情绪更加消极，主要由于低油价和中国央行为了刺激疲软的中国经济，使人民币突然贬值。CAO股价也随之波动，反映了股市的大趋势。在这种情况下，CAO加强与投资者的沟通，在9月召开了投资者接待日，高管与股东、分析师和投资者进行了题为“把握全球发展机遇，释放航空营销潜能”的分享，解释了航空市场营销板块对集团的重要性、我们的战略价值链和协同性资产投资战略。通过与全球投资者的互动和与媒体的接洽，我们加强了与全球投资和金融领域的沟通。2015年，报道CAO的媒体文章超过100篇，曝光力度显著加强。

加强沟通

随着集团开始吸引全球基金经理，CAO开始在新的媒体平台上，尤其是通过网络加强与全球投资者的沟通。通过保持高标准的信息透明和公平披露，投资者关系团队使用多个多媒体平台，包括网络广播、视频和电话会议，吸引全球范围内的投资者。

随着移动设备的普及，我们改进了公司网站，使之与移动设备端兼容，以改善与投资者的沟通。这个数字化平台便于操作，为投资者及时提供有用信息，加强了CAO的全球投资者沟通。

为了更好地与投资者沟通，集团从2014年起就完善公司报告模式，在年报中加入全球综合性报告框架元素，加强和推广业绩透明度，使投资者们了解CAO在多变的外部环境中的业务模式、战略、风险与机遇。

公司向新交所网站披露的全部信息已经上载至CAO官网的投资者关系部分。投资者可以从官网获得新闻稿、年报、投资者接待日介绍材料、业绩发布会网络广播、新交所公告。投资者还可以通过网站定制CAO信息，跟进最新进展。CAO欢迎投资者就改善投资者关系工作所做的反馈。CAO的IR团队邮件地址为ir@caosco.com。

得奖情况

2015年，集团IR团队的积极工作和对信息透明的坚持得到了投资界的肯定。CAO连续第六年获得新加坡证券投资者协会颁发的投资者选择奖的“最透明公司奖”。集团还获得了2015年新加坡企业大奖的“最佳投资者关系”金奖(3亿新元至10亿新元市值区间)。

创造价值

在动荡和充满挑战的外部环境中，CAO坚持履行对股东的承诺。虽然CAO股价波动，但整体表现稳健且呈上升趋势，2015年12月31日收0.71新元，同比增加6%，表现好于海峡时报指数在同时段14.3%的跌幅。CAO股票的每日平均交易量同比增加33%，反映投资者对CAO兴趣的增加。

为了回应小股东的要求，使股东更加直接地分享集团的盈利增长，集团董事会已经批准了与业绩增长挂钩的股息政策。从2015财年年开始，CAO计划每年将可分配给股东的年度合并净利润的30%用于股息发放(单层免税)。

2015财年，公司提议每股0.03新元的股息发放(单层免税)。相比2014财年每股0.02新元的股息政策，增幅高达50%。

随着集团继续打造业务，充分利用核心竞争力，寻找可以壮大核心业务的投资机会。在高级管理层的带领下，投资者关系工作从战略角度在各个方面展开，帮助CAO进入下一阶段的发展。

Corporate Information (as at March 2016)

DIRECTORS

Lin Wanli

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

Wang Kai Yuen

(Deputy Chairman,
Lead Independent Director)

Meng Fanqiu

(Chief Executive Officer / Executive Director)

Ang Swee Tian

(Independent Director)

Bella Young

(Non-Independent, Non-Executive Director)

Felipe Arbelaez

(Non-Independent, Non-Executive Director)

Li Runsheng

(Independent Director)

Luo Qun

(Non-Independent, Non-Executive Director)

Zhao Shousen

(Non-Independent, Non-Executive Director)

AUDIT COMMITTEE

Ang Swee Tian (Chairman)

Zhao Shousen (Vice Chairman)

Wang Kai Yuen

Li Runsheng

Felipe Arbelaez

REMUNERATION COMMITTEE

Wang Kai Yuen (Chairman)

Luo Qun (Vice Chairman)

Li Runsheng

Bella Young

Ang Swee Tian

NOMINATING COMMITTEE

Li Runsheng (Chairman)

Luo Qun (Vice Chairman)

Wang Kai Yuen

Bella Young

Ang Swee Tian

RISK MANAGEMENT COMMITTEE

Felipe Arbelaez (Chairman)

Zhao Shousen

Ang Swee Tian

COMPANY SECRETARY

Doreen Nah

AUDITORS

KPMG LLP

Public Accountants and Chartered
Accountants

(Appointed on 28 April 2006)

Partner in charge: Ang Fung Fung

(Since financial year 2011)

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place #32-01

Singapore Land Tower

Singapore 048623

PRINCIPAL BANKERS

ABN AMRO Bank, N.V.

