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

26 February 2014

FY2013 Results Briefing

Fairness 公平
Integrity 诚信
Innovation 创新
Transparency 透明

A Singapore-listed company and a member of the Global Trader Programme
新加坡上市公司、“全球贸易商计划”成员

Cautionary note on forward-looking statements

This presentation slides may contain forward-looking statements that involve risks and uncertainties. These statements reflect management's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in the light of currently available information. Such forward-looking statements are not guarantees of future performance or events. Accordingly, actual performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, competitive factors and political factors. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

Vision 愿景

China Aviation Oil
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To be a top-tier global integrated transportation fuels provider, constantly innovating and creating value for our shareholders, employees, business partners and the community

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FY2013 Highlights

Volume Growth for Supply and Trading Businesses At Record High in FY2013

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- **Core jet fuel supply and trading business remained healthy, with volume surpassing 10 million tonnes; strengthened our position as the largest physical jet fuel trader in Asia Pacific**

✓ China's demand for jet fuel continued to be stable

✓ Increase in trading activities

✓ Aviation fuel marketing business expanding rapidly:

   i. market presence with supply locations extended to 30 international airports globally (excluding China);
   ii. aviation marketing volume is up 25% in FY 2013 compared to FY 2012

- **Sustained strong growth momentum in other oil products, with total trading volume up at 42% and gross profit up at 652%**

✓ Fuel Oil - i. stepped up business activities to cover cargo procurement, storage, blending, distribution and trading;
   ii. expanded customer base for bunker sales;
   iii. FY2013 trading volume tripled that of FY2012

Volume Growth for Supply and Trading Businesses At Record High in FY2013 (con't)

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- **Sustained strong growth momentum in other oil products, with total trading volume up at 42% and gross profit up at 652%**

✓ Petrochemicals –
i. made further inroads into China and beyond, including Hong Kong, Japan, Thailand, Saudi Arabia and Singapore;
ii. secured long-term purchase and sale contracts with oil majors and petrochemical companies;
iii. volume surged 30% to a record high in FY 2013 whilst gross profit from petrochemicals trading is up 162.7% in FY 2013

✓ Gasoil – entrenched and strengthened market presence in Asia Pacific region

Steady Progress on Execution of 2020 Corporate Strategy

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- **Expanding Global Footprint**

✓ Wholly owned subsidiary CAO HK entered into a joint venture to provide into-plane fuelling services at Hong Kong International Airport (“HKIA”) through CNAF Hong Kong Refuelling Limited; further entrench the Group’s market presence at HKIA and enhance our supply capabilities to airlines as well as at international airports

✓ Set up jet fuel trading bench in North America subsidiary

✓ Established Europe subsidiary to grow and expand aviation fuel marketing business to designated European airports and to better support the Group’s increasing trading activities

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FY2013 Results

Sustained Earnings in 4Q 2013

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-1.2%	**Revenue**	4Q 2013: US$ 4,353.3m	4Q 2012: US$ 4,406.9m	▪ Jet fuel supply and trading volume decreased 4.1% to 2.6m tonnes ▪ Trading volume of other oil products increased 26.0% to 2.1m tonnes ▪ Total supply and trading volume up 7.6% to 4.7m tonnes
+34.7%	**Gross Profit**	4Q 2013: US$ 11.6m	4Q 2012: US$ 8.6m	▪ Higher gains from jet fuel trading activities
+32.7%	**Total Expenses**	4Q 2013: US$ 7.9m	4Q 2012: US$ 5.9m	▪ Higher staff cost due to increase in average headcount ▪ Higher professional fees and administrative expenses incurred for increased business activities
-38.7%	**Share of Results of Associates**	4Q 2013: US$ 9.3m	4Q 2012: US$ 15.2m	▪ Lower share of profits from SPIA mainly attributable to (i) recognition of positive stock take variance in 4Q2012; ii) write-back of bad debts recovered in 4Q 2012 and (iii) lower gross profit ▪ Lower share of profits from OKYC attributable to lower MTM gain from its CRS contracts
-25.7%	**Net Profit**	4Q 2013: US$ 13.5m	4Q 2012: US$ 18.2m	▪ Lower profit contribution from share of results of associates

