



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

志
腾
高
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**SOARING
TO
GREATER HEIGHTS**

Summary Report 2010
2010年年报概要



OUR VISION

To become an internationally competitive and growth-oriented integrated energy trading company with synergetic assets, characterised by integrity and innovation

公司愿景

坚守诚信、勇于创新, 成为具有跨国经营优势的能源贸易和实业协同发展型企业

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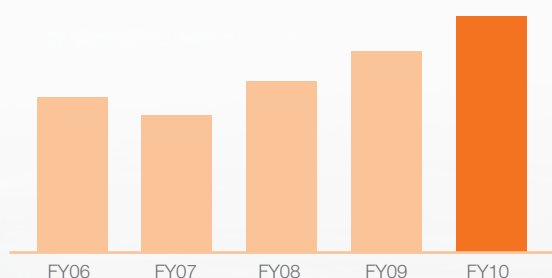
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Another Record Performance

业绩再创新高

Total Jet Fuel Supply and Trading Volume
航油供应与贸易总量

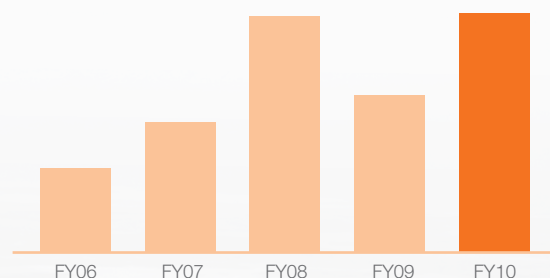
7.2m tonnes



Increased 17% from 2009, driven by growth of jet fuel trading activities outside the PRC

Revenue
销售收入

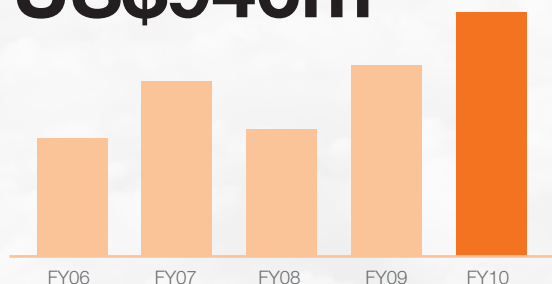
US\$5.5b



Grew 50% from 2009, on the back of business growth and higher oil prices

Total Assets
总资产

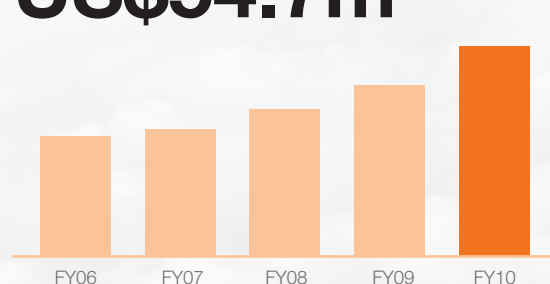
US\$946m



Jumped 25% from 2009, due to increased share of profits in associated companies and higher trade receivables

Net Profit*
净利润*

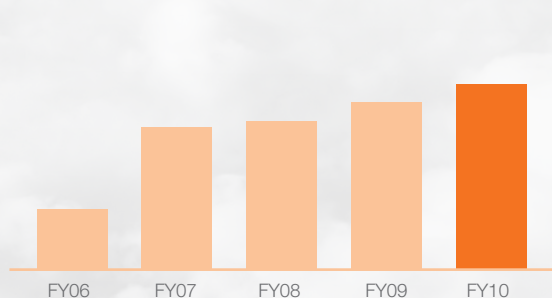
US\$54.7m



Increased 21% from 2009 due to strong performance from associated companies

Net Asset Value/Share
每股净资产值

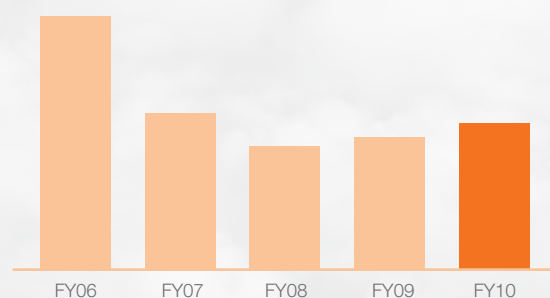
48.07 US cents



Net asset value per share increased 12% due to higher retained earnings

Return on Equity* #
股本回报率* #

16.7%



Reflects our strong earnings performance

*FY2006 and FY2007 excludes one-off non-operating gains
剔除2006年和2007年一次性非经营收益

#Average shareholders' equity used in calculation
计算时取股东权益平均值

Chairman's Statement

董事长致辞



Sun Li
Chairman

Dear Shareholders,

I am pleased to report that the CAO Group has achieved yet another year of record performance for the financial year 2010 despite uncertainties on the sustainability of recovery of emerging market economies and challenging oil market conditions.

The Group's net profit attributable to shareholders reached a historic high of US\$54.7 million for the financial year ended 31 December 2010 ("FY 2010"), an increase of 21% compared to the previous year. Our jet fuel supply and trading business performed well for the year under review. Revenue was up 50% at US\$5.5 billion on the back of record high jet fuel supply and trading volumes.

The Group's financial position has continued to strengthen. Net assets as at 31 December 2010 stood at US\$345.2 million, 11% higher than 2009. Return on equity increased from 15.4% in 2009 to 16.7% in 2010.

The civil aviation industry of the People's Republic of China ("PRC") continued to grow at a robust pace in 2010, with a 16% increase in total air passenger traffic. Despite the increase in the production and supply of jet fuel in the PRC, the volume of jet fuel imported by CAO into the PRC increased moderately in 2010.

The healthy growth of the PRC civil aviation industry also benefited our key associated company, Shanghai Pudong International Airport Aviation Fuel Supply Company ("SPIA"). SPIA turned in a stellar performance in 2010 and contributed US\$35.8 million to the profit of the CAO Group.

Chairman's Statement

董事长致辞

On the other hand, oil trading market conditions were generally less favourable in 2010, which posed challenges to the Group's trading business. Notwithstanding this, I am pleased to report that the trading portfolio of the CAO Group remained profitable in 2010 and was a key profit contributor to the Group.

Jet fuel supply and trading volumes grew 17% to 7.17 million tonnes in 2010, testament to our proactive efforts to grow the jet fuel business outside the PRC. CAO further entrenched its position as the leading jet fuel supplier and trader in the region as it made further inroads into the Asia Pacific markets and expanded into Europe, the Middle East and North America. The Group also strengthened its jet fuel trading capability and flexibility by increasing and optimising storage facilities.

The signing of a four-year business collaboration with BP Singapore Pte Limited ("BPS") in October 2010 was a milestone for the CAO Group in expanding its trading business. This collaboration agreement, which took effect from 1 January 2011, will bring BPS and CAO to a deeper level of business cooperation. It also provides a platform for both BPS and CAO to build on respective strengths for mutual benefit. For CAO, this collaboration provides an important access into new markets, such as Europe and the Middle East.

Corporate Governance

The Group is firmly committed to upholding high standards of corporate governance. With my appointment as the Chairman of the Board of CAO on 16 August 2010, Dr Wang Kai Yuen relinquished his role as Chairman of CAO and was concurrently appointed as Deputy Chairman and Lead Independent Director. The appointment of Dr Wang as the Lead Independent Director is over and above the requirements of the 2005 Singapore Code of Corporate Governance and enhances the critical role of independent directors on the Board of CAO.

As part of CAO's ongoing process of ensuring the effectiveness of its system of internal controls, the Board decided that the established system of internal controls be subject to review by an independent external reviewer at least once every two years. CAO engaged BDO Consultants Pte Ltd for this purpose during the last quarter of 2010. Based on the findings of the review by BDO Consultants, the system of CAO's internal controls were satisfactory and effective on the whole.

Awards and Accolades

Our efforts to uphold good corporate governance practices were recognised when we won the Securities Investors Association (Singapore)'s Most Transparent Company award (Runner-up) in the Foreign Listings category. CAO was also ranked 9th in the 2010 Singapore International 100 Ranking based on Singapore companies' overseas revenue.

Enhancing Shareholder Value

To reward our loyal shareholders, the Board has recommended a final dividend of S\$0.02 per share. Including the interim dividend of S\$0.02 per share paid during FY 2010, total dividend payout for the year will be S\$0.04 per share, representing about 41% (2009: 23%) of FY 2010 net profit.

The Group also continued to enhance shareholder value through share buyback activities during the course of the year. The Group purchased 3.7 million shares in 2010, all of which are held as treasury shares. As at 1 March 2011, CAO has repurchased about 5.8 million shares, which represented 0.8% of the Group's issued share capital.