Agricultural Bank of China

ANZ Bank

Bank of China Limited

Bank of Communications Co., Ltd

China Construction Bank, Singapore Branch

Crédit Agricole CIB, Singapore Branch

DBS Bank Ltd

Industrial and Commercial Bank of China,

Singapore Branch

ING Bank N.V., Singapore Branch

JP Morgan

OCBC Bank

Société Générale, Singapore Branch

The Hongkong and Shanghai Banking

Corporation Limited

United Overseas Bank Limited

Westpac Banking Corporation, Singapore

Branch

REGISTERED OFFICE

8 Temasek Boulevard

#31-02 Suntec Tower Three

Singapore 038988

Tel: (65) 6334 8979

Fax: (65) 6333 5283

Website: www.caosco.com

公司信息 (截至2016年3月)

董事

林万里

(董事长/非独立、非执行董事)

王家園

(副董事长/首席独立董事)

孟繁秋

(首席执行官/执行董事)

汪瑞典

(独立董事)

楊必麗

(非独立、非执行董事)

Felipe Arbelaez

(非独立、非执行董事)

李润生

(独立董事)

罗群

(非独立、非执行董事)

赵寿森

(非独立、非执行董事)

审计委员会

汪瑞典 (主席)

赵寿森 (副主席)

王家園

李润生

Felipe Arbelaez

薪酬委员会

王家園 (主席)

罗群 (副主席)

李润生

楊必麗

汪瑞典

提名委员会

李润生 (主席)

罗群 (副主席)

王家園

楊必麗

汪瑞典

风险管理委员会

Felipe Arbelaez (主席)

赵寿森

汪瑞典

公司秘书

蓝肖蝶

外部审计师

KPMG LLP

Public Accountants and Chartered

Accountants

(受聘于2006年4月28日)

负责合伙人:

洪芳芳(从2011财年起)

股票登记处和转让处

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place #32-01

Singapore Land Tower

Singapore 048623

主要银行

ABN AMRO Bank, N.V.