FY2013 Profit & Loss Summary

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+5.2%	Revenue	FY 2013: US$ 15,571.9m	FY 2012: US$ 14,808.0m	▪ Jet supply and trading volume decreased 1.2% to 10.4m tonnes ▪ Trading volume of other oil products up 42.2% to 6.1m tonnes ▪ Total supply and trading volume increased 11.3% to 16.5m tonnes
+22.8%	Gross Profit	FY 2013: US$ 52.5m	FY 2012: US$ 42.8m	▪ Stable profits from supply and trading of jet fuel ▪ Higher gains from trading of other oil products
+30.9%	Total Expenses	FY 2013: US$ 27.7m	FY 2012: US$ 21.2m	▪ Higher staff cost including CAOHK and NAFCO ▪ Higher administrative expenses from increased business activities ▪ Amortisation of US$0.63 million in relation to the acquisition of CAOHK
+7.6%	Share of Results of Associate	FY 2013: US$ 46.5m	FY 2012: US$ 43.2m	▪ Higher share of profits from SPIA mainly due to one-off credit of US$11.9 million from reversal of provision for past claims related to custom duties and value added tax
+6.1%	Net Profit	FY 2013: US$ 70.2m	FY 2012: US$ 66.2m	▪ Higher gains from oil trading activities ▪ Higher share of profits from associates

Revenue Trend

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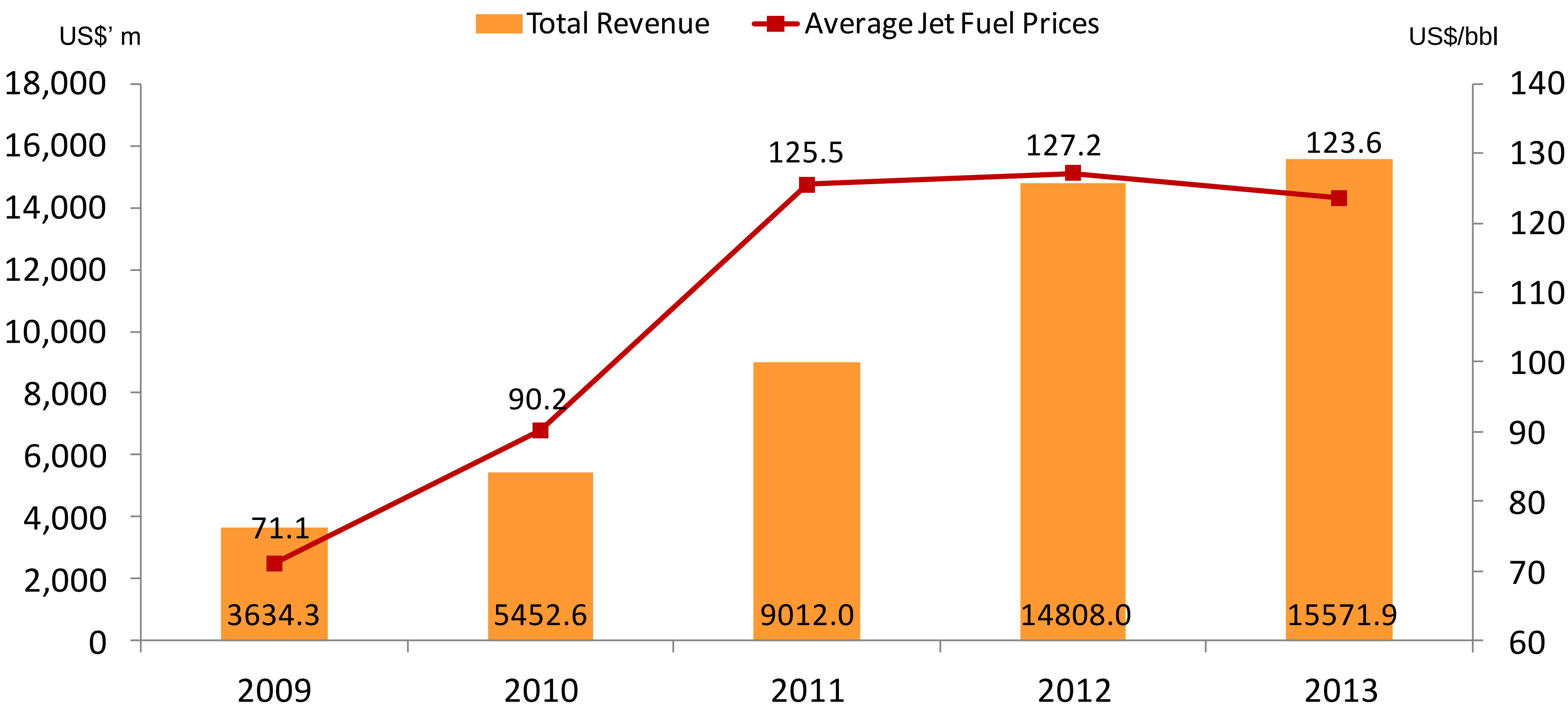