Interaction with shareholders after the EGM in December 2010

Chairman's Statement

董事长致辞

Appreciation

The Board and I wish to thank our shareholders for their unwavering support to CAO. We would also like to thank the management team, staff, business associates and customers for their hard work and contributions to CAO.

I would also like to offer my heartfelt appreciation to my fellow Directors for their valuable guidance and support.

On behalf of the Board of CAO, I would like to express a special word of thanks to Mr Timothy Bullock, a BP nominee director who stepped down from the Board on 24 February 2011 following his departure from the BP Group. I wish to thank Tim for his significant contributions to CAO during his three-year tenure as a director of CAO, particularly in the areas of oil trading and risk management. The Board has benefited immensely from his commercial acumen and wealth of experience in the global oil and gas industry. We wish him the very best in his future endeavours. I also wish to extend a warm welcome to Mr Alan Haywood. I believe Alan's substantial experience in the global energy trading industry will be valuable to CAO.

Outlook

The PRC civil aviation industry is expected to continue its double-digit growth rate, which will in turn lead to a sustainable

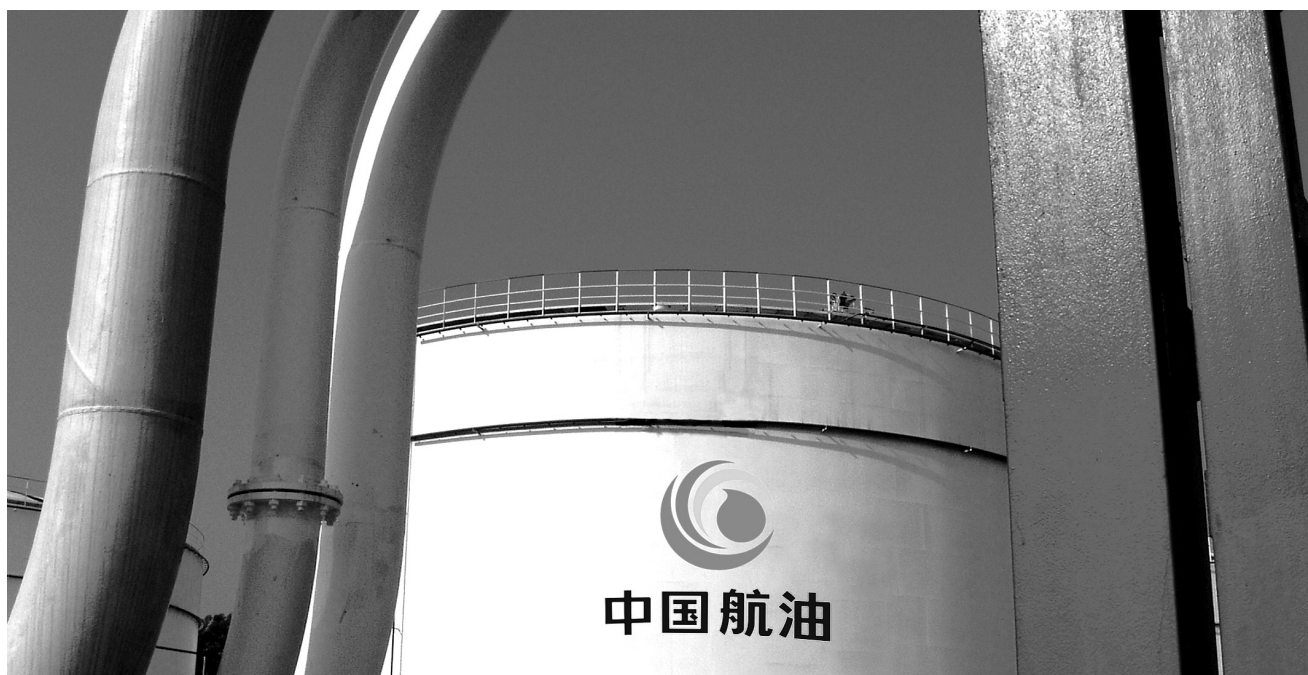
demand for imported jet fuel. Our associated companies in the PRC are also expected to benefit from the robust growth of the Chinese civil aviation industry.

Whilst the international oil market is expected to remain challenging in the coming year, CAO will continue to leverage on its competitive strength as the largest purchaser of jet fuel in the Asia Pacific region to expand its jet fuel trading business.

Besides our trading business, we are actively looking at acquisition opportunities as part of our strategy to strengthen CAO's assets and earnings base, particularly investments that are synergetic to our trading activities in jet fuel and other oil products.

CAO also has the support of its parent company, China National Aviation Fuel Group Corporation ("CNAF") and its strategic investor, BP Investments Asia Limited ("BP"). With CNAF's commitment to provide strong support towards CAO's growth strategy and BP's valuable partnership in the areas of trading and risk management, I believe CAO is poised to grow and to deliver sustainable returns and greater value to its shareholders going forward.

Sun Li
Chairman



各位股东：

我很高兴地在此通报，尽管新兴市场的复苏势头是否能够继续还有不确定因素，油品市场也面临各种挑战，但CAO集团在2010财年再一次创出了历史最佳业绩。

截至2010年12月31日的财年里，本集团可向股东分配净利润较去年增加21%，达到5470万美元，创历史最高。本集团的航油供应与贸易业务也有上佳表现，航油供应与贸易量达历史新高水平，并带动收入增加50%至55亿美元。

本集团的财务状况持续增强。截至2010年12月31日，净资产达3.452亿美元，较2009年增加11%。股本回报率从2009年的15.4%增至2010年的16.7%。

中国民航业在2010年继续稳健增长，航空客运量增加了16%。尽管中国国内航油生产与供应量增加，2010年CAO对中国的航油进口量仍稳中有升。

中国民航业的良性发展也使得我们的主要联营公司——上海浦东国际机场航空油料有限责任公司（简称“浦东航油”）从中获益。浦东航油在2010年取得了优异的业绩，并为CAO集团贡献了3580万美元的税前利润。

另一方面，2010年的油品贸易市场情况较为不利，给本集团的贸易业务造成挑战，尽管如此，2010年CAO集团的贸易业务继续保持盈利，并且仍是本集团利润的主要来源之一。

2010年航油供应与贸易量达到717万吨，达到历史最高，同比增加17%，显示了我们正在大力拓展中国以外的航油业务。CAO将业务进一步拓展至中东、欧洲和北美，继续巩固了其作为本地区航油供应与贸易商的领先地位。我们还通过增加和优化储罐设施，加强了航油贸易能力和灵活性。

2010年10月，CAO与BP新加坡私人有限公司（简称“BPS”）签订为期4年的业务合作协议，这是CAO集团拓展贸易活动的一个重要里程碑。这项合作协议于2011年1月1日生效，它将深化CAO与BPS的合作，为双方搭建平台发挥各自优势，实现共赢。这一合作也为CAO进入欧洲和中东等新市场提供了一个重要的渠道。

公司治理

本集团始终坚持高水准的公司治理。2010年8月16日，我被任命为CAO董事长，同时，王家园博士被任命为CAO的副董事长兼首席独立董事。任命王博士担任首席独立董事超出了新加坡2005公司治理守则的要求，这一做法强化了独立董事在CAO董事会发挥的关键作用。

为确保CAO内控体系持续有效，董事会决定聘请外部独立顾问对公司现有内控体系进行评估，评估频率至少两年一次。在2010年第4季度，CAO为此聘请了德豪咨询顾问有限公司。根据评估结果，CAO的内控体系总体情况令人满意且有效。

获奖与表彰

我们在良好公司治理实践方面的努力得到了肯定，CAO获得新加坡证券投资者协会颁发的“最透明公司奖—海外上市公司组第二名”。在2010年新加坡国际100家企业排名中，CAO名列第9位（根据海外收入计算）。

提升股东价值

为了回馈忠诚股东，董事会提议派发每股0.02新元的年终股息。加上公司在2010财年派发的每股0.02新元期中股息，本集团全年共派发每股0.04新元的股息，占2010财年净利润的41%（2009年为23%）。

本集团在2010年继续进行股票回购，借此提升股东价值。2010年集团回购了370万股股票，全部作为库存股持有。截至2011年3月1日，CAO共回购了580万股，占总发行股本的0.8%。