Agricultural Bank of China

ANZ Bank

Bank of China Limited

Bank of Communications Co., Ltd

China Construction Bank, Singapore Branch

Crédit Agricole CIB, Singapore Branch

DBS Bank Ltd

Industrial and Commercial Bank of China,

Singapore Branch

ING Bank N.V., Singapore Branch

JP Morgan

OCBC Bank

Société Générale, Singapore Branch

The Hongkong and Shanghai Banking

Corporation Limited

United Overseas Bank Limited

Westpac Banking Corporation, Singapore

Branch

注册办公室

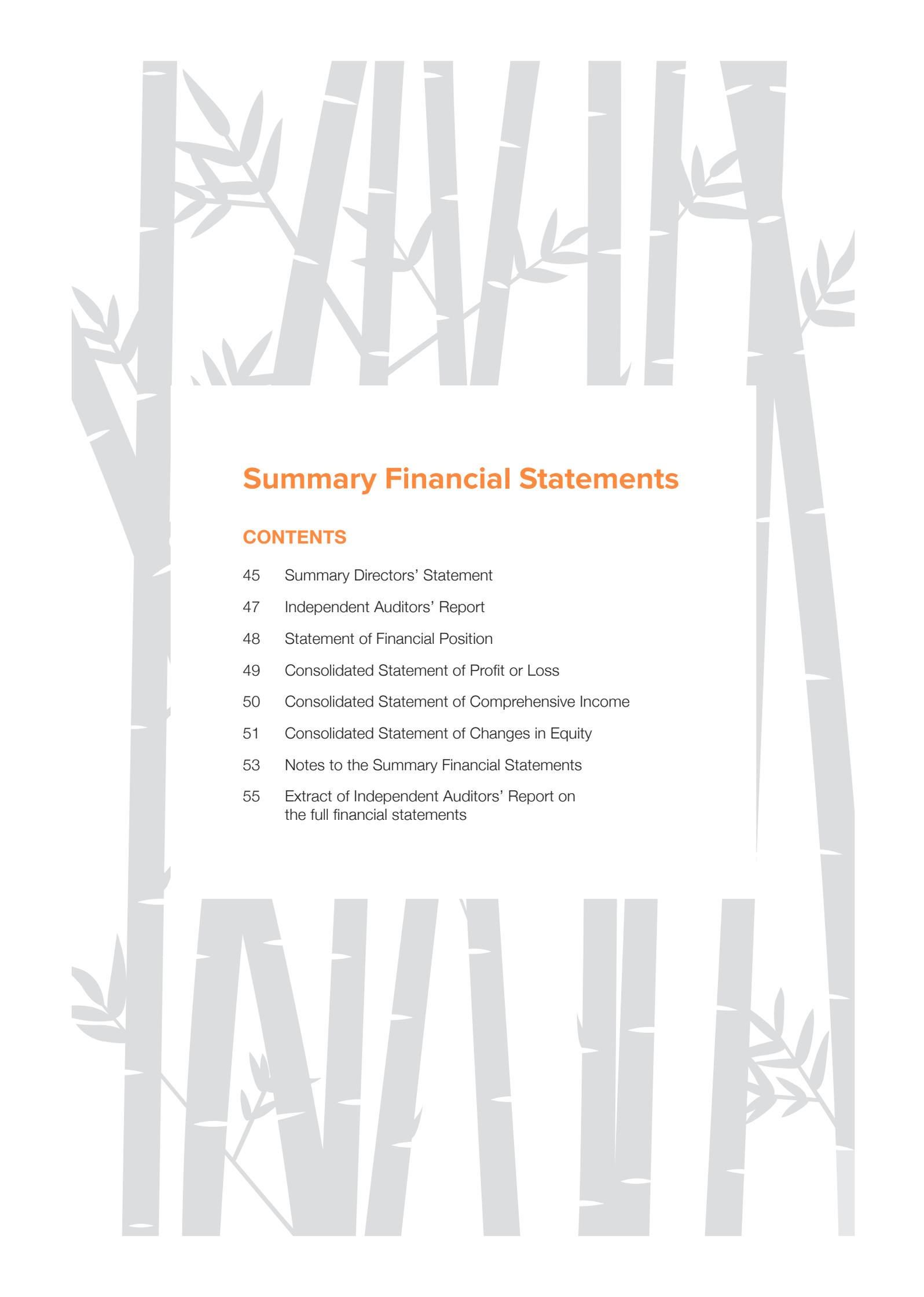
淡马锡林荫道8号新达城第3大厦31楼2号

新加坡邮区038988

电话: (65) 6334 8979

传真: (65) 6333 5283

网址: www.caosco.com



Summary Financial Statements

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Summary Financial Statements

Year ended 31 December 2015

IMPORTANT NOTE

The Summary Financial Statements contain a summary of the information in the Directors' Statement and financial statements of the Company's Annual Report. It also includes information provided in compliance with the requirements of Section 203A of the Singapore Companies Act, Chapter 50, and regulations made thereunder, applicable to the Summary Financial Statements. It does not contain sufficient information to allow for a full understanding of the results and the state of affairs of the Group and of the Company.

For further information, the full financial statements, the auditors' report on those statements and the Directors' Statement in the Annual Report 2015 should be consulted. Shareholders may request for a copy of the annual report at no cost.

Summary Directors' Statement

Year ended 31 December 2015

DIRECTORS

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

Lin Wanli	Chairman (Appointed on 11 August 2015)
Wang Kai Yuen	Deputy Chairman/Lead Independent Director
Meng Fanqiu	Chief Executive Officer/Executive Director
Ang Swee Tian	
Felipe Arbelaez	(Appointed on 30 July 2015)
Li Runsheng	
Luo Qun	
Bella Young Pit Lai	(Appointed on 22 April 2015)
Zhao Shousen	

- Mr Sun Li, Mr Alan Haywood and Mr Chen Liming stepped down as Directors of the Company on 11 August 2015, 30 July 2015 and 22 April 2015 respectively.

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), none of the directors who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations either at the beginning or at the end of the financial year except as follows:

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 1 January 2015	At 31 December 2015	At 1 January 2015	At 31 December 2015
The Company				
Wang Kai Yuen				
- Ordinary shares	57,600	57,600	120,000 ⁽¹⁾	120,000 ⁽¹⁾
Ang Swee Tian				
- Ordinary shares	48,000	110,000	-	-

⁽¹⁾ Held by Wang Kai Yuen's spouse.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2016.

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.

Summary Directors' Statement

Year ended 31 December 2015

AUDIT COMMITTEE

The members of the Audit Committee during the year and at the date of this statement are:

- Ang Swee Tian (Chairman), non-executive, independent director
- Zhao Shousen (Vice-Chairman), non-executive, non-independent director
- Wang Kai Yuen, non-executive, independent director
- Li Runsheng, non-executive, independent director
- Felipe Arbelaez, non-executive, non-independent director

The Audit Committee performed its functions specified in Section 201B(5) of the Act, the SGX Listing Manual, the 2012 Code of Corporate Governance and the Corporate Governance Policy of the Company.

The Audit Committee has recommended to the Board of Directors the appointment of Deloitte & Touche LLP as the auditors of the Company in place of the existing auditors, KPMG LLP, at the forthcoming Annual General Meeting of the Company.