Revenue 5- Year CAGR **+ 43.9%**

Increasing Revenue Contribution from Other Oil Products

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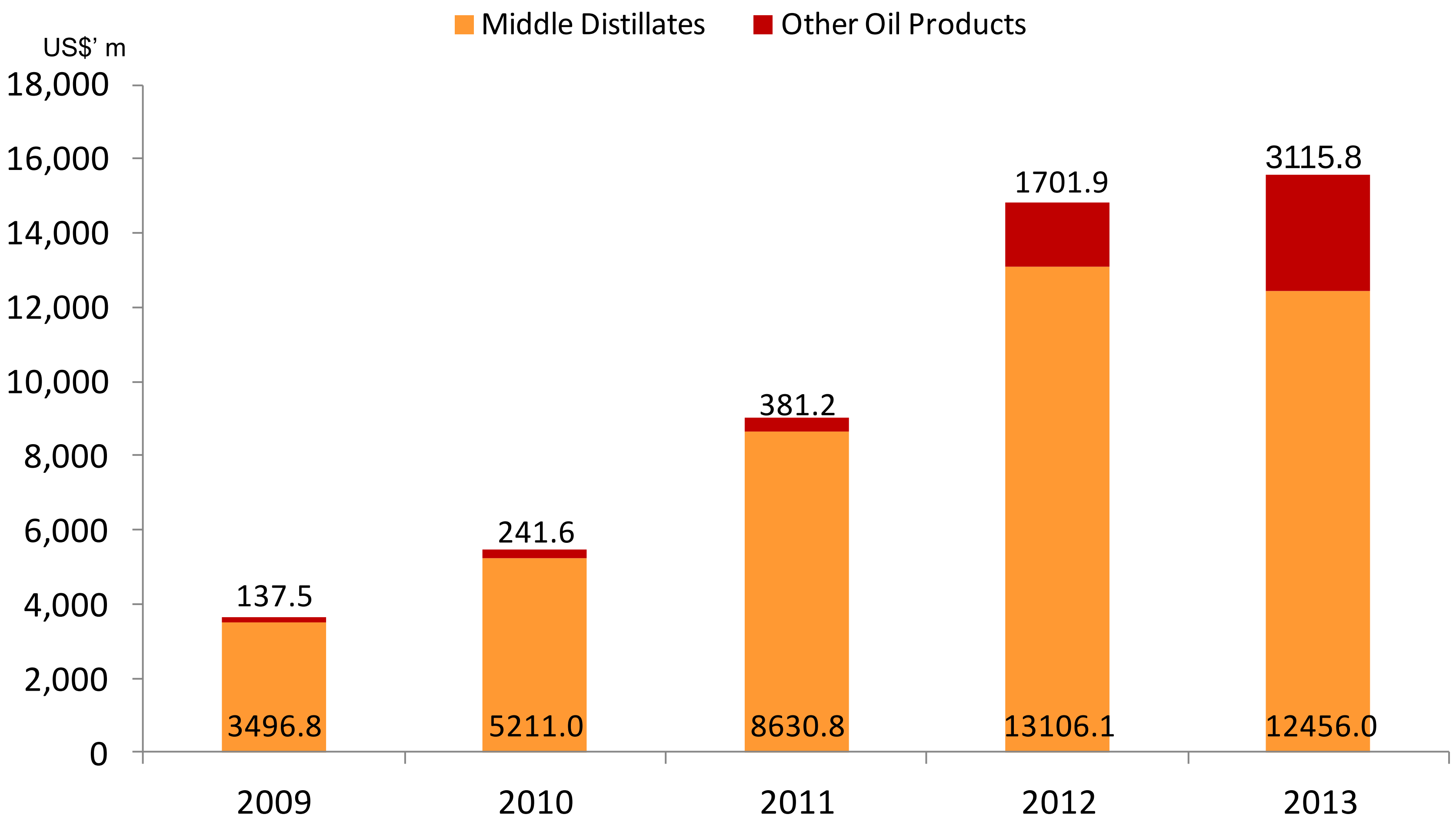