Chairman's Statement

董事长致辞

致谢

董事会和我本人要感谢股东对CAO一如既往的支持。我们还要感谢管理层、全体员工、联营公司和客户，感谢他们对CAO的贡献和辛勤的工作。

同时，我还要衷心感谢各位董事对CAO业务发展所给予的积极且富有建设性的指导和对我的支持！

我在此也谨代表CAO董事会特别感谢前BP提名董事Timothy Bullock先生，他从BP集团离职后于2011年2月24日辞去了在CAO的董事职务。感谢Bullock先生在CAO担任董事的3年期间所作出的重要贡献，尤其在油品贸易和风险管理领域。董事会从他在全球油气领域的商业才智和丰富经验中获益良多。我们祝愿Bullock先生未来事业一切顺利。同时我们欢迎Alan Haywood先生的加入。我相信Haywood先生在全球能源贸易领域的丰富经验一定会使CAO获益。

展望未来

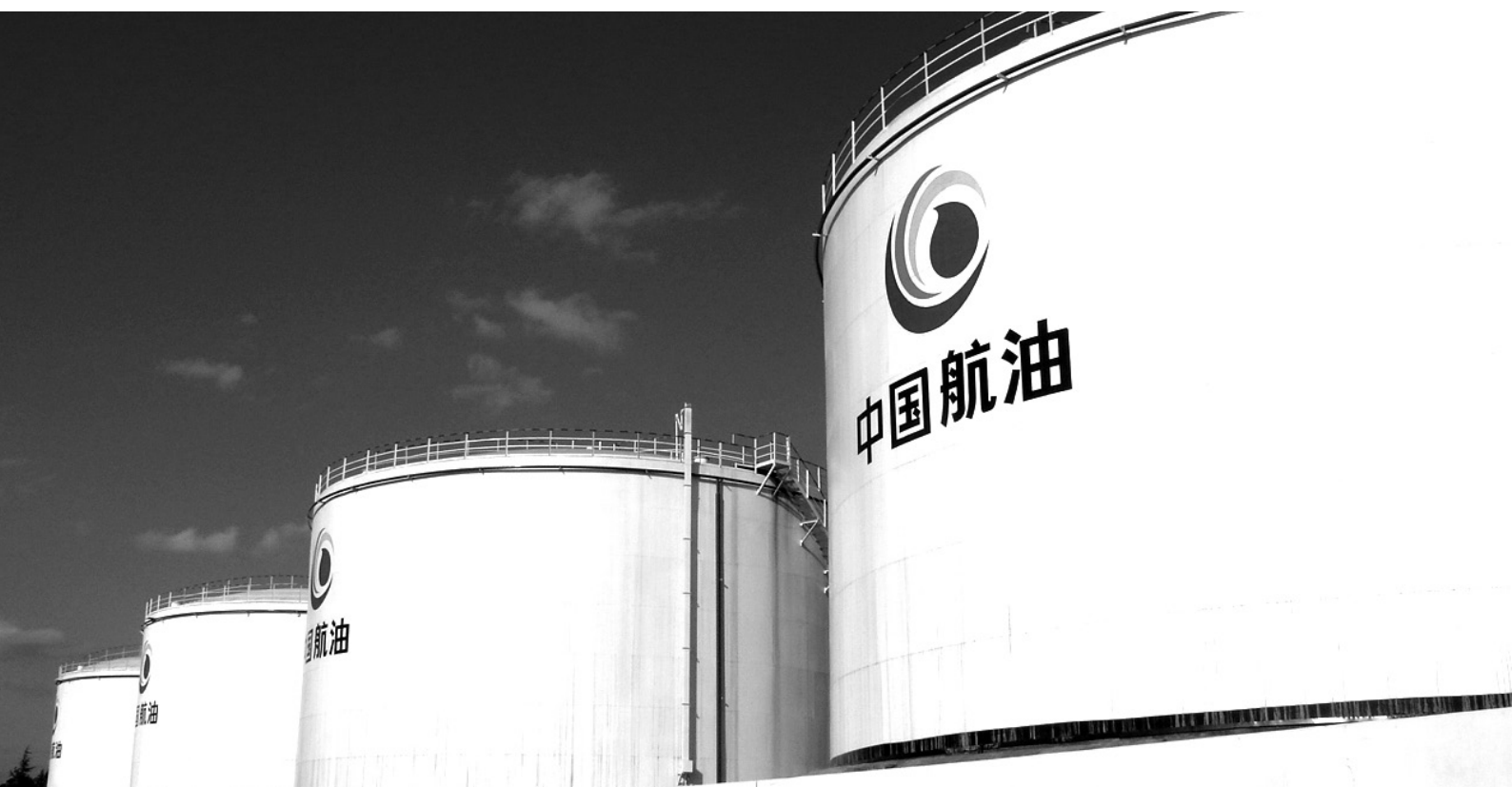
中国民航业预计将保持两位数的增长速度，这将拉动中国对进口航油的持续需求。本集团在中国的联营企业预期也将从中国民航业稳健的发展中获益。

2011年，国际油品市场将面临严峻挑战，CAO将继续利用其作为亚太地区最大的航油买家的竞争优势来扩展其航油贸易业务。

作为战略的一部分，除推动贸易业务外，为加强公司资产和增加收入来源，我们也在积极寻找资产收购机会，尤其是能与我们的航油和其他油品贸易产生协同增效作用的投资机会。

CAO还拥有其母公司——中国航空油料集团公司（简称“CNAF”）以及战略投资者——BP亚洲投资有限公司（简称“BP”）的支持。CNAF承诺在CAO发展业务的过程中为其提供一如既往的强有力支持，加上公司与BP在贸易和风险管理领域建立的重要合作关系，我相信CAO必将保持健康增长，持续为股东创造更大的价值。

孙立
董事长



Board of Directors 董事会



From left to right 左到右:

(Standing 站) Zhao Shousen 赵寿森
Alan Haywood

Chen Liming 陈黎明
Luo Qun 罗群

Ang Swee Tian 汪瑞典

(Sitting 坐) Liu Fuchun 刘福春
Sun Li 孙立

Wang Kai Yuen 王家园
Meng Fanqiu 孟繁秋

CEO's Review of Operations

首席执行官业绩回顾



Meng Fanqiu
Chief Executive Officer/
Executive Director

Dear Shareholders,

2010 marks the first year of the implementation of CAO's five-year corporate strategy and I am pleased to report that it was a fruitful year for the Group. With the understanding and support from our shareholders and under the leadership of our Board of Directors, we seized new growth opportunities and overcome unfavourable external factors to implement our corporate strategy. At the same time, we continued to enforce stringent risk controls, fine-tune internal management processes and strengthen our ability to innovate. Our efforts resulted in CAO achieving yet another year of record performance. It was a good start as we strive towards our goals for 2014.

Record Performance. The Group achieved record high performance in 2010 for the third consecutive year for three key business indicators – jet fuel supply and trading volume, total revenue and net profit. Total jet fuel supply and trading volume of the Group for 2010 was 7.17 million tonnes, a year-on-year increase of 17%. Total revenue increased 50% to US\$5.5 billion and net profit rose 21% to US\$54.7 million. The financial position of the Group remains healthy. CAO distributed its first-ever interim dividend to its shareholders during the year under review. We also achieved our goal of zero accident and incident and zero harm to the environment in our business operations.

Company's Standing Strengthened Considerably. As at 31 December 2010, our credit and trade financing facilities increased to a record high of US\$1.3 billion. CAO was granted a lower concessionary tax rate of 5% with effect from 1 August 2010 (lowered from 10% previously) under the Global Trader Programme. We also bagged the Most Transparent Company Award 2010 (Runner-Up in the Foreign Listings Category) awarded by the Securities Investors Association (Singapore).

Strong Appreciation of Share Price. CAO's share price increased 35% in 2010, outpacing the benchmark Singapore Straits Times Index which rose 10% and the FTSE-STI China Index which increased 8% over the same period.

CEO's Review of Operations

首席执行官业绩回顾

Review: Forged Ahead Despite Challenges

The global economic recovery, coupled with the Shanghai World Expo and the Guangzhou Asian Games, created growth opportunities for CAO. On the other hand, uncertainties still exist in the global economy post-global financial crisis, which posed tough challenges to CAO in our efforts to grow the business. Competition stiffened as more traders returned to the market, which resulted in pressure on trading margins. The increase in China's domestic production and supply of jet fuel led to slower growth in the country's demand for imported jet fuel. Despite the complex and challenging external environment, we stayed the course and expedited the growth of our businesses.