AUDITORS

The retiring auditors, KPMG LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting of the Company. Deloitte & Touche LLP has expressed its willingness to accept appointment as the auditors of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

The Summary Financial Statements were approved by the Board of Directors on 15 March 2016 and signed on behalf of the Board of Directors by:

Wang Kai Yuen

Deputy Chairman & Lead Independent Director

Meng Fanqiu

Chief Executive Officer/Executive Director

15 March 2016

Independent Auditors' Report on the Summary Financial Statements

to the members of China Aviation Oil (Singapore) Corporation Ltd

The accompanying summary financial statements of China Aviation Oil (Singapore) Corporation Ltd (the Company) and its subsidiaries (the Group), set out on pages 48 to 54, which comprise the statement of financial position of the Group and the Company as at 31 December 2015, the statement of profit or loss, statement of comprehensive income and statement of changes in equity of the Group for the year then ended, and related notes, are derived from the audited financial statements of the Company and its subsidiaries for the year then ended. We expressed an unmodified audit opinion on those financial statements in our report dated 15 March 2016.

The summary financial statements do not contain all the disclosures required by the Singapore Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Company and its subsidiaries.

Management's responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with Section 203A of the Singapore Companies Act, Chapter 50 (the Act). In preparing the summary financial statements, Section 203A of the Act requires that the summary financial statements be derived from the annual financial statements and the Directors' Statement for the year ended 31 December 2015 and be in such form and contain such information as may be specified by regulations made thereunder applicable to summary financial statements.

Auditors' responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Singapore Standard on Auditing 810 *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements and the Directors' Statement of the Company and its subsidiaries for the year ended 31 December 2015 from which they are derived and comply with the requirements of Section 203A of the Act and the regulations made thereunder applicable to summary financial statements.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

15 March 2016

Statement of Financial Position

As at 31 December 2015

	Group		Company	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Non-current assets				
Property, plant and equipment	6,214	6,790	6,114	6,726
Intangible assets	1,826	2,369	645	1,188
Subsidiaries	–	–	37,648	33,435
Associates and joint venture	265,620	270,143	82,625	82,625
Trade and other receivables	–	–	35,480	35,480
Deferred tax assets	7,604	7,587	7,600	7,583
	281,264	286,889	170,112	167,037
Current assets				
Inventories	56,826	38,098	51,702	34,214
Trade and other receivables	336,922	959,442	306,797	913,373
Cash and cash equivalents	170,505	94,286	144,064	84,043
	564,253	1,091,826	502,563	1,031,630
Total assets	845,517	1,378,715	672,675	1,198,667
Equity attributable to owners of the Company				
Share capital	215,573	215,573	215,573	215,573
Reserves	377,068	337,941	238,313	193,020
Total equity	592,641	553,514	453,886	408,593
Non-current liabilities				
Deferred tax liabilities	6,164	6,238	–	–
Current liabilities				
Trade and other payables	246,707	818,948	217,713	788,853
Loans and borrowings	–	–	1,076	1,221
Current tax liabilities	5	15	–	–
	246,712	818,963	218,789	790,074
Total liabilities	252,876	825,201	218,789	790,074
Total equity and liabilities	845,517	1,378,715	672,675	1,198,667

The accompanying notes form an integral part of these summary financial statements.

Consolidated Statement of Profit or Loss

Year ended 31 December 2015

	2015 US\$'000	2014 US\$'000
Revenue	8,987,487	17,061,031
Cost of sales	(8,952,043)	(17,033,634)
Gross profit	35,444	27,397
Other income	(240)	1,168
Administrative expenses	(13,594)	(12,520)
Other operating expenses	731	(5,135)
Results from operating activities	22,341	10,910
Finance costs	(1,040)	(3,075)
Share of profit of associates and joint venture (net of tax)	42,296	43,194
Profit before tax	63,597	51,029
Tax expense	(2,316)	(1,869)
Profit for the year	61,281	49,160
Attributable to:		
Owners of the Company	61,281	49,160
Earnings per share:		
Basic earnings per share (cents)	7.12	5.72
Diluted earnings per share (cents)	7.12	5.72

The accompanying notes form an integral part of these summary financial statements.

Consolidated Statement of Comprehensive Income

Year ended 31 December 2015

	2015 US\$'000	2014 US\$'000
Profit for the year	61,281	49,160
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Translation differences relating to financial statements of foreign associates	(9,389)	(5,514)
Other comprehensive income for the year, net of tax	(9,389)	(5,514)
Total comprehensive income for the year	51,892	43,646
Attributable to:		
Owners of the Company	51,892	43,646

The accompanying notes form an integral part of these summary financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2015

	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 2014		215,573	32,141	9,089	(5,482)	272,241	523,562
Total comprehensive income for the year							
Profit for the year		–	–	–	–	49,160	49,160
Other comprehensive income							
<i>Items that are or may be reclassified subsequently to profit or loss</i>							
Translation differences relating to financial statements of foreign associates		–	(5,514)	–	–	–	(5,514)
Total other comprehensive income		–	(5,514)	–	–	–	(5,514)
Total comprehensive income for the year		–	(5,514)	–	–	49,160	43,646
Contributions by and distributions to owners							
Share of associates' accumulated profits transferred to statutory reserve		–	–	6,878	–	(6,878)	–
Dividends to equity holders	3	–	–	–	–	(13,694)	(13,694)
Total transactions with owners		–	–	6,878	–	(20,572)	(13,694)
At 31 December 2014		215,573	26,627	15,967	(5,482)	300,829	553,514

The accompanying notes form an integral part of these summary financial statements.