Optimisation & Trading Drive Growth of Volume and Gross Profit

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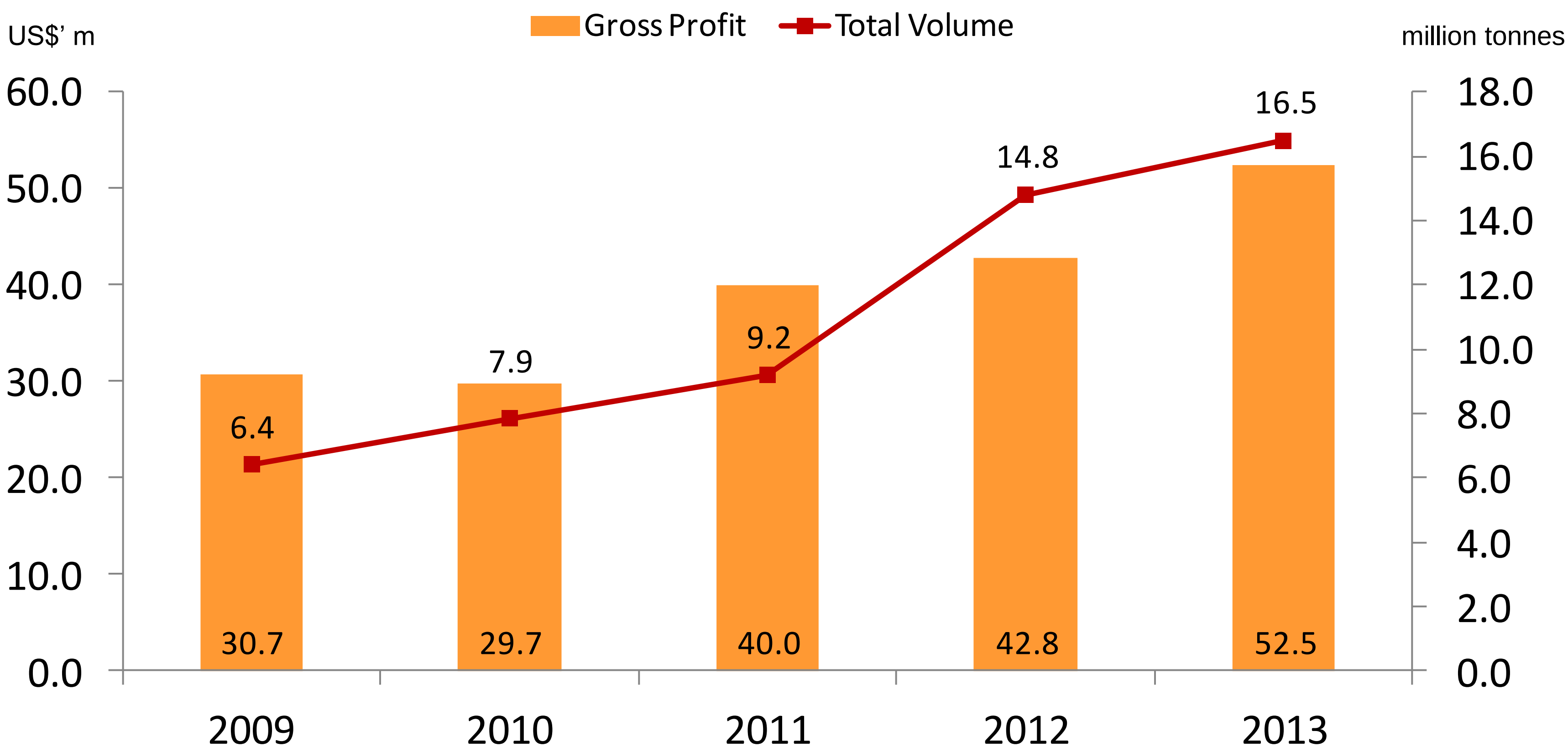