Fortified and Expanded Core Business of Jet Fuel Supply and Trading

Our jet fuel supply capability was further enhanced. We employed flexible means of procuring jet fuel from the international market and successfully fulfilled all deliveries of jet fuel to our customers during the year under review. We also ensured the supply of jet fuel to the People's Republic of China ("PRC") during the Shanghai World Expo and the Guangzhou Asian Games. Our efforts were recognised by our PRC customers and our parent company, China National Aviation Fuel Group Corporation ("CNAF"). We also offered value-added services to our PRC customers, such as providing market information and training.

We also continued to strengthen our entrepreneurial trading capability. We diversified our trading strategies by optimising storage facilities and traded via the Platts e-window. Besides supplying jet fuel to the Singapore Changi Airport through our business cooperation with BP and exporting jet fuel from West Pacific Petrochemical Co., Ltd ("WEPEC"), we have further expanded our trading activities to markets including Hong Kong, the United States, the Middle East and Australia. Not only did our entrepreneurial trading business help to mitigate

the impact of slower growth in PRC demand for imported jet fuel, it was also a main profit contributor to CAO's earnings for 2010.

Progressive Growth in Trading of Other Oil Products

Our strategy for petrochemicals trading was fine-tuned, with stringent risk controls in place. We strengthened our links with the PRC market as we strive to build up structural advantages for petrochemicals trading. CAO commenced fuel oil trading in July 2010 and the fuel oil trading book was profitable in its first year of business.

Pressed Ahead on Assets Investments

Our present priority in building up a strong asset base is to establish a network of oil storage assets to complement our trading businesses. CAO has leased oil storage tanks in South Korea and the coastal areas of China. We are making progress in our efforts to acquire or build storage assets in the Asia Pacific region and to seek acquisition opportunities in line with our corporate strategies.

Deepened Long-term Cooperation with BP

CAO signed the 2011-2014 Collaboration Agreement with BP on 12 October 2010. Not only does this business collaboration provide CAO with access to new markets such as the Middle East and Europe, it also increases our trading volume, extends our geographical reach and significantly strengthens our trading capabilities.



CAO was awarded Most Transparent Company (Runner-Up in the Foreign Category) of SIAS Investors Choice Award 2010



CAO signed a 4-year business collaboration agreement with BP Singapore in October 2010

CEO's Review of Operations

首席执行官业绩回顾

Enhanced Risk Management Practices

We continued to uphold our risk management principles of “Effective Control, Timely Support and Balanced Growth” and fostered a risk awareness culture where all employees are engaged and risks are managed from all aspects. We strengthened the risk management system and optimised the management process to effectively control risks and support business growth. We monitored global and PRC economic and political developments closely, identified new risk factors and conducted stress tests to ensure that the risks relating to business expansion and day-to-day business activities were manageable.

Maintained High Standards of Corporate Governance

In view of CAO's plan to entrench its position in the PRC market and to grow its jet fuel supply and trading business and the importance of its parent company, CNAF to CAO's future business growth and strategic development, the Board unanimously approved the appointment of Mr Sun Li, President of CNAF and a CNAF nominee director as the Chairman of CAO. Concurrently, our former Chairman, Dr Wang Kai Yuen was appointed as Deputy Chairman and Lead Independent Director. The appointment of Dr Wang as Lead Independent Director is over and above the requirements of the 2005 Code of Corporate Governance and testament to our efforts to uphold high standards of corporate governance.

Strengthened Internal Management

Our internal management system, policies and operating procedures were fine-tuned and optimised during the year over three phases. The capabilities of our staff were strengthened through various professional training courses. Several team

building activities were also organised to reinforce the sense of accountability and belonging amongst our employees and to strengthen team bonding.

Initiatives to Shape Corporate Culture

We promoted our core corporate values of “Fairness, Integrity, Innovation and Transparency” and strengthened the cohesiveness of our people through team building activities and leveraging on channels including our intranet, internal newsletter and corporate website.

Efforts and resources were devoted to implement CAO's Corporate Social Responsibility (“CSR”) programme to return to the society, promote a positive image of CAO and to benefit the communities in which we work and live. CAO worked with a prominent Chinese new immigrant association, Tian Fu Club (Singapore), to set up the CAO - Tian Fu Bursary Fund. The objective of this bursary fund is to provide financial assistance to new immigrant students from lower-income families and to assist lower-income new immigrants to upgrade their skills in order to enhance employability. We also worked with Beyond Social Services to provide assistance towards the education of children from lower-income families. CAO also organised various activities and implemented initiatives to cultivate the awareness of our staff on environmentally-friendly habits.

Outlook

Whilst CAO achieved good performance in 2010, we were confronted with two main challenges: (i) lack of substantial progress in assets investment; and (ii) jet fuel remains as the single core business of CAO. In essence, CAO has yet to fully diversify its business and transform into an integrated trading company with synergetic assets.



Donation to Beyond Social Services to fund activities for the children



We successfully ensured the supply of jet fuel to our customers in the PRC during the Shanghai World Expo and Guangzhou Asian Games

CEO's Review of Operations

首席执行官业绩回顾

Going forward, we have a more complex business environment ahead of us in 2011. The global economic recovery has created more growth opportunities. However, with inflationary risks, geopolitical unrests and other uncertainties looming in the global economy, we expect greater volatility in the oil product markets. Rising oil prices has also increased business risks. On the other hand, we expect more intense competition as the global economy continues to recover.

Nonetheless, we expect the global economy to sustain its growth momentum. In particular, the expected robust growth of the Chinese economy will continue to drive the rapid growth of the PRC civil aviation industry, which will in turn boost jet fuel demand. CAO will capitalise on its competitive strengths and expedite its business transformation according to its corporate strategy to strive to achieve its strategic goal of becoming a leader in the Asia Pacific jet fuel market and an important player for other oil products.

Expediting Transformation to Achieve a Leap in Development

In 2011, we will continue to consolidate and expand our core business of jet fuel supply and trading. Besides further enhancing our jet fuel supply ability and quality of customer service, we will continue to expand entrepreneurial trading activities and explore new markets.

CAO is proactively building up its structural advantages for other oil products. We will continue to strengthen our trading capabilities and expand into markets outside the PRC. We will also strengthen cooperation ties with our sister companies to leverage on CNAF's competitive strengths and further develop our business in the PRC.

CAO will strive to achieve a breakthrough in asset investments. Our focus is to establish a network of oil storage assets for trading activities and we will intensify efforts to build up structural advantage for other oil products. We will also proactively seek acquisition opportunities to strengthen CAO's asset base.

We will maintain stringent risk control practices and undertake a comprehensive evaluation and upgrading of the risk management system. We will continue to uphold high standards of corporate governance and strengthen internal management practices.

CAO will continue to build up a people-oriented corporate culture. We will devote more resources to staff training in order

to strengthen the competencies of our people to achieve strategic goals. We will also continue to implement our CSR programme to contribute more to society.

Acknowledgements

Shareholders' expectation is the driving force for CAO's growth. The support from our shareholders forms the foundation of CAO's growth. As such, I would first and foremost like to extend my appreciation to all our shareholders, especially to our parent company, CNAF for its strategic support to CAO, which provides a strong base for CAO's future growth. I would like to thank BP for its support in the areas of international trading and risk management. My appreciation also goes to all other shareholders. Your understanding and support affirms our confidence in CAO's future.

I would like to express my gratitude to our Board of Directors led by Mr Sun Li and former Chairman Dr Wang Kai Yuen. CAO would not have been able to achieve its strong performance without the wise leadership of the Board. CAO and I have benefited immensely from the guidance and professional experience of the directors.

I am thankful to our business partners, which include China National Aviation Fuel Corporation Ltd and other major suppliers. I look forward to deepening our cooperation with them for mutual benefit.

My appreciation also goes to our associated companies – SPIA, TSN-PEKCL and Xinyuan. The development of our associated companies has become an integral part of CAO's corporate strategy.

People is the most valuable asset of CAO and the critical factor to its growth. I sincerely appreciate the hard work of all CAO employees over the past year. Their strong sense of commitment and team-spirit were crucial to the strong performance of CAO.

Last but not least, I would like to thank the government agencies, organisations and friends in China and Singapore. Your support has played an important role in the growth of CAO.

