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

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

SURMOUNTING CHALLENGES SUSTAINING GROWTH

攻坚克难 稳健发展

2021年年度报告

ANNUAL REPORT 2021

SURMOUNTING CHALLENGES

SUSTAINING GROWTH

攻坚克难 稳健发展

Our success in navigating the pandemic adversities has enhanced our ability and experience to surmount future challenges in the post-pandemic environment. We will continue to enhance our resilience and leverage our strengths to position the Group for sustained growth through expansion and strategic investments in oil-related assets and businesses.

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FINANCIAL HIGHLIGHTS
业绩亮点

Total Supply and Trading Volume
总业务量
34.1
million tonnes 百万吨

Revenue
营业额
US$ **17.6**
billion 十亿美元

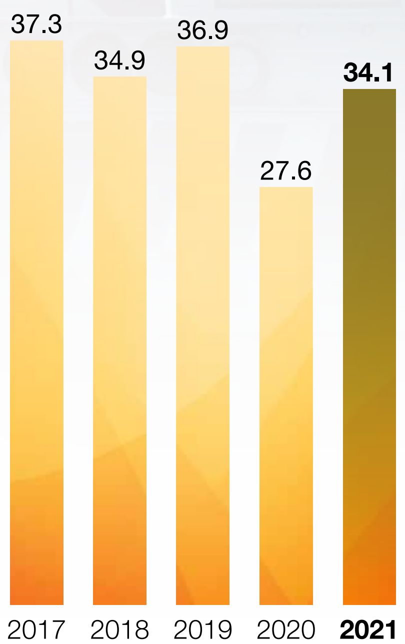
Return on Equity
净资产回报率
4.5%

Net Profit
净利润
US$ **40.4**
million 百万美元

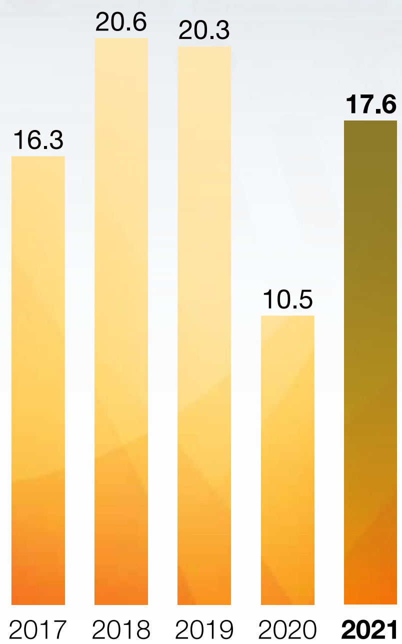
Return on Assets
资产回报率
2.6%

Net Asset Value/Share
每股净资产值
US **104.79**¢
美分

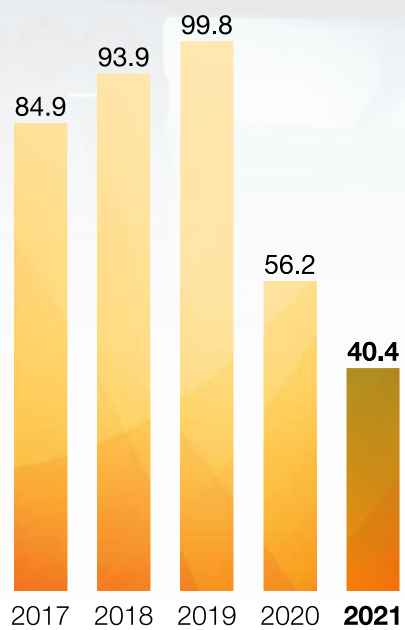
Total Supply and Trading Volume
(million tonnes)
总业务量（百万吨）



Revenue
(US$ billion)
营业额（十亿美元）



Net Profit
(US$ million)
净利润（百万美元）



CAO AT A GLANCE
公司简介

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

Headquartered in Singapore with a strong and growing presence at key international aviation hubs in Hong Kong SAR, Los Angeles and London; with an entrenched presence in China, CAO and its wholly owned subsidiaries (the "Group"), China Aviation Oil (Hong Kong) Company Limited ("CAOHK"), North American Fuel Corporation ("NAFCO") and China Aviation Fuel (Europe) Limited ("CAFEU") supply jet fuel to airline companies in Asia Pacific, North America, Europe and the Middle East. The Group also engages in international trading of jet fuel and other oil products.

OUR KEY INVESTMENTS

The Group owns investments in oil-related businesses that are synergistic to its supply and trading activities, with a portfolio of assets along an integrated global supply and trading value chain, comprising storage, pipelines and airport refuelling facilities. These associated companies comprise Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("SPIA"), China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL"), China Aviation Oil Xinyuan Petrochemicals Co., Ltd ("Xinyuan"), Oilhub Korea Yeosu Co., Ltd ("OKYC"), Aircraft Fuel Supply B.V. ("AFS"), and a controlling stake in CNAF Hong Kong Refuelling Limited ("CNAF HKR"). These associates cover a broad spectrum of businesses which are integral to the Group's integrated value chain.