Gross Profit 5-Year CAGR **+ 14.4%**

Strong Earnings Base

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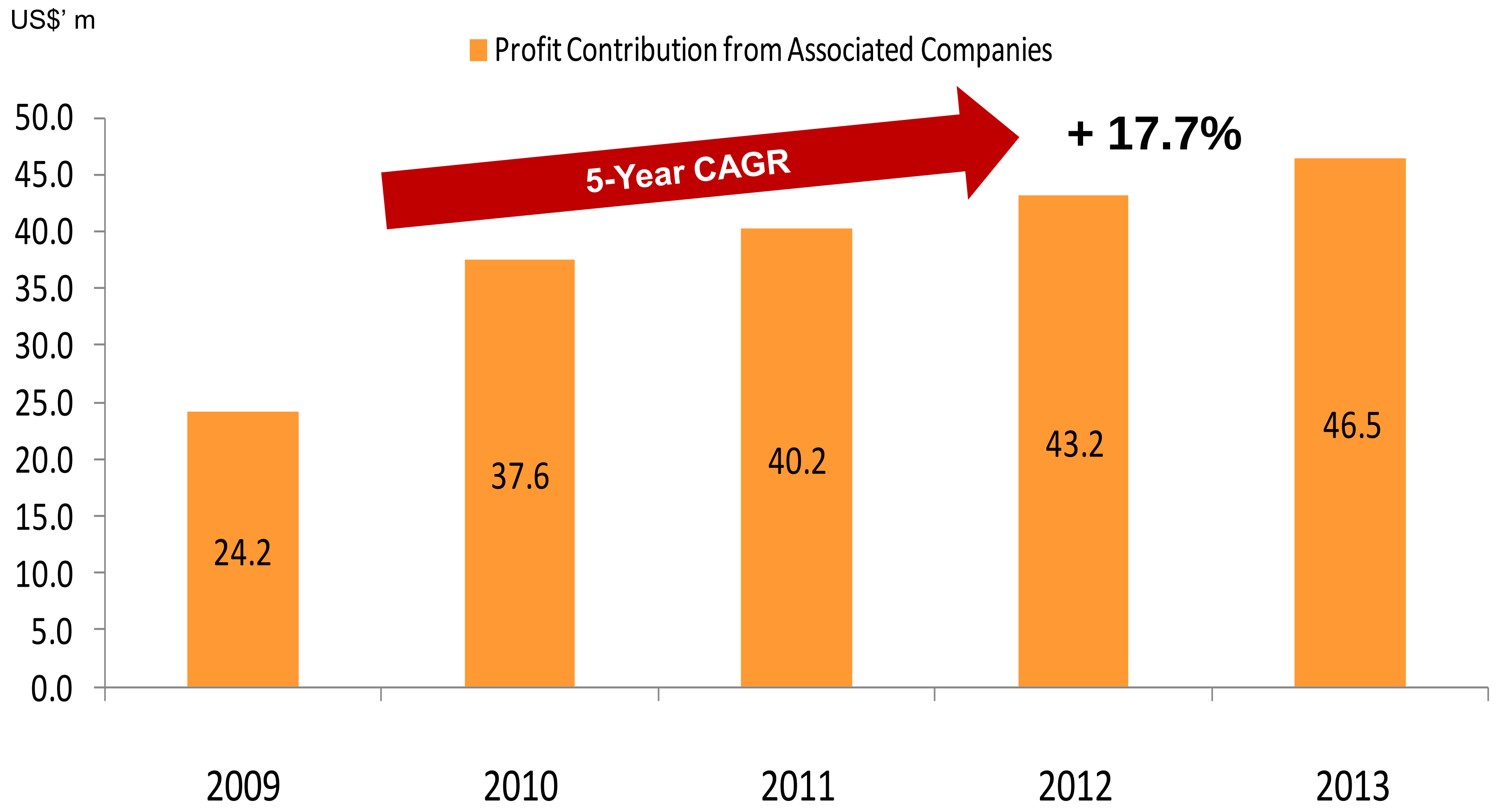