Meng Fanqiu
CEO/Executive Director

CEO's Review of Operations

首席执行官业绩回顾

尊敬的各位股东：

2010年作为公司2010年—2014年5年发展规划的起步之年，是一个丰收年。在股东的理解和支持下，在董事会的领导下，公司管理层带领全体员工，积极抓住新的发展机遇，努力克服不利影响，坚定不移地实施公司发展战略，严格控制风险，不断夯实精细化管理基础，大力提升创新开拓能力，再创历史最佳业绩，实现了健康有序增长，为实现2014年的战略目标开了一个好头。

经营业绩创历史最高。公司2010年航油业务量达到717万吨，同比增加17%；销售收入达到55亿美元，同比增加50%；净利润为5470万美元，同比增加21%。业务量、销售收入和净利润均连续三年创历史新高。公司财务状况稳健，首次进行期中分红。安全运营实现“零差错、零事故、零污染”。

公司信誉大幅提升。截至2010年12月底，银行信用与贸易融资额度已达13亿美元，为历史最高；新加坡国际企业发展局将公司“全球贸易商计划”的优惠税率由10%提升到5%，自2010年8月1日起生效；荣获新加坡证券投资者协会授予的“最透明公司奖”海外企业组第2名。

公司股价增长强劲。截至2010年12月底，公司股价比年初增长35%，远远高于海峡时报指数10%和富时中国股指数8%的增长幅度。

回顾：应对挑战 顺势而上

2010年，全球经济回暖，加之中国举办上海世博会和广州亚运会，为公司带来了难得的发展契机。但后危机时代，依然存在诸多不确定因素，全球经济环境不稳定。更多贸易家重归市场，竞争加剧，利润空间缩小。中国国内产量增加，航油进口需求增长放缓。这些不利因素也为公司业务拓展带来了严峻挑战。面对复杂多变的外部环境，公司以不变应万变，始终坚持既定的发展战略，加快推进业务发展。

巩固和扩大航油供应与贸易核心业务

持续提高供应能力。继续采取灵活多样的方式进行国际采购，圆满完成全年进口航油采购和供应任务，成功地保障了上海世博、广州亚运会期间的进口航油供应，得到国内用户的肯定，受到母公司——中国航空油料集团公司（简称“CNAF”）的嘉奖。通过提供市场信息和培训等方式，不断为国内用户提供增值服务。

不断提高自营贸易能力。丰富贸易手段，积极开展储罐贸易，开始在普氏窗口进行交易；通过与BP的业务合作向新加坡樟宜机场供应航油；继续为大连西太平洋炼厂销售出口航油；贸易区域进一步扩大到中国香港、美国、中东、澳大利亚等地。自营贸易不仅有效缓解中国航油进口需求增长放缓的不利影响，也成为公司重要的利润来源。

稳步开展其他油品贸易

在严格控制风险的前提下，不断改进化工贸易策略，加强与中国市场的联系，致力于建立结构性的贸易优势；7月份开始燃料油贸易，实现了当年启动，当年赢利。

大力推进实业投资

以建立适应公司贸易战略需求的仓储网络项目为重点，打造公司资产优势。已在韩国和中国沿海地区租用储罐。集中力量在亚太区域购建仓储设施，开展符合公司发展战略的资产并购活动，目前均取得了一定积极进展。

深化与BP长期业务合作

2010年10月12日，CAO与BP签定《2011—2014年合作协议》，使我们有机会进入中东、欧洲等新的市场，不仅放大公司的贸易量和贸易区域，也将大大提高我们的贸易能力。

优化提升风险管理

坚持“管控有效、支持有力、平衡发展”的风险管理理念，打造“全程管理、全员参与”的风险管理文化，持续提升风险管理能力。改进风险管理系统，优化管理程序，有力支持业务发展，有效提高效率。及时把握国际和中国的经济形势和政治环境，发现新的风险点，适时进行压力测试，保障公司的业务拓展和各项经营活动完全在可控的风险限度内有序、规范、健康进行。

CEO's Review of Operations

首席执行官业绩回顾

持续保持高标准公司治理

考虑到公司计划强化在中国市场的地位、实现航油供应与贸易业务的持续增长，以及母公司CNAF对公司未来业务增长与战略发展扮演举足轻重的角色，董事会一致通过母公司派出董事、CNAF总经理孙立出任公司董事长。董事会同时任命原公司董事长王家园博士为副董事长兼任首席独立董事。任命王博士为首席独立董事这一安排超出了新加坡2005年公司治理条例的要求，表明公司持续保持高标准公司治理的理念。

全面加强公司基础管理

进行业务流程梳理和优化。分三个阶段完成了管理体系优化、管理制度完善、业务流程细化。

加强业务培训、团队建设。公司通过进行各专项培训，提升员工专业能力。公司通过全体员工参与的团队建设活动，增强员工的责任感、归属感、凝聚力和执行力。

创新企业文化建设

通过公司的内外网站、内部刊物、团队建设等方式，宣传“公平、诚信、创新、透明”的企业核心价值观，提高员工凝聚力。

公司大力推进社会责任计划，回馈社会并提升公司健康的公众形象和社会影响力。与新加坡当地华人新移民社团——新加坡天府会设立教育助学基金，主要资助来自低收入家庭或生活困难的新移民儿童求学，以及资助低收入新移民就业人士提升技能；与彼岸社会福利合作，协助新加坡当地低收入家庭的儿童教育。通过参与一系列社会公益活动和引导员工的节约意识，提倡节能环保的理念，履行企业所承担的社会责任。

展望

回顾2010年，公司虽然取得了比较好的经营业绩，但也面临一些挑战，主要表现在两个方面：一是公司在实业投资方面仍没有实质性的进展；二是航油业务一枝独秀的局面并没有从根本上改变。归根结底，公司还未实现真正的转型。

展望2011年，我们面临着更加复杂的经营环境。虽然全球经济进一步回暖，给我们提供了发展空间，但由于通货膨胀等因素所带来的全球经济的不稳定性，加之局部政治动荡，使

得2011年的油品市场更加变幻莫测。高油价的状态下，经营风险日益加大。经济的进一步复苏，也意味我们面临着竞争愈发激烈。

虽然存在诸多不利因素，我们预期全球经济形势应是持续呈增长趋势，特别是中国经济的快速发展，将继续拉动中国民航业快速增长，相应地，对航油的需求也会继续增加。在这一大背景下，CAO要充分发挥自身优势，按照既定的战略方针，加速促进公司快速转型，努力实现“亚太地区航油贸易的领先者和其他油品贸易的重要参与者”的战略目标。

促进转型 跨越发展

2011年，我们将继续巩固和扩大航油核心业务。持续提高航油供应保障能力，努力提升服务品质；继续大力拓展自营贸易，尝试进入新的航油供应市场。

公司将积极建立其他油品贸易的结构性优势。丰富贸易手段，开拓中国以外的市场。加强与母公司所属公司的合作关系，利用母公司的优势，进一步开拓中国市场。

公司将集中力量实现实业投资的突破。将以建立完善的贸易仓储网络为重点，加快建立航油以外其他油品贸易的结构性优势，积极寻求并购机会，快速增强公司实业基础。

全面评估和提升风险管控系统，严格控制风险。坚持高标准的公司治理，确保公司规范运作。继续深化基础管理工作，优化业务流程，提高效率。

“以人为本”，不断加强企业文化建设。更加关注人员与能力发展，确保员工具备与实现公司战略目标相匹配的综合能力。进一步履行社会责任，更多的回馈社会。



CEO's Review of Operations

首席执行官业绩回顾

致谢

股东的期待，始终是公司发展的动力。股东的支持，永远是公司发展的保障。在此，我首先向全体股东表示感谢！要特别感谢母公司CNAF在战略上给予CAO的支持！这是公司发展的基础和成长的空间。感谢BP在国际贸易和风险控制方面所给予的帮助！感谢全体股民，你们的理解与支持，使我们对公司的未来充满信心！

感谢孙立先生及前任董事长王家园博士领导的董事会，董事会的正确决策，是我们能够取得业绩的决定因素。感谢各位董事的具体指导，董事的专业经验使公司和我本人获益匪浅。

感谢中国航空油料有限公司以及各大供应商等商业伙伴，期待我们不断加深合作，互利共赢。

感谢上海浦东航油、管输公司和新源公司，联营公司的发展，已经成为CAO发展战略的重要组成部分。

员工是公司最宝贵的资源，也是公司发展的关键因素。衷心感谢CAO全体员工一年来的辛苦工作。正是他们无私奉献和协作精神，公司才取得今天良好的经营业绩。

最后，感谢所有关心和支持CAO的中新两国的相关机构、组织和各界朋友，在你们的支持下，CAO才能健康成长。

孟繁秋

首席执行官兼执行董事





SUMMARY FINANCIAL STATEMENT

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Summary Financial Statement

Year ended 31 December 2010

Important note

The Summary Financial Statement contains a summary of the information in the directors' report and a summary of the full financial statements. It also includes information provided in compliance with the requirements of Section 203A of the Companies Act, Chapter 50, and regulations made thereunder, applicable to the Summary Financial Statement. 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' report in the Annual Report 2010 should be consulted. Shareholders may request for a copy of the annual report at no cost.