Consolidated Statement of Changes in Equity

Year ended 31 December 2015

	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 2015		215,573	26,627	15,967	(5,482)	300,829	553,514
Total comprehensive income for the year							
Profit for the year		-	-	-	-	61,281	61,281
Other comprehensive income							
<i>Items that are or may be reclassified subsequently to profit or loss</i>							
Translation differences relating to financial statements of foreign associates		-	(9,389)	-	-	-	(9,389)
Total other comprehensive income		-	(9,389)	-	-	-	(9,389)
Total comprehensive income for the year		-	(9,389)	-	-	61,281	51,892
Contributions by and distributions to owners							
Share of associates' accumulated profits transferred to statutory reserve		-	-	2,857	-	(2,857)	-
Dividends to equity holders	3	-	-	-	-	(12,765)	(12,765)
Total transactions with owners		-	-	2,857	-	(15,622)	(12,765)
At 31 December 2015		215,573	17,238	18,824	(5,482)	346,488	592,641

The accompanying notes form an integral part of these summary financial statements.

Notes to the Summary Financial Statements

Year ended 31 December 2015

1 SIGNIFICANT ACCOUNTING POLICIES

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

2 KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation comprises:

	Group	
	2015 US\$'000	2014 US\$'000
Directors' fees	453	490
Directors' remuneration	353	582
Key executive officers' remuneration	1,403	2,146
	2,209	3,218

The key management personnel compensation for the financial years ended 31 December 2015 and 2014 were made up of short-term employee benefits.

3 DIVIDENDS

The following (one-tier tax exempt) dividends were declared and paid by the Group and Company:

	Group and Company	
	2015 US\$'000	2014 US\$'000
Final exempt dividends paid in respect of the previous financial year of S\$0.02 (2014: S\$0.02) per share	12,765	13,694

After the respective reporting date, the Directors have proposed a final (one-tier tax exempt) ordinary dividend of S\$0.03 (2014: S\$0.02) per share, amounting to US\$18,244,000 (2014: US\$13,023,000). The dividends have not been provided for.

4 RELATED PARTY TRANSACTIONS

The immediate and ultimate holding company, CNAF, is a state-owned enterprise established in the PRC. In accordance with FRS 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 FRS 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.

For the financial year ended 31 December 2015, the Group's sales and purchases of oil commodities with government-related entities account for approximately 31% (2014: 34%) of the Group's total sales and 61% (2014: 48%) of the Group's total purchases. During the year, approximately 20% (2014: 15%) of the Group's banking fees and 7% (2014: 7%) of the Group's operating expenses were transacted with government-related entities.

Notes to the Summary Financial Statements

Year ended 31 December 2015

4 RELATED PARTY TRANSACTIONS (CONT'D)

Other than as disclosed elsewhere in the financial statements, the Group had the following significant transactions with related parties:

	Group	
	2015	2014
	US\$'000	US\$'000
Related corporation of a corporate shareholder		
Sale of jet fuel	–	562,812
Sale of fuel oil	11,812	–
Sale of gas oil	–	64,793
Purchase of jet fuel	60,640	492,312
Purchase of fuel oil	–	52,097
Purchase of petrochem	–	6,904
Related parties under CNAF:		
Related corporations		
Sale of jet fuel	2,353,750	3,793,869
Sale of aviation gasoline	2,027	918
Purchase of jet fuel	493,514	456,173
Associate		
Sale of jet fuel	1,718,571	2,650,727
Purchase of jet fuel	52,731	156,550
Other related party:		
Associate		
Storage tank rental expense	17,047	9,240

Extract of Independent Auditors' Report on the full financial statements

for the financial year ended 31 December 2015
Members of China Aviation Oil (Singapore) Corporation Ltd

An unmodified audit report dated 15 March 2016 has been issued on the full financial statements of China Aviation Oil (Singapore) Corporation Ltd and its subsidiaries for the financial year ended 31 December 2015. The audit report is reproduced as follows:

INDEPENDENT AUDITORS' REPORT

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

Report on the financial statements

We have audited the accompanying financial statements of China Aviation Oil (Singapore) Corporation Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the statement of financial position of the Group and the Company as at 31 December 2015, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages # to #.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Extract of Independent Auditors' Report on the full financial statements

for the financial year ended 31 December 2015
Members of China Aviation Oil (Singapore) Corporation Ltd

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 and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

15 March 2016

The page numbers are stated in the Independent Auditors' Report dated 15 March 2016 included in China Aviation Oil (Singapore) Corporation Ltd's Annual Report for the financial year ended 31 December 2015.