OUR KEY SHAREHOLDERS

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

BP Investments Asia Limited, a subsidiary of oil major, BP Plc, is a strategic investor of CAO, and holds 20.17% of the total issued shares of CAO (excluding treasury shares).

OUR BUSINESSES

Jet Fuel Supply & Trading

As the largest physical jet fuel trader in Asia Pacific and a key importer of jet fuel to the civil aviation industry of the PRC, CAO supplies jet fuel to international airports across the PRC, including Beijing Capital International Airport, Shanghai Pudong and Hongqiao International Airports and Guangzhou Baiyun International Airport.

Supporting global air travel demand, the Group has been marketing and supplying jet fuel to airline companies at international airports worldwide since 2011. Today, the Group supplies jet fuel to close to 40 international airports outside mainland China in over 20 countries, covering Asia Pacific, North America, Europe and the Middle East.

Trading of Other Oil Products

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

In line with its sustainability objectives, CAO is also actively seeking to expand its product offerings to include biofuels, as well as carbon credits trading.

Investments in Oil-related Assets

CAO seeks to deliver sustainable growth and create long-term shareholder value through investments in oil-related assets synergistic to its core business to achieve vertical integration of its value chain. The Group currently holds equity stakes in:

- Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd
  (CAO holds 33% equity stake)
- China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd
  (CAO holds 49% equity stake)
- China Aviation Oil Xinyuan Petrochemicals Co., Ltd
  (CAO holds 39% equity stake)
- Oilhub Korea Yeosu Co., Ltd
  (CAO holds 26% equity stake)
- CNAF Hong Kong Refuelling Limited
  (CAOHK holds 39% controlling equity stake)
- Aircraft Fuel Supply B.V.
  (CAFEU holds 12.5% equity stake)

CAO AT A GLANCE
公司简介

SPIA, CAO's key associated company, is the exclusive supplier of jet fuel and into-plane services at Shanghai Pudong International Airport
新加坡公司最主要的联营公司浦东航油，是上海浦东国际机场的唯一航油供应商和加注服务商

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

依托于中国市场，新加坡公司的业务不断在香港特区、洛杉矶及伦敦等全球主要航空枢纽拓展壮大。新加坡公司及其全资子公司（统称"新加坡公司"）：中国航油（香港）有限公司（简称"香港公司"）、北美航油有限公司（简称"北美公司"）和中国航油（欧洲）有限公司（简称"欧洲公司"）除了向位于亚太、北美、欧洲和中东的航空公司供应航油之外，也开展航油和其它油品的国际贸易。

主要投资

新加坡公司投资与供应和贸易活动有协同性的油品相关资产，包括储罐、管线、机场加注设施等，以拓展全球一体化供应与贸易链。其联营公司包括上海浦东国际机场航空油料有限责任公司（简称"浦东航油"）、中国航油集团津京管道运输有限责任公司（简称"管输公司"）、中国航油集团新源石化有限公司（简称"新源公司"）、韩国丽水枢纽油库有限公司（简称"OKYC"）、阿姆斯特丹机场航油供应公司（简称"AFS"）和相对控股的中国航油香港供油有限公司（简称"香港供油公司"），资产遍布多个业务版块，形成新加坡公司重要的一体化价值链。

主要股东

中国大型中央企业中国航空油料集团有限公司（简称"集团公司"）是新加坡公司的最大股东，共持有新加坡公司全部发行股票（不包含库存股）的51.31%。此外，集团公司也是中国最大的航空运输服务保障企业，为中国超过200家机场提供有关航空油料的采购、存储、运输和加注服务。

石油巨头BP旗下子公司BP投资亚洲有限公司是新加坡公司的战略投资者，持有新加坡公司全部发行股票（不包含库存股）的20.17%。

业务概况

航油业务

作为亚太地区最大的航油实货贸易商和中国最重要的航油进口商，新加坡公司向中国各地的国际机场供应航油，如北京首都机场、上海浦东机场、上海虹桥机场和广州白云机场。受全球需求推动，新加坡公司自2011年以来，积极拓展国际航空公司供油业务。公司目前为亚太（不包括中国大陆）、北美、欧洲和中东20多个国家，约40个国际机场供应航油。