Summary Directors' Report

Year ended 31 December 2010

Directors

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

Sun Li	Chairman
Wang Kai Yuen	Deputy Chairman/Lead Independent Director
Meng Fanqiu	Chief Executive Officer/Executive Director
Ang Swee Tian	
Timothy Bullock	(Resigned on 24 February 2011)
Chen Liming	
Alan Haywood	(Appointed on 24 February 2011)
Liu Fuchun	
Luo Qun	
Zhao Shousen	

Principal activities

The principal activities of the Company and its subsidiary (referred to as the Group) are those relating to trading in aviation oil and petroleum products, and investment holding.

There have been no significant changes in the activities of the Group or of the Company during the financial year.

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore 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, date of appointment if later, 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 2010/date of appointment, if later	At 31 December 2010	At 1 January 2010/date of appointment, if later	At 31 December 2010
The Company (Ordinary Shares)				
Wang Kai Yuen	–	–	–	100,000 ⁽¹⁾

⁽¹⁾ Held by Wang Kai Yuen's spouse.

The Directors' interest in the ordinary shares of the Company as at 21 January 2011 were the same as those as at 31 December 2010.

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' Report

Year ended 31 December 2010

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 3 to the Summary Financial Statement, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiary to any person to take up unissued shares in the Company or its subsidiary; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiary.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiary under option.

Share Repurchases

During the first quarter of the financial year, the Company purchased 3,747,000 of its own shares by way of market acquisition pursuant to the authority given to the directors under the Share Purchase Mandate approved by the shareholder at the Extraordinary General Meeting of the Company held on 18 September 2009. The Share Purchase Mandate was renewed at the Extraordinary General Meeting of the Company held on 23 April 2010.

Audit Committee

The members of the Audit Committee during the year and at the date of this report 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
- Liu Fuchun, non-executive, independent director
- Timothy Bullock, non-executive, non-independent director
(Resigned on 24 February 2011)
- Alan Haywood, non-executive, non-independent director
(Appointed on 24 February 2011)

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

Summary Directors' Report

Year ended 31 December 2010

Unusual items during and after the financial year

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen during the financial year or in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made, or render any items in the financial statements of the Group or the Company for the current financial year misleading, or affect the ability of the Group or the Company in meeting its obligations as and when they fall due.

The Summary Financial Statement was approved by the board of directors on 15 March 2011 and was signed on its behalf by:

Wang Kai Yuen
Deputy Chairman

Meng Fanqiu
Chief Executive Officer/Executive Director

15 March 2011

Independent Auditors' Report

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

We have audited the financial statements of China Aviation Oil (Singapore) Corporation Ltd (the Company) and its subsidiary (the Group) for the financial year ended 31 December 2010 in accordance with Singapore Standards on Auditing and in our report dated 15 March 2011 we expressed an unqualified opinion on the financial statements (the audited financial statements) which is 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 subsidiary (the Group), which comprise the statement of financial position of the Group and the Company as at 31 December 2010, the income statement, 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 notes, as set out on pages 60 to 98*.

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 profit and loss accounts and balance sheets 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 the 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.

Independent Auditors' Report

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

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 to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and the results, changes in equity and cash flows of the Group for the year ended on that date.

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

The accompanying Summary Financial Statement set out on pages 22 to 28 has been derived from the audited financial statements and is the responsibility of the Company's management. Our responsibility is to express an opinion on whether the Summary Financial Statement is consistent, in all material respects, with the audited financial statements and the Directors' Report and whether it complies with the requirements of Section 203A of the Companies Act, Chapter 50 and the regulations made thereunder, applicable to Summary Financial Statement.

In our opinion, the accompanying Summary Financial Statement is consistent, in all material respects, with the audited financial statements and the Directors' Report and complies with the requirements of Section 203A of the Companies Act, Chapter 50 and the regulations made thereunder, applicable to Summary Financial Statement.

For a better understanding of the financial performance and position of the Group and the Company and of the scope of our audit, the Summary Financial Statement should be read in conjunction with the audited financial statements and our audit report thereon.

KPMG LLP

*Public Accountants and
Certified Public Accountants*

Singapore

15 March 2011

Note: * Page numbers as stated in the Independent Auditors' Report dated 15 March 2011 which is included in China Aviation Oil (Singapore) Corporation Ltd's Annual Report for the financial year ended 31 December 2010.

Statement of Financial Position

As at 31 December 2010

	Group		Company	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
Non-current assets				
Property, plant and equipment	8,777	8,061	8,777	8,061
Intangible assets	104	100	104	100
Subsidiary	–	–	–	–
Associates	191,175	150,934	81,236	81,236
Deferred tax assets	3,980	–	3,980	–
	<u>204,036</u>	<u>159,095</u>	<u>94,097</u>	<u>89,397</u>
Current assets				
Inventories	154,230	37,606	154,230	37,606
Trade and other receivables	529,584	379,833	529,584	379,833
Cash and cash equivalents	57,988	182,192	57,980	182,178
	<u>741,802</u>	<u>599,631</u>	<u>741,794</u>	<u>599,617</u>
Total assets	<u>945,838</u>	<u>758,726</u>	<u>835,891</u>	<u>689,014</u>
Equity attributable to owners of the parent				
Share capital	215,573	215,573	215,573	215,573
Reserves	129,658	94,162	24,574	24,454
Total equity	<u>345,231</u>	<u>309,735</u>	<u>240,147</u>	<u>240,027</u>
Non-current liabilities				
Deferred tax liabilities	4,858	–	–	–
Current liabilities				
Trade and other payables	565,225	448,991	565,220	448,987
Loans and borrowings	30,524	–	30,524	–
	<u>595,749</u>	<u>448,991</u>	<u>595,744</u>	<u>448,987</u>
Total liabilities	<u>600,607</u>	<u>448,991</u>	<u>595,744</u>	<u>448,987</u>
Total equity and liabilities	<u>945,838</u>	<u>758,726</u>	<u>835,891</u>	<u>689,014</u>

Consolidated Income Statement

Year ended 31 December 2010

	2010	2009
	US\$'000	US\$'000
Revenue	5,452,639	3,634,324
Cost of sales	(5,422,905)	(3,603,617)
Gross profit	29,734	30,707
Other income	638	772
Administrative expenses	(9,456)	(7,815)
Other operating expenses	(1,475)	(1,873)
Results from operating activities	19,441	21,791
Finance costs	(1,371)	(767)
Share of profits of associates (net of income tax)	37,643	24,175
Profit before income tax	55,713	45,199
Income tax expense	(1,004)	–
Profit for the year	54,709	45,199
Attributable to:		
Owners of the parent	54,709	45,199
Earnings per share:		
Basic and diluted earnings per share (cents)	7.61	6.25

Consolidated Statement of Comprehensive Income

Year ended 31 December 2010

	2010 US\$'000	2009 US\$'000
Profit for the year	54,709	45,199
Other comprehensive income		
Translation differences relating to financial statements of foreign associates	5,128	(569)
Other comprehensive income for the year, net of income tax	<u>5,128</u>	<u>(569)</u>
Total comprehensive income for the year	<u>59,837</u>	<u>44,630</u>
Attributable to:		
Owners of the parent	<u>59,837</u>	<u>44,630</u>

Consolidated Statement of Changes in Equity

Year ended 31 December 2010

	Share capital US\$'000	Foreign currency translation reserve US\$'000	Statutory reserve US\$'000	Reserve for own shares US\$'000	Accumulated profits US\$'000	Total equity US\$'000
At 1 January 2009	215,573	12,744	7,033	–	40,350	275,700
Total comprehensive income for the year						
Profit for the year	–	–	–	–	45,199	45,199
Other comprehensive income						
Translation differences relating to financial statements of foreign associates	–	(569)	–	–	–	(569)
Total other comprehensive income	–	(569)	–	–	–	(569)
Total comprehensive income for the year	–	(569)	–	–	45,199	44,630
Contributions by and distributions to owners						
Transfer of accumulated profits to statutory reserve	–	–	344	–	(344)	–
Own shares acquired	–	–	–	(721)	–	(721)
Dividends to equity holders	–	–	–	–	(9,874)	(9,874)
Total transactions with owners	–	–	344	(721)	(10,218)	(10,595)
At 31 December 2009	215,573	12,175	7,377	(721)	75,331	309,735

Consolidated Statement of Changes in Equity

Year ended 31 December 2010

	Share capital US\$'000	Foreign currency translation reserve US\$'000	Statutory reserve US\$'000	Reserve for own shares US\$'000	Accumulated profits US\$'000	Total equity US\$'000
At 1 January 2010	215,573	12,175	7,377	(721)	75,331	309,735
Total comprehensive income for the year						
Profit for the year	–	–	–	–	54,709	54,709
Other comprehensive income						
Translation differences relating to financial statements of foreign associates	–	5,128	–	–	–	5,128
Total other comprehensive income	–	5,128	–	–	–	5,128
Total comprehensive income for the year	–	5,128	–	–	54,709	59,837
Contributions by and distributions to owners						
Transfer of accumulated profits to statutory reserve	–	–	449	–	(449)	–
Own shares acquired	–	–	–	(3,185)	–	(3,185)
Dividends to equity holders	–	–	–	–	(21,156)	(21,156)
Total transactions with owners	–	–	449	(3,185)	(21,605)	(24,341)
At 31 December 2010	215,573	17,303	7,826	(3,906)	108,435	345,231

Notes to the Summary Financial Statement

Year ended 31 December 2010

2 Basis of preparation

Except for the adoption of new and revised financial reporting standards, the Group has applied the same accounting policies which are consistent with those used in the previous financial year.