Statistics of Shareholdings

As at 7 March 2016

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%)
Class of Shares	:	Ordinary Shares
Voting Rights (excluding Treasury Shares)	:	1 vote per share

Based on information available to the Company as at 7 March 2016, 28.53%⁽¹⁾ of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by SGX-ST has been complied with.

Note: ⁽¹⁾ Percentage is calculated 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	387	2.75	20,978	0.00
100 - 1,000	2,041	14.50	1,207,413	0.14
1,001 - 10,000	7,512	53.37	30,944,833	3.60
10,001 - 1,000,000	4,116	29.24	147,630,818	17.16
1,000,001 AND ABOVE	19	0.14	680,379,586	79.10
TOTAL	14,075	100.00	860,183,628	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	443,104,056	51.51
2	BP INVESTMENTS ASIA LIMITED	173,476,942	20.17
3	DBS NOMINEES (PRIVATE) LIMITED	9,554,878	1.11
4	CITIBANK NOMINEES SINGAPORE PTE LTD	6,729,225	0.78
5	RAFFLES NOMINEES (PTE) LIMITED	5,848,998	0.68
6	HSBC (SINGAPORE) NOMINEES PTE LTD	5,580,780	0.65
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,213,135	0.61
8	OCBC SECURITIES PRIVATE LIMITED	5,096,758	0.59
9	UOB KAY HIAN PRIVATE LIMITED	4,659,353	0.54
10	LEE FOOK CHOY	3,000,000	0.35
11	DB NOMINEES (SINGAPORE) PTE LTD	2,862,760	0.33
12	BANK OF SINGAPORE NOMINEES PTE. LTD.	2,637,822	0.31
13	PHILLIP SECURITIES PTE LTD	2,440,015	0.28
14	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,360,469	0.27
15	CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,243,373	0.26
16	CHNG GIM HUAT	1,800,000	0.21
17	KANG HIAN SOON	1,398,000	0.16
18	LAM YEW CHONG	1,213,800	0.14
19	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,159,222	0.13
20	GOH GEOK LOO	901,000	0.10
	TOTAL	681,280,586	79.18

SUBSTANTIAL ORDINARY SHAREHOLDERS

(As shown in the Register of Substantial Shareholders as at 7 March 2016)

NO.	NAME	NO. OF SHARES		%
		DIRECT INTEREST	DEEMED INTEREST	
1	China National Aviation Fuel Group Corporation	-	441,332,912*	51.31
2	BP Investments Asia Limited	173,476,942	-	20.17

* China National Aviation Fuel Group Corporation is deemed to have an interest in 441,332,912 shares of CAO held by DBS Vickers Securities (Singapore) Pte Ltd.

Notice of Annual General Meeting

CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

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

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of the Company will be held at NTUC Centre, 1 Marina Boulevard, Level 7, Auditorium, Singapore 018989 on Wednesday, 20 April 2016 at 3:00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' statement and the audited financial statements for the financial year ended 31 December 2015 together with the auditors' report thereon. **(Resolution 1)**
2. To declare a first and final (one-tier, tax exempt) dividend of S\$0.03 per ordinary share for the financial year ended 31 December 2015. **(Resolution 2)**
3. To approve Directors' Fees of S\$638,839 for the financial year ended 31 December 2015 (2014: S\$638,451). **(Resolution 3)**
4. To re-elect the following Directors, each of whom will retire by rotation pursuant to Article 91 of the Constitution of the Company and who, being eligible, will offer themselves for re-election:-

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

Mr Lin Wanli **(Resolution 6)**
Ms Bella Young Pit Lai **(Resolution 7)**
Mr Felipe Arbelaez **(Resolution 8)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

6. That pursuant to Section 161 of the Companies Act, Cap. 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") authority be and is hereby given to the Directors of the Company to:
 - (a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
 - (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance to any Instrument made or granted by the Directors while this Resolution was in force,

Notice of Annual General Meeting

Provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 15% of the issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be based on the issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding at the time of the passing of this Resolution; and
 - (b) any subsequent consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 9)**

7. That:

- (a) approval be and is hereby given for the renewal of, and amendments to, the shareholders' general mandate (which was last renewed at the annual general meeting of the Company held on 22 April 2015) for the Company, its subsidiaries and associated companies which fall within the definition of entities at risk under Chapter 9 of the Listing Manual or any of them to enter into any of the transactions falling within the categories of interested person transactions set out in Annex II to the Company's Letter to Shareholders dated 24 March 2016 (the "**Letter**"), with any party who is of the class or classes of interested persons described in Annex II to the Letter, provided that such transactions are made on normal commercial terms and are not prejudicial to the Company and its minority shareholders, and are entered into in accordance with the review procedures for interested person transactions as set out in Annex II to the Letter (such shareholders' general mandate, as amended, hereinafter called the "**IPT Mandate**");
- (b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or until the date on which the next annual general meeting of the Company is required by law to be held, whichever is the earlier;
- (c) the audit committee of the Company (comprising Independent Directors Mr Ang Swee Tian, Dr Wang Kai Yuen and Mr Li Runsheng, and Non-Independent, Non-Executive Directors Dr Zhao Shousen and Mr Felipe Arbelaez as at the date of the Letter) be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by SGX-ST from time to time; and
- (d) the directors of the Company (the "**Directors**") and each of them be and are hereby authorised and empowered to complete and to do all such other acts and things as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purposes of giving full effect to the IPT Mandate.