油品贸易业务

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

作为可持续发展战略的一部分，新加坡公司也积极探索环保相关业务，如生物燃料以及碳权交易。

油品相关实业投资

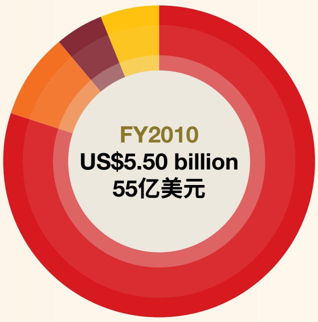
新加坡公司通过投资收购与核心业务具有协同性的相关实业资产，纵向整合公司价值链，实现可持续增长，并创造长期股东价值。新加坡公司的现有实业投资包括：

- 上海浦东国际机场航空油料有限责任公司（新加坡公司持股33%）
- 中国航油集团津京管道运输有限责任公司（新加坡公司持股49%）
- 中国航油集团新源石化有限公司（新加坡公司持股39%）
- 韩国丽水枢纽油库有限公司（新加坡公司持股26%）
- 中国航油香港供油有限公司（香港公司持控股39%）
- 阿姆斯特丹机场航油供应公司（欧洲公司持股12.5%）

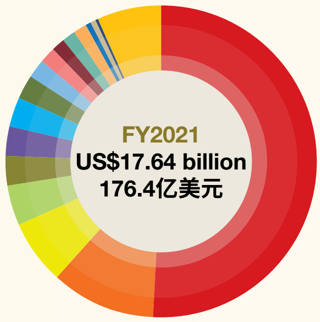
INTERNATIONAL REACH
国际触角

DIVERSIFIED GEOGRAPHIC BASE
地理多元化

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



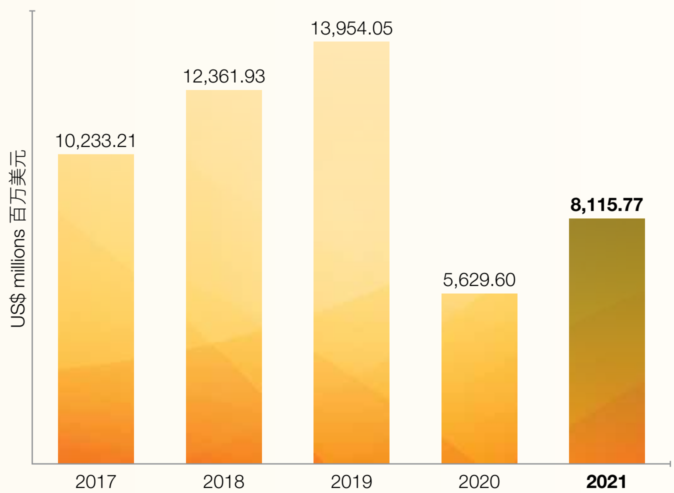
- China 中国 80.0%
- Singapore 新加坡 9.0%
- South Korea 韩国 5.0%
- Other Regions 其它地区 6.0%



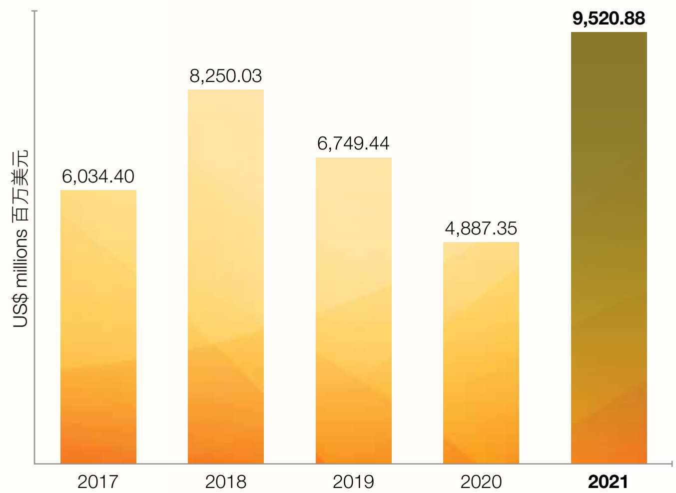
- China 中国 50.9%
- Singapore 新加坡 11.0%
- Hong Kong SAR 香港特区 6.7%
- USA 美国 4.1%
- Netherland 荷兰 3.1%
- Australia 澳大利亚 3.0%
- Myanmar 缅甸 2.9%
- Malaysia 马来西亚 2.6%
- Philippines 菲律宾 1.9%
- Japan 日本 1.6%
- South Korea 韩国 1.6%
- Germany 德国 1.4%
- India 印度 1.2%
- France 法国 0.7%
- UAE 阿联酋 0.4%
- Vietnam 越南 0.4%
- Other Regions 其它地区 6.5%

DIVERSIFIED PRODUCT BASE
产品多元化

Revenue – Middle Distillates
收入 — 中馏分



Revenue – Other Oil Products
收入 — 其它油品



SUSTAINABLE BUSINESS MODEL
可持续的业务模式

We procure internationally and deliver cargoes to customers globally.