Adoption of new and revised financial reporting standards

The Group has adopted the new and revised FRSs and Interpretations, which became effective for the current financial year. With the adoption of the new and revised FRSs and Interpretations, the Group has made additional disclosures in the presentation of operating segments.

As of 1 January 2010, the Group presents total assets attributable to its operating segments. Information on total assets are regularly reported to the Chief Executive Officer (CEO), who is the Group's chief operating decision maker. As such, in accordance with FRS 108 *Operating Segment*, total assets attributable to the Group's operating segments are presented accordingly. Comparative segment information has been re-presented in conformity with the revised standard. There is no impact on earnings per share.

The adoption of other new and revised FRSs and interpretations to FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial year.

3 Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and monitoring the activities of the Group. The directors of the Company and the executive officers of the Group are considered as key management personnel of the Group.

Key management personnel compensation comprises:

	Group	
	2010 US\$'000	2009 US\$'000
Directors' fees	427	330
Directors' remuneration	801	818
Key executive officers' remuneration	1,207	1,337
	<u>2,435</u>	<u>2,485</u>

The remuneration disclosed for 2009 excludes the 2009 variable bonuses payable to the Executive Directors and the 5 key executives in relation to profit targets achieved for the Company's oil trading activities.

The 2009 variable bonuses of US\$1,385,000 were approved by the Remuneration Committee on 1 April 2010 and paid on 30 April 2010.

Notes to the Summary Financial Statement

Year ended 31 December 2010

4 Dividends

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

	Group and Company	
	2010	2009
	US\$'000	US\$'000
Final exempt dividends paid in respect of the previous financial year of S\$0.02 (2009: S\$0.02) per share	10,184	9,874
Interim exempt dividends paid in respect of the current financial year of S\$0.02 (2009: S\$Nil) per share	10,972	–
	<u>21,156</u>	<u>9,874</u>

The Directors proposed a final (one-tier tax exempt) ordinary dividend of S\$0.02 (2009: S\$0.02) per share, amounting to US\$11,174,000 (2009: US\$10,184,000). The dividends have not been provided for.

5 Related party transactions

Other than as disclosed elsewhere in the summary financial statements, there were the following transactions carried out on terms agreed with related parties:

	Group	
	2010	2009
	US\$'000	US\$'000
Related corporation of a corporate shareholder		
Sale of jet fuel	729,781	133,567
Sale of gas oil	14,136	18,827
Sale of petrochemical products	–	10,636
Purchase of jet fuel	1,181,724	732,891
Purchase of gas oil	8,614	17,765
Related corporations		
Sale of jet fuel	1,812,168	1,351,619
Sale of fuel oil	32,359	38,127
Associate		
Sale of jet fuel	<u>1,680,265</u>	<u>1,285,768</u>

Statistics of Shareholdings as at 8 March 2011

Number of Issued Shares	:	722,820,537
Number of Issued Shares (excluding Treasury Shares)	:	717,059,537 ordinary shares
Number/Percentage of Treasury Shares	:	5,761,000 (0.8%)
Class of Shares	:	Ordinary Shares
Voting Rights (excluding Treasury Shares)	:	1 vote per share

Based on information available to the Company as at 8 March 2011, 28.55% 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 is complied with.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF		NO. OF SHARES	%
	SHAREHOLDERS	%		
1 - 999	2,769	16.74	1,349,738	0.19
1,000 - 10,000	10,734	64.89	47,234,047	6.59
10,001 - 1,000,000	3,023	18.27	108,601,004	15.14
1,000,001 AND ABOVE	16	0.10	559,874,748	78.08
TOTAL	16,542	100.00	717,059,537	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS VICKERS SECURITIES (S) PTE LTD	369,379,417	51.51
2	BP INVESTMENTS ASIA LIMITED	144,564,119	20.16
3	CITIBANK NOMINEES SINGAPORE PTE LTD	7,222,806	1.01
4	OCBC SECURITIES PRIVATE LTD	6,425,037	0.90
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	5,974,614	0.83
6	DBS NOMINEES PTE LTD	5,961,092	0.83
7	HSBC (SINGAPORE) NOMINEES PTE LTD	4,110,891	0.57
8	UOB KAY HIAN PTE LTD	3,465,860	0.48
9	PHILLIP SECURITIES PTE LTD	2,768,647	0.39
10	LEE FOOK CHOY	2,500,000	0.35
11	OCBC NOMINEES SINGAPORE PTE LTD	1,830,490	0.26
12	CIMB SECURITIES (SINGAPORE) PTE LTD	1,353,850	0.19
13	RAFFLES NOMINEES (PTE) LTD	1,120,500	0.16
14	DBSN SERVICES PTE LTD	1,079,214	0.15
15	KIM ENG SECURITIES PTE. LTD.	1,061,943	0.15
16	CITIBANK CONSUMER NOMINEES PTE LTD	1,056,268	0.15
17	LER HOCK SENG	1,000,000	0.14
18	KANG HIAN SOON	975,000	0.14
19	LAM YEW CHONG	938,000	0.13
20	BANK OF CHINA NOMINEES PTE LTD	891,116	0.12
TOTAL		563,678,864	78.62

Statistics of Shareholdings

as at 8 March 2011

SUBSTANTIAL ORDINARY SHAREHOLDERS

(As shown in the Register of Substantial Shareholders as at 8 March 2011)

No.	Name	No. of Shares		
		Direct Interest	Deemed Interest	%
1	China National Aviation Fuel Group Corporation	–	367,777,427*	51.29
2	BP Investments Asia Limited	144,564,119	–	20.16

* China National Aviation Fuel Group Corporation is deemed to have an interest in 367,777,427 shares of CAO held by DBS Vickers Securities (S) 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 17th Annual General Meeting of the Company will be held at Raffles Town Club, Dunearn 2 & 3, Level 1, 1 Plymouth Avenue, Singapore 297753 on Thursday, 28 April 2011 at 3:00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' report and the audited financial statements for the financial year ended 31 December 2010 together with the auditors' report thereon.
(Resolution 1)
2. To declare a final (one-tier, tax exempt) dividend of S\$0.02 per ordinary share for the year ended 31 December 2010;
(Resolution 2)
3. To approve Directors' Fees of S\$561,964 for the year ended 31 December 2010. (2009: S\$455,167)
(Resolution 3)
4. To re-elect the following Directors, each of whom will retire by rotation pursuant to Article 91 of the Company's Articles of Association and who, being eligible, will offer themselves for re-election:-

Dr Wang Kai Yuen **(Resolution 4)**
Mr Liu Fuchun **(Resolution 5)**
Mr Ang Swee Tian **(Resolution 6)**
5. To re-elect the following Director, who will retire in accordance with Article 97 of the Company's Articles of Association and who, being eligible, will offer himself for re-election:-

Mr Alan Haywood **(Resolution 7)**
6. To re-appoint Messrs KPMG LLP as the Company's auditors and to authorise the Directors to fix their remuneration.
(Resolution 8)

AS SPECIAL BUSINESS

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

7. 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 20% 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 Articles of Association 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)

8. 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 2011

Notice of Annual General Meeting

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. 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 26 April 2011.

Explanatory Notes:

Resolution 4 Dr Wang Kai Yuen will upon re-appointment, continue as Deputy Chairman and Lead Independent Director as well as Chairman of the Remuneration Committee and a member of the Nominating Committee and Audit Committee. He is considered a Non-Executive, Independent Director.