(Resolution 10)

Notice of Annual General Meeting

8. That:

(a) for the purposes of the Companies Act (Chapter 50 of Singapore) (the “**Companies Act**”), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire fully paid issued ordinary shares in the capital of the Company (the “Shares”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchase(s) on the SGX-ST and/or any other stock exchange on which the Shares may for the time being be listed and quoted (the “**Other Exchange**”); and/or
- (ii) off-market purchase(s) if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next annual general meeting of the Company is held; and
- (ii) the date by which the next annual general meeting of the Company is required by law to be held; and

(c) the Directors and each of them be and are hereby authorised and empowered to complete and to do all such other acts and things as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purposes of giving full effect to the Share Purchase Mandate.

For the purposes of this Resolution:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) market days, on which transactions in the Shares on the SGX-ST were recorded, before the day on which a market purchase was made by the Company or, as the case may be, the date of the announcement of the offer pursuant to an off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant period of five (5) market days;

“**Maximum Limit**” means that number of issued Shares representing ten per cent. (10%) of the total number of Shares excluding treasury shares as at the last annual general meeting or as at the date of the passing of this Resolution (whichever is the higher); and

“**Maximum Price**”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (a) in the case of an on-market purchase of a Share, one hundred and five per cent. (105%) of the Average Closing Price of the Shares; and
- (b) in the case of an off-market purchase of a Share pursuant to an equal access scheme, one hundred and ten per cent. (110%) of the Average Closing Price of the Shares.

(Resolution 11)

Notice of Annual General Meeting

9. That :
- (a) Deloitte & Touche LLP be and is hereby appointed as auditors of the Company in place of KPMG LLP and to hold office until the conclusion of the next annual general meeting of the Company and the Directors be authorized to fix the terms of their remuneration (the "Proposed Change of Auditors").
 - (b) The Directors and each of them be and are hereby authorized and empowered to complete and to do all such acts and things (including without limitation, executing all such documents as may be required) as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purposes of giving full effect to the Proposed Change of Auditors. **(Resolution 12)**
10. To transact any other ordinary business which may properly be transacted at an annual general meeting.

BY ORDER OF THE BOARD

Doreen Nah
Company Secretary

Singapore, 24 March 2016

NOTES:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.
2. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 8 Temasek Boulevard, #31-02, Suntec Tower Three, Singapore 038988 not later than 3.00 p.m. on 18 April 2016.

Notice of Annual General Meeting

EXPLANATORY NOTES:

- Resolution 4** Dr Zhao Shousen, will upon re-appointment, continue as Deputy Chairman of the Audit Committee and a member of the Risk Management Committee. He is considered a Non-Executive, Non-Independent Director.
- Resolution 5** Mr Meng Fanqiu will upon re-appointment, continue as Chief Executive Officer/Executive Director.
- Resolution 6** Mr Lin Wanli will upon re-appointment, continue as Chairman of the Board. He is considered Non-Executive, Non-Independent Director.
- Resolution 7** Ms Bella Young Pit Lai will upon re-appointment, continue as a member of the Nominating Committee and the Remuneration Committee. She is considered Non-Executive, Non-Independent Director.
- Resolution 8** Mr Felipe Arbelaez will upon re-appointment, continue as Chairman of the Risk Management Committee and a member of the Audit Committee. He is considered Non-Executive, Non-Independent Director.
- Resolution 9** Resolution 9 is to authorise the Directors of the Company, from the date of the above annual general meeting until the next annual general meeting, to issue shares in the Company. The aggregate number of shares which the Directors may issue under this Resolution shall not exceed fifty per cent (50%) of the issued shares (excluding treasury shares) in the capital of the Company, of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders shall not exceed fifteen per cent (15%) of the issued shares (excluding treasury shares) in the capital of the Company. The percentage of issued share capital is based on the Company's issued shares (excluding treasury shares) in the capital of the Company at the time this proposed Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion of convertible securities or share options on issue at the time this proposed Ordinary Resolution is passed; and (b) any subsequent consolidation or subdivision of shares.
- Resolution 10** Resolution 10 is to approve the amendment of, and the renewal of the mandate to permit the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST), or any of them, to enter into certain types of interested person transactions with certain classes of interested persons as described in the Appendix to the Notice of Annual General Meeting of the Company dated 24 March 2016.
- Resolution 11** Resolution 11 is to renew the mandate to permit the Company to purchase or acquire issued ordinary shares in the capital of the Company on the terms and subject to the conditions of the Resolution.
- The Company may use internal sources of funds, or a combination of internal resources and external borrowings, to finance the purchase or acquisition of its ordinary shares. The amount of funding required for the Company to purchase or acquire its ordinary shares and the impact on the Company's financial position cannot be ascertained as at the date of this Notice of Annual General Meeting as these will depend on the number of ordinary shares purchased or acquired and the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled. The Company will not rely on external borrowings to finance purchases or acquisitions of its ordinary shares to such extent that it would materially affect the financial position, working capital requirements or investment ability of the CAO Group.
- Resolution 12** Resolution 12 is to approve the appointment of Deloitte & Touche LLP as the auditors of the Company in place of KPMG LLP, and to authorize the Directors to fix the terms of their remuneration. Please refer to the Letter to Shareholders dated 24 March 2016 for more details.