我们在全球范围内采购货物，交付至不同区域客户的手中。

PROCUREMENT
采购

International Oil Markets
国际油品市场

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，提高公司的盈利能力。

Secure Resources
锁定资源

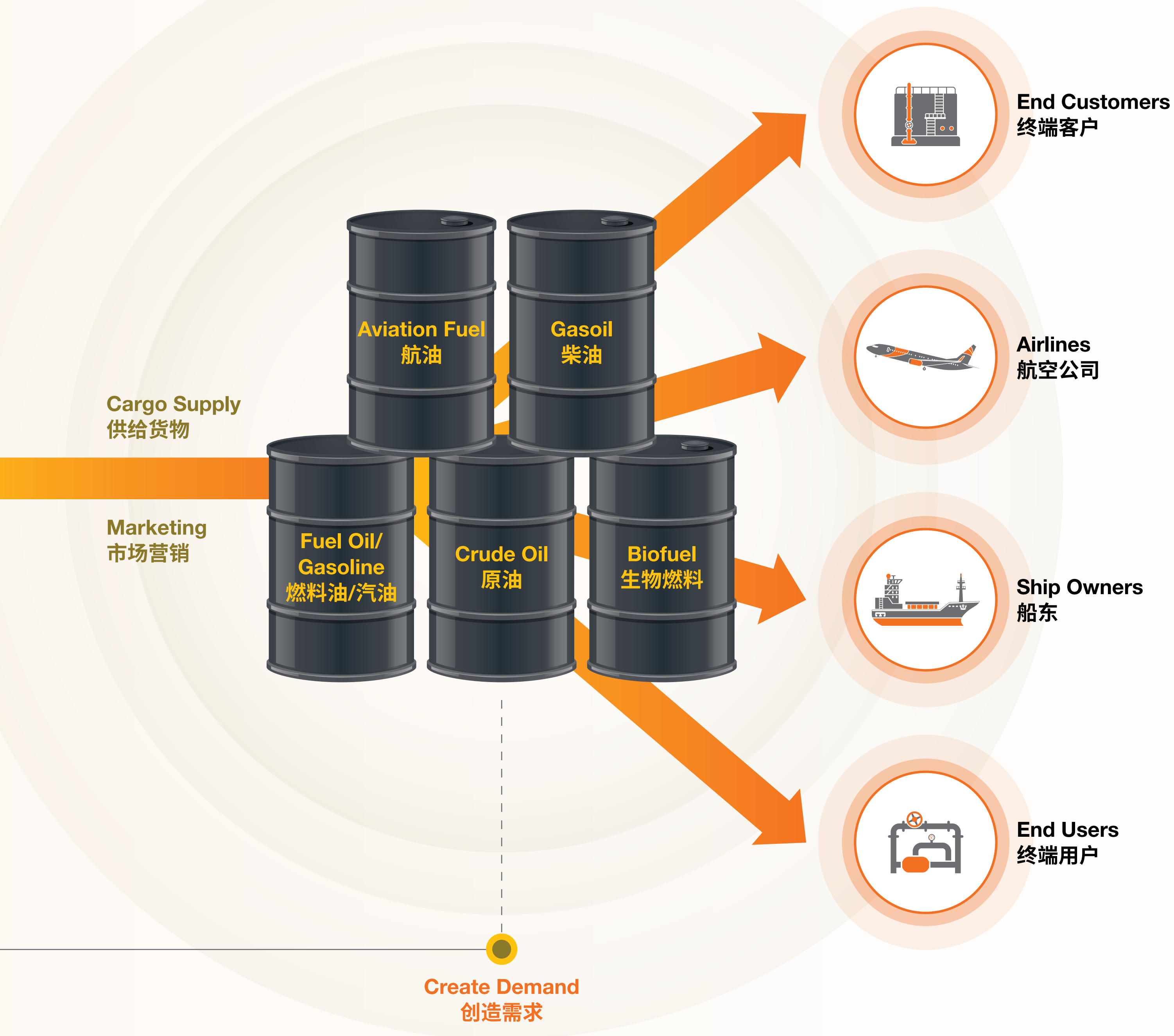
Optimise Logistics
优化物流

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

Storage
储罐

OKYC
韩国丽水枢纽油库有限公司

Xinyuan
新源公司



Pipelines
管线

TSN-PEKCL
管输公司

Airport Refuelling Facilities
机场加注设施

SPIA
浦东航油

CNAF HKR
香港供油公司

AFS
阿姆斯特丹机场航油供应公司

OUR CORE VALUES
核心价值理念体系

OUR MISSION

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

使命

为股东创价值
为员工谋发展
为社会做贡献

OUR VISION

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

愿景

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

CORPORATE VALUES

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

核心价值观

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

GROUP STRUCTURE (as of 15 March 2022)
公司结构图（截至2022年3月15日）

BP Investments Asia Limited
BP投资亚洲有限公司
20.17%*

China National Aviation Fuel Group Limited
中国航空油料集团有限公司
51.31%*

Public
公众
28.52%*

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

100%
China Aviation Oil (Hong Kong) Company Limited
中国航油（香港）有限公司

100%
North American Fuel Corporation
北美航油有限公司

100%
China Aviation Fuel (Europe) Limited
中国航油（欧洲）有限公司

39%
CNAF Hong Kong Refuelling Limited
中国航油香港供油有限公司

33%
Shanghai Pudong International Airport Aviation Fuel Supply Co. Ltd
上海浦东国际机场航空油料有限责任公司

49%
China National Aviation Fuel TSN-PEK Pipeline Transportation Corp Ltd
中国航油集团津京管道运输有限责任公司

39%
China Aviation Oil Xinyuan Petrochemicals Co., Ltd
中国航油集团新源石化有限公司

26%
Oilhub Korea Yeosu Co., Ltd
韩国丽水枢纽油库有限公司

12.5%
Aircraft Fuel Supply B.V.
阿姆斯特丹机场航油供应公司

* Excluding treasury shares 不包括库存股

ENHANCING RESILIENCE

We will continue to execute measures to optimise our resources, improve operational efficiencies and strengthen our supply chain so as to enhance our resilience to overcome future challenges.

CHAIRMAN'S STATEMENT
董事长致辞

Gong Feng 龚丰
Chairman 董事长

2021 marked the 20th anniversary of the listing of China Aviation Oil (Singapore) Corporation Ltd ("CAO") on the Mainboard of the Singapore Exchange Securities Trading Limited. Over the past 20 years, CAO has grown from strength to strength. Following our restructuring exercise in 2006, the CAO Group (the "Group") has continuously enhanced our business processes in line with the Singapore Code of Corporate Governance to achieve best in class corporate governance practices.

I am pleased to report that the Group's relentless efforts have entrenched our leadership position as the largest physical jet fuel trader in the Asia Pacific region, winning accolades from both industry players and global capital markets. On behalf of the Board of Directors, I would like to thank all our shareholders, customers and business partners for their unwavering support and trust. I would also like to express my heartfelt gratitude to the Management and staff for their hard work and dedication.