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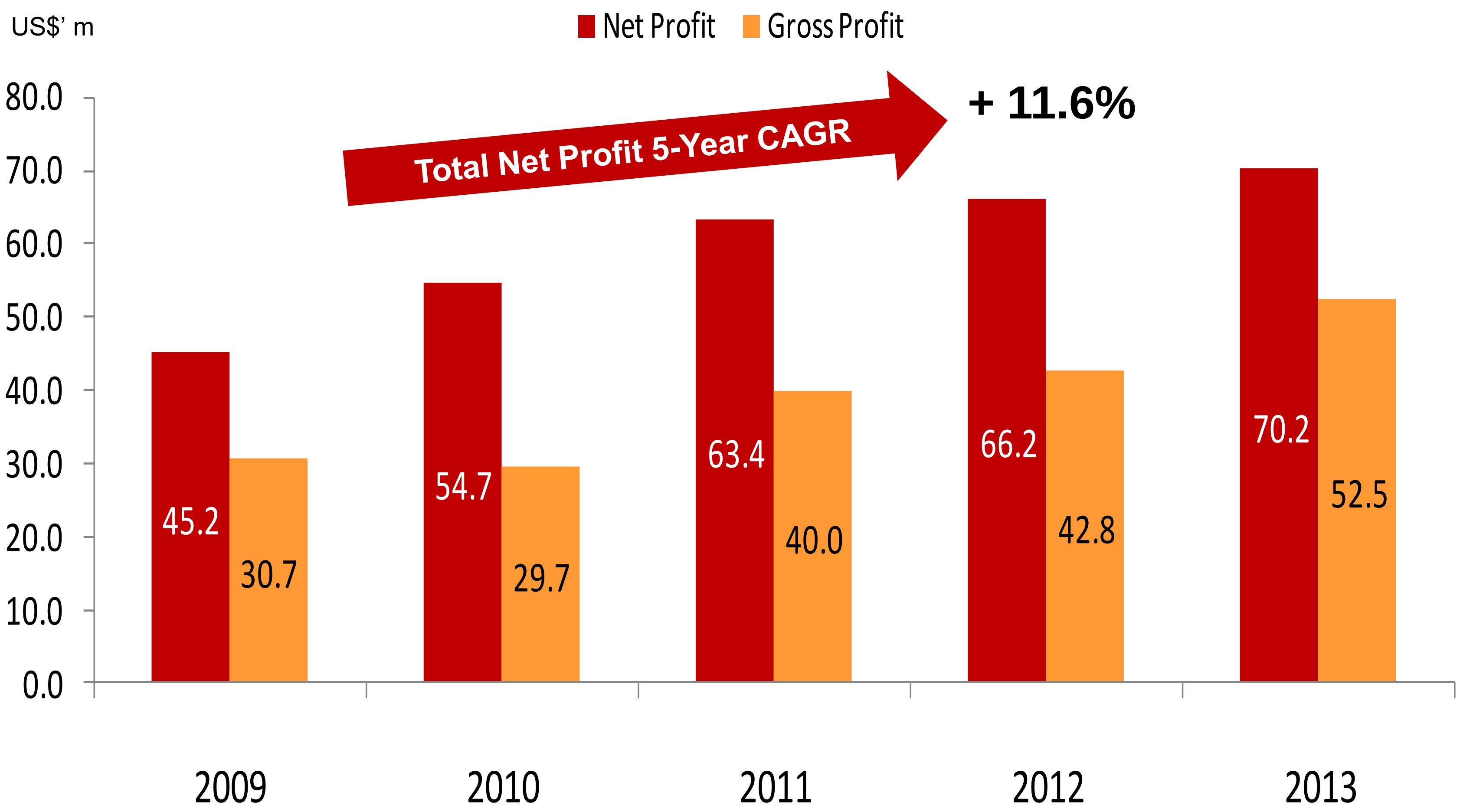
Robust Earnings Growth