Notice of Annual General Meeting

ARTICLE 91 OF THE CONSTITUTION OF THE COMPANY

Every Director shall retire from office once every three (3) years and for this purpose, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation.

ARTICLE 97 OF THE CONSTITUTION OF THE COMPANY

The Company may by ordinary resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto, the Directors shall have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these presents. Any person so appointed by the Directors shall hold office until the next annual general meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 22nd Annual General Meeting of the Company ("**22nd AGM**") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 22nd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 22nd AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

NOTICE OF BOOKS CLOSURE DATE AND PAYMENT DATE FOR FIRST AND FINAL DIVIDEND (ONE-TIER, TAX- EXEMPT) ("**DIVIDEND**")

The Company gives notice that, subject to the approval of the shareholders being obtained for the Dividend at the 22nd Annual General Meeting of the Company to be held on 20 April 2016, the Register of Members and the Transfer Books of the Company will be closed on 4 May 2016 for the preparation of dividend warrants. The Register of Members and the Transfer Books will re-open on 5 May 2016. Duly completed registered transfers of ordinary shares in the capital of the Company received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623 before 5.00 p.m. on 3 May 2016, will be registered in the Register of Members and the Transfer Books of the Company to determine shareholders' entitlements to the Dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("**CDP**"), the Dividend will be paid by the Company to CDP which will, in turn, distribute the entitlements to the Dividend to CDP account-holders in accordance with its normal practice.

The Dividend, if approved by shareholders, will be paid on 17 May 2016.

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CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

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

IMPORTANT:

1. A relevant intermediary may appoint more than two (2) proxies to attend the Meeting and vote.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. Please refer to Note 2(b) of the Notes to the Proxy Form.

PROXY FORM

I/We, _____

of _____

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

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

and/or (delete as appropriate)

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

or failing him/her/them, the Chairman of the Annual General Meeting (the “**Meeting**”) as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Meeting of the Company, to be held at NTUC Centre, 1 Marina Boulevard, Level 7, Auditorium, Singapore 018989 on Wednesday, 20 April 2016 at 3:00 p.m., and at any adjournment thereof. I/ We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

(Please indicate your vote “For” or “Against” with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1	To adopt Directors’ Statement and Audited Financial Statements and Auditors’ Report thereon		
2	To declare a First and Final (One-Tier, Tax Exempt) Dividend		
3	To approve Directors’ Fees for the financial year ended 31 December 2015		
4	To re-elect Dr Zhao Shousen as a Director retiring under Article 91		
5	To re-elect Mr Meng Fanqiu as a Director retiring under Article 91		
6	To re-elect Mr Lin Wanli as a Director retiring under Article 97		
7	To re-elect Ms Bella Young Pit Lai retiring under Article 97		
8	To re-elect Mr Felipe Arbelaez as a Director retiring under Article 97		
	Special Business		
9	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited		
10	To approve the Proposed Renewal of, and Amendments to, the General Mandate for Interested Person Transactions		
11	To approve the Proposed Renewal of the Share Purchase Mandate		
12	To approve the Proposed Appointment of Deloitte & Touche LLP as the Auditors		

Dated this _____ day of _____ 2016

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

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

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 24 March 2016.

Notes:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
(b). In relation to a relevant intermediary who wishes to appoint more than two (2) proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, NRIC/Passport number and number of Shares in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF/SRS investors as its proxies shall comply with this Note. "relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.
3. A proxy need not be a member of the Company.

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The Company Secretary
CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD
8 Temasek Boulevard #31-02
Suntec Tower Three
Singapore 038988

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4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 8 Temasek Boulevard, #31-02, Suntec Tower Three, Singapore 038988 not less than 48 hours before the time appointed for the Meeting.
5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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c/o The Central Depository (Pte) Limited

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The Metropolis Tower 2

Singapore 138589

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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 Corporation
中国航空油料集团公司子公司

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

Tel : (65) 6334 8979
Fax : (65) 6333 5283
Website: www.caosco.com

Company Registration No.: 199303293Z