2021 was a turbulent year marked by geopolitical and economic uncertainties as well as the ongoing COVID-19 pandemic. Despite the difficult operating environment, the Group has, as one united and cohesive team, surmounted these challenges, and will continue striving to achieve our annual performance targets.

As of 31 December 2021, our total supply and trading volume reached 34.11 million tonnes – generating an overall revenue of US$17.64 billion and gross profit of US$30.70 million. The Group's total share of results from associated companies was US$23.55 million while net profit for the year was US$40.35 million. The Group continues to maintain a healthy financial position with strong asset liquidity and low debt-to-asset ratio which will fortify our foundation for continued value creation.

In appreciation of the continued trust and support of our shareholders, the Board of Directors has proposed a one-tier, tax-exempt first and final dividend of 1.90 Singapore cents per ordinary share for approval by shareholders at the upcoming 28th Annual General Meeting of CAO. Despite the challenging business environment, CAO remains committed to delivering long-term shareholder value by upholding its dividend policy at a payout based on 30% of the Group's annual consolidated net profits attributable to shareholders.

The Group's creditable performance in FY2021 was made possible by our strict adherence to effective risk management and compliance protocols, strengthening and implementing key strategies, as well as adopting low-carbon sustainable development and stringent COVID-19 infections prevention and control measures.

The Group is also committed to its corporate social responsibilities and will actively explore green business initiatives and offer customers "low-carbon emission" solutions as we gradually move towards becoming a low-carbon enterprise. To ensure the well-being of our people, the Group will stay vigilant in reinforcing safety measures to curb the spread of COVID-19 infections.

Moving ahead, CAO will continue to uphold high standards of corporate governance, explore initiatives to enhance profitability, further improve management efficiencies, increase investments of oil-related assets, explore green

CHAIRMAN'S STATEMENT
董事长致辞

CAO Group is well positioned for growth in 2022
新加坡公司已为2022年的业务增长做好准备

energy business opportunities and provide our customers with "low-carbon emission" solutions. CAO aims to raise its share of voice within international and regional organisations seeking to cut global carbon emissions.

The Group has embarked on its latest five-year (2021-2025) corporate development strategy. This is to create value for our shareholders, provide professional development for our employees and contribute positively to society. In addition to stepping up our oil-related asset investments to further enhance business capability and bolster our leading position within the integrated global supply and trading value chain, CAO will also focus on adopting diversification strategies.