Resolution 5 Mr Liu Fuchun will upon re-appointment continue as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. He is considered a Non-Executive, Independent Director.

Resolution 6 Mr Ang Swee Tian will upon re-appointment continue as Chairman of the Audit Committee and a member of the Remuneration Committee, Nominating Committee and Risk Management Committee. He is considered a Non-Executive, Independent Director.

Resolution 7 Mr Alan Haywood will upon re-appointment continue as Chairman of the Risk Management Committee and a member of the Audit Committee. He is considered a Non-Executive, Non-Independent Director. He was appointed as a Director on 24 February 2011.

Resolution 9 The ordinary resolution proposed in item 7 above, if passed, will empower 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 twenty per cent. (20%) 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.

Article 91 of the Articles of Association of the Company

Every Director shall retire from office once every three 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 Articles of Association 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.

Notice of Annual General Meeting

Notice of Book Closure Date and Payment Date for Final Dividend (One-Tier, Tax- Exempt) (“Dividend”)

The Company gives notice that, subject to the approval of the shareholders to the Dividend at the Annual General Meeting, the Register of Members and the Transfer Books of the Company will be closed on 10 May 2011 for the preparation of dividend warrants. The Register of Members and the Transfer Books will re-open on 11 May 2011. 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 9 May 2011, 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 20 May 2011.

CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

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

IMPORTANT:

1. For investors who have used their CPF monies to buy China Aviation Oil (Singapore) Corporation Ltd's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

I/We, _____

of _____

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

Name	NRIC/Passport	Proportion of Shareholdings	
		Number of Shares	%
Address			
and/or (delete as appropriate)			
Name	NRIC/Passport	Proportion of Shareholdings	
		Number of Shares	%
Address			

or failing him/her/them, the Chairman of 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 17th Annual General Meeting of the Company, to be held at Raffles Town Club, Dunearn 2 & 3, Level 1, 1 Plymouth Avenue, Singapore 297753 on Thursday, 28 April 2011 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	Directors' Report and Audited Accounts		
2	Declaration of Dividend		
3	Directors' fees		
4	Re-election of Dr Wang Kai Yuen as a Director		
5	Re-election of Mr Liu Fuchun as a Director		
6	Re-election of Mr Ang Swee Tian as a Director		
7	Re-election of Mr Alan Haywood as a Director		
8	Auditors and their remuneration		
	Special Business		
9	Authority to Directors to issue new shares pursuant to Section 161 of the Companies Act, Cap. 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited		

Dated this _____ day of _____ 2011

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

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

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM



Notes:

1. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in section 130A of the Companies Act, Cap.50 of Singapore), 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, the instrument appointing a proxy or proxies will be deemed to relate to all the shares held by the member.
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.

Fold along this line (1)

Affix
Postage
Stamp

The Company Secretary
China Aviation Oil (Singapore) Corporation Ltd
8 Temasek Boulevard #31-02
Suntec Tower Three
Singapore 038988

Fold along this line (2)

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her 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 seal or under the hand of an officer or attorney duly authorised.
6. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, 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.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

Incorporated in the Republic of Singapore

Company Registration No.199303293Z

24 March 2011

Dear Shareholder

This notice accompanies a copy of the Summary Report ("SR") of China Aviation Oil (Singapore) Corporation Ltd ("CAO" or the "Company") for the financial year ended 31 December 2010 ("FY 2010"). The SR contains a review of the CAO Group for FY 2010. It also contains a summary of the Audited Financial Statements of the Company and the Group for FY 2010.

The full Audited Financial Statements of the Company and of the Group for FY 2010 are set out in a separate report called the Annual Report ("AR"). This report is available to all shareholders of CAO at no cost upon request.

We will be sending you only SRs for as long as you are a CAO shareholder (the SR for FY 2010 is an example of the SRs that you will receive in the future), unless you indicate otherwise in the request form below or have previously requested otherwise.

For shareholders receiving this SR for the first time, and for shareholders who did not previously request for copies of the AR, if you wish to receive a printed copy of the AR for FY 2010 and for future financial years for as long as you are a shareholder, please complete the request form below by ticking the appropriate box and returning it to us by 1 April 2011. If we did not receive your request form, it would indicate that you do not wish to receive the AR for FY 2010 and for future financial years.

Please note that if you have indicated previously that you wish/do not wish to receive the SR and/or the AR, you may change your wishes by ticking the relevant box in the request form below and returning it to us by 1 April 2011. If we do not receive your request form, it would indicate that you do not wish to change your previous request.

Your latest request will supersede the earlier requests received by us.

For the convenience of shareholders, the AR for FY 2010 will be available at the Company's website www.caosco.com.

Yours faithfully,
For and on behalf of
China Aviation Oil (Singapore) Corporation Ltd

Doreen Nah
Company Secretary

REQUEST FORM

To: China Aviation Oil (Singapore) Corporation Ltd

Note: Please tick one box only. We regret that we will not be able to process any incomplete or improperly completed request.

<input type="checkbox"/>	I/We wish to receive the Annual Report in addition to the Summary Report for FY 2010. (CPFIS account holders can only choose this option)
<input type="checkbox"/>	I/We do not wish to receive the Annual Report and the Summary Report for FY 2010 and for as long as I/we am/are a shareholder/s of China Aviation Oil (Singapore) Corporation Ltd
<input type="checkbox"/>	I/We wish to receive the Annual Report for FY 2010 in addition to the Summary Report for as long as I/ we am/are a shareholder/s of China Aviation Oil (Singapore) Corporation Ltd

Name of shareholder(s)		
NRIC/Passport Number(s)		
Mailing Address		
Signature(s)		
Date		

The shares are held under or through:

<input type="checkbox"/>	CDP Securities Account Number	
<input type="checkbox"/>	CPFIS Account Number	
<input type="checkbox"/>	Physical scrips	



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China Aviation Oil (Singapore) Corporation Ltd

c/o The Central Depository (Pte) Limited

4 Shenton Way #02-01

SGX Centre II

Singapore 068807

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Corporate Information

(as at 15 March 2011)

Directors

Sun Li
(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)

Chen Liming
(Non-Independent,
Non-Executive Director)

Alan Haywood
(Non-Independent,
Non-Executive Director)

Liu Fuchun
(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
Liu Fuchun
Alan Haywood

Remuneration Committee

Wang Kai Yuen (Chairman)
Luo Qun (Vice Chairman)
Liu Fuchun
Chen Liming
Ang Swee Tian

Nominating Committee

Liu Fuchun (Chairman)
Luo Qun (Vice Chairman)
Wang Kai Yuen
Chen Liming
Ang Swee Tian

Risk Management Committee

Alan Haywood (Chairman)
Zhao Shousen
Ang Swee Tian

Company Secretary

Doreen Nah

Auditors

KPMG LLP
*Public Accountants and
Certified Public Accountants*
(Appointed on 28 April 2006)
Partner in charge:
Tay Puay Cheng – 5 years (up to FY2010)
Ang Fung Fung – with effect from FY2011

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, Singapore Branch
ANZ
BNP Paribas, Singapore Branch
Bank of China, Singapore Branch
Bank of Communications Co., Ltd, Singapore Branch
Crédit Agricole, Singapore Branch
Industrial and Commercial Bank of China, Singapore Branch
ING Bank N.V., Singapore Branch
Rabobank International, Singapore Branch
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

Registered Office

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

公司信息

(截至2011年3月15日)

董事

孙立
(董事长/非独立、非执行董事)

王家园
(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)

陈黎明
(非独立、非执行董事)

Alan Haywood
(非独立、非执行董事)

刘福春
(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)
王家园
刘福春
Alan Haywood

薪酬委员会

王家园 (主席)
罗群 (副主席)
刘福春
陈黎明
汪瑞典

提名委员会

刘福春 (主席)
罗群 (副主席)
王家园
陈黎明
汪瑞典

风险管理委员会

Alan Haywood (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
Certified Public Accountants*
(受聘于2006年4月28日)
负责合伙人:
郑培深(5年, 到2010财年为止)
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, Singapore Branch
ANZ
BNP Paribas, Singapore Branch
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Bank of Communications Co., Ltd, Singapore Branch
Crédit Agricole, Singapore Branch
Industrial and Commercial Bank of China, Singapore Branch
ING Bank N.V., Singapore Branch
Rabobank International, Singapore Branch
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

注册办公室

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新加坡邮区038988
电话: (65) 6334 8979
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China Aviation Oil (Singapore) Corporation Ltd
中国航油（新加坡）股份有限公司

Company Registration No. 199303293Z
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