Summary of Balance Sheet

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		31 Dec 2013	31 Dec 2012	
+509.1%	**Inventories**	US$ 113.1m	US$ 18.6m	Increase in inventories in tandem with surge in trading activities
-12.8%	**Trade and Other Receivables**	US$ 1,120.4m	US$ 1,284.6m	Lower sales revenue in December 2013 compared to December 2012
-30.6%	**Cash and Cash Equivalents**	US$ 56.3m	US$ 81.1m	Higher working capital requirements
-14.0%	**Trade and Other Payables**	US$ 1,016.1m	US$ 1,182.2m	Reduction in trade payables in tandem with lower trade receivables
NM*	**Loans and Borrowings**	US$ 28.6m	US$ 1.7m	Higher borrowings due to increased trading activities

**NM denotes "Not Meaningful"*

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Outlook and 2014 Priorities

Outlook

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- According to CAAC, China's civil aviation industry will maintain double-digit growth from 2011 – 2015 in tandem with double-digit growth for jet fuel demand

- Remains cautiously optimistic on core jet fuel supply and trading business and will closely monitor the impact of China's increasing production capacity and policy changes on jet fuel

- Expects continued volatility in oil prices due to market uncertainties; trading environment to remain challenging for oil products as demand remain weak:

  - Bunker margins will stay narrow due to:
    i. depressed shipping market;
    ii. lower utility demand due to restarting of nuclear plants in Japan and South Korea; and
    iii. over capacity in the Singapore-Malaysia region

Outlook (con't)

- Weak downstream markets and stiff competition will continue to impact aromatics demand in China

- Demand for gasoil is expected to be stable in Asia as gasoil consumption for automotive and industrial sectors remain unchanged

- On track to achieve 2014 profitability targets. (Growth rates from 2010-2013 were at 27%, 44%, 15% and 16% respectively)

2014 Priorities:
Focusing on Execution of Corporate Strategy

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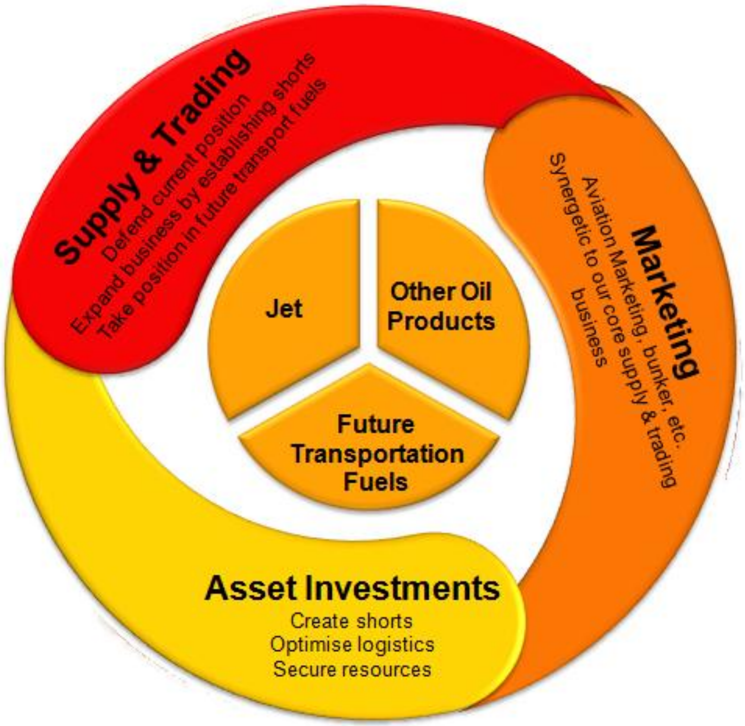
- Expand **global trading network** to drive growth of core jet fuel supply and trading business in Asia Pacific, North America, Europe and the Middle East

- Expand aviation fuel marketing business globally to achieve **integration of marketing and trading operations**

- Building **structural advantages** to increase competitiveness in other oil products

- Continuously seek **synergetic assets and earnings accretive investments t**o support global expansion as well as diversify revenue streams



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Thank You

Fuel for Future 为明天加油

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