Leveraging on our "twin engines growth strategy" driven by our jet fuel and other oil products businesses, we will persist in boosting our international trade capabilities and sharpen our competitiveness. Through our strategic initiatives, we will further improve the profitability of our core businesses and establish a stable and diversified base of oil products.

As CAO transits into a greener and more sustainable business model, the Company will actively embrace the challenges and opportunities brought about by the global industry transformation.

The Group remains committed to developing its sustainability initiatives, such as pursuing carbon emissions reduction and bio-jet fuel as we actively explore other new green energy businesses and related or synergistic investment opportunities.

Going forward, we will strive to achieve a more balanced business portfolio, with excellent core capabilities, significantly optimise market efficiencies, and improve economies of scale by 2025. This will enable us to drive long-term value for stakeholders in tandem with the Group's sustainable development goals.

Gong Feng
Chairman

CHAIRMAN’S STATEMENT
董事长致辞

2021年是中国航油（新加坡）股份有限公司（以下简称“新加坡公司”）在新交所主板上市的第20年。二十载风雨兼程，二十载春华秋实，自2006年公司重组以来，新加坡公司严格遵守上市公司治理准则，秉持良好的法人治理实践，实现了高效运营和平稳发展，取得并保持了亚太地区最大航油实货贸易商的市场地位，在资本市场获得了诸多殊荣。在此我谨代表董事会感谢所有股东、客户和各方合作伙伴对公司的支持和信任，衷心感谢管理层和全体员工的辛勤付出！

2021年，虽然复杂的国际政经形势、油品市场的不确定性以及新冠疫情在全球范围内的持续蔓延给公司经营造成了前所未有的压力，但公司上下勠力同心，迎难而上，为完成全年经营目标全力以赴。截至2021年12月31日，公司在2021财年累计完成业务量3,411万吨，实现收入176.4亿美元，毛利3,070万美元，投资收益2,355万美元，净利润4,035万美元；2021财年公司的资金充裕，资产流动性强，资产负债率低，财务状况保持稳健。在即将召开的第28次常年股东大会上，董事会将提请股东批准派发每股0.019新元的年终免税股息。在艰难的经营环境下，新加坡公司依然将净利润的30%作为股息分配给股东，兑现为股东创造价值的承诺。

2021财年的公司业绩来之不易，得益于公司坚守合规经营底线，严格全面风险管控，创新业务发展模式，强化战略落地执行，履行企业社会责任，践行低碳绿色发展，坚持常态疫情防控。2022财年，公司将继续保持高标准的公司治理，强化业务创效能力，提升经营管理水平，推动实业投资进程，探索绿色能源业务，为客户提供“碳减排”解决方案，在国际性、区域性碳减排组织中继续发出中国航油声音。

新加坡公司已踏上了2021至2025五年战略的新征程，公司将肩负起为股东创价值，为员工谋发展，为社会做贡献的使命，一方面不断完善全球航油供应链投资布局，提升航空运输燃料一体化服务能力，不断巩固公司的主业创效能力和行业品牌优势；另一方面践行多元化战略，积极培育其它油品国际贸易能力和渠道优势，建立稳定多元的油品终端需求，切实打造航油业务和油品业务“两翼齐飞、两翼共振”的新格局。公司将积极拥抱行业转型带来的挑战和机遇，秉持低碳绿色发展理念，进一步构建“碳减排”和生物航煤战略伙伴关系，积极探索其它新能源业务及相关实业投资机会。争取在2025年实现业务结构更加合理、核心能力更加突出，市场布局显著优化、规模效益显著提升，以公司的可持续发展为利益相关方创造长期价值。

龚丰
董事长

An airport worker refuelling an aircraft
一名机场工作人员在为飞机加注

CAO'S 20th ANNIVERSARY ON THE SINGAPORE EXCHANGE
新加坡公司上市20周年

CAO was conferred "Best-Performing Stock" at The Edge's Billion Dollar Club Award 2019
新加坡公司荣获2019年The Edge Billion Dollar Club颁发的"最佳表现股奖"

2021 was a special year for CAO as it marked our 20th anniversary on the Singapore Exchange Securities Trading Limited ("SGX-ST") in December 2001.

The Group has grown tremendously since being listed on the mainboard of the SGX-ST on 6 December 2001, gaining a strong foothold in key international aviation hubs.

In addition, CAO has maintained its listing as a component stock in the FTSE ST China Index, FTSE ST Small Cap and MSCI Singapore Small Cap Indexes for the last five years since 2017. CAO has also been included in the FTSE ST Singapore Shariah Index in September 2021.

Over the years, CAO has adhered to its business philosophy of "Compliance as Top Priority, Risk Management of Utmost Importance" while being committed to serving its global markets amid difficult conditions and delivering long-term growth for our shareholders.

In implementing its growth strategy, CAO remains committed to maintaining the highest standards of corporate governance and ethical conduct, emphasising transparency and a sustainable culture of long-term value creation.

Forging ahead, CAO will continue to leverage on its inherent competitive advantages, strengthening its global oil supply and trading network, as well as optimising and diversifying its business portfolios, leading the way towards a sustainable business transformation.

2021年对新加坡公司而言，意义深远，是公司在新加坡证券交易所（简称"新交所"）主板上市的20周年。

新加坡公司自2001年12月6日挂牌上市以来，取得了显著的发展与成就，在全球主要航空枢纽奠定了坚实的业务基础。

此外，新加坡公司自2017年起，已连续五年成为富时海峡时报中国指数、富时海峡时报小型股指数以及MSCI新加坡小市值股指数的成份股公司。公司也于2021年9月被纳入富时海峡时报新加坡伊斯兰合规指数。

尽管市场环境充满挑战，新加坡公司始终秉持着"合规第一，风控至上"的经营理念，积极经营其国际业务，为股东创造长期回报。

新加坡公司在实施增长型战略的过程中，坚持高标准的公司治理和商业行为，着重于透明规范经营和长期可持续价值创造。

展望未来，新加坡公司将继续借助其竞争优势，巩固与拓展现有的全球油品供应和贸易网络，进一步构建多样化的业务组合，进而实现可持续的业务模式转型。

CAO was awarded "Best Investor Relations" (Gold) at the Singapore Corporate Awards 2017
新加坡公司荣获2017年新加坡企业大奖之"最佳投资者关系奖"（金奖）

CAO'S 20th ANNIVERSARY ON THE SINGAPORE EXCHANGE
新加坡公司上市20周年

IMPORTANT MILESTONES
重要里程碑

2021

20 September 2021
CAO included in the FTSE ST Singapore Shariah Index
2021年9月20日
新加坡公司被纳入富时海峡时报新加坡伊斯兰合规指数

6 May 2021
Featured in RHB's Small Cap Top 20 Jewels 2021 Edition
2021年5月6日
入选兴业研究发布的2021年新加坡"瑰宝"小市值股20大榜单

26 September 2019
Awarded "Most Transparent Company" (Winner in Energy Category) by SIAS
2019年9月26日
荣获新加坡证券投资者协会颁发的"最透明公司奖"（能源行业组冠军）

6 September 2019
Named "Best-Performing Stock" by The Edge Billion Dollar Club 2019
2019年9月6日
荣获2019年The Edge Billion Dollar Club颁发的"最佳表现股奖"

9 March 2018
Ranked 2nd in 2017 Singapore International 100 Ranking (Overseas Turnover Excellence category)
2018年3月9日
在2017年新加坡国际100家企业排名中，位列第2名（卓越海外营业额组别）

19 September 2017
Awarded Winner of "Singapore Corporate Governance" (Energy Category) by SIAS
2017年9月19日
荣获新加坡证券投资者协会颁发的"新加坡企业治理奖"（能源行业组冠军）

28 March 2017
Ranked 3rd in 2016 Singapore International 100 Ranking (Overseas Turnover Excellence category)
2017年3月28日
在2016年新加坡国际100家企业排名中，位列第3名（卓越海外营业额组别）

16 September 2016
Awarded "Most Transparent Company" (Winner in Energy Category) by SIAS
2016年9月16日
荣获新加坡证券投资者协会颁发的"最透明公司奖"（能源行业组冠军）

5 April 2016
Ranked 61st among Singapore's Top 100 Companies in ASEAN Corporate Governance Scorecard 2015
2016年4月5日
在2015年东盟企业治理计分卡中，位列新加坡100强企业的第61名

16 October 2015
Awarded "Most Transparent Company" (Runner-up in Oil & Gas Category) by SIAS
2015年10月16日
荣获新加坡证券投资者协会颁发的"最透明公司奖"（油气行业组第二名）

8 July 2015
Awarded "Best Investor Relations" (Gold Award, Mid Cap Category) at the Singapore Corporate Awards 2015
2015年7月8日
荣获2015年新加坡企业大奖之"最佳投资者关系奖"（金奖，中型企业组别）

8 August 2019
Ranked 48th out of 578 companies on the Singapore Governance and Transparency Index, by The Business Times and the Centre for Governance and Sustainability

2019年8月8日
在《商业时报》和治理与永续发展研究所发布的新加坡治理与透明度指数中排名第48（共有578家公司）

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

2019年7月23日
荣获2019年新加坡企业大奖之"最佳风险管理奖项"（金奖，中型企业组别）

9 October 2018
Won Global People's Choice Award at IR Magazine Global Forum and Awards 2018

2018年10月9日
在《投资者关系杂志》举办的2018年投资者关系全球论坛与奖项评选中，荣获"最佳投资者关系企业——全球机构投资者首选奖"

25 September 2018
Awarded "Shareholder Communication Excellence" (Commendation Award, Big Cap Category) by SIAS

2018年9月25日
荣获新加坡证券投资者协会颁发的"卓越股东沟通奖"（表扬奖，大型企业组别）

4 April 2018
Ranked 24th among Singapore's Top 100 Companies in ASEAN Corporate Governance Scorecard 2017

2018年4月4日
在2017年东盟企业治理计分卡中，位列新加坡100强企业的第24名

29 June 2018
Acquired Navires Aviation Limited (now renamed as China Aviation Fuel (Europe) Limited) as a wholly owned subsidiary

2018年6月29日
收购全资子公司Navires Aviation Limited（现更名为中国航油（欧洲）有限公司）

18 July 2018
Awarded "Best Investor Relations" (Gold Award, Big Cap Category) at the Singapore Corporate Awards 2017

2018年7月18日
荣获2017年新加坡企业大奖之"最佳投资者关系奖"（金奖，大型企业组别）

4 May 2015
Ranked 34th among Singapore's Top 100 Companies in ASEAN Corporate Governance Scorecard 2014

2015年5月4日
在2014年东盟企业治理计分卡中，位列新加坡100强企业的第34名

31 October 2014
Awarded "Most Transparent Company" (Runner-up in Oil & Gas Category) by SIAS

2014年10月31日
荣获新加坡证券投资者协会颁发的"最透明公司奖"（油气行业组第二名）

15 July 2014
Awarded "Best Annual Report" (Bronze Award, Mid Cap Category) as well as "Best Investor Relations" (Silver Award, Mid Cap Category) at the Singapore Corporate Awards 2014

2014年7月15日
荣获2014年新加坡企业大奖之"最佳年报奖"（铜奖，中型企业组别）以及"最佳投资者关系奖"（银奖，中型企业组别）

28 November 2013
CAO established a new trading subsidiary, China Aviation Oil (Europe) Limited to expand its footprint in Europe

2013年11月28日
新加坡公司在英国成立全资子公司——中国航油（欧洲）有限公司

CAO'S 20th ANNIVERSARY ON THE SINGAPORE EXCHANGE
新加坡公司上市20周年

23 April 2008
Announced acquisition of a 49% stake in China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd
2008年4月23日
宣布收购中国航油津京管道运输有限责任公司49%股权

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

10 July 2007
Ranked 12th in the 2007 Singapore International 100 Ranking
2007年7月10日
在2007年新加坡国际100家企业排名中，位列第12名

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

8 August 2008
Ranked 48th out of 578 companies on the Singapore Governance and Transparency Index by The Business Times and the Centre for Governance and Sustainability
2008年8月8日
在《商业时报》和治理与永续发展研究所发布的新加坡治理与透明度指数中排名第48（共有578家公司）

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

4 November 2008
Ranked 9th in the 2008 Singapore International 100 Ranking
2008年11月4日
在2008年新加坡国际100家企业排名中，位列第9名

8 November 2013
Awarded "Singapore Corporate Governance" (Runner-up, Mid Cap Category) as well as "Most Transparent Company" (Runner-up in Oil & Gas Category) by SIAS
2013年11月8日
荣获新加坡证券投资者协会颁发的"新加坡企业治理奖"（中型企业组第二名）以及"最透明公司奖"（油气行业组第二名）

1 February 2013
Ranked 5th in 2012 Singapore International 100 Ranking (Overseas Sales/Turnover Excellence category)
2013年2月1日
在2012年新加坡国际100家企业排名中，位列第5名（卓越海外销售/营业额组别）

24 January 2013
Named "Top Ten Chinese Companies in ASEAN" by China-ASEAN Business Council
2013年1月24日
荣获中国—东盟商务理事会颁发的"中国走进东盟成功企业奖"

3 October 2012
Awarded "Most Transparent Company" (Runner-up in Oil & Gas Category) by SIAS
2012年10月3日
荣获新加坡证券投资者协会颁发的"最透明公司奖"（油气行业组第二名）

IMPORTANT MILESTONES
重要里程碑

2001

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

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

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

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

23 February 2009
Completed acquisition of 49% of equity capital in TSN-PEKCL
2009年2月23日
完成收购中国航油津京管道运输有限责任公司49%股权的交割

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

5 October 2010
Awarded "Most Transparent Company" (Runner-up in Foreign Listings Category) by SIAS
2010年10月5日
荣获新加坡证券投资者协会颁发的"最透明公司奖"（国外上市公司组第二名）

20 January 2011
Ranked 9th in the 2010 Singapore International 100 Ranking
2011年1月20日
在2010年新加坡国际100家企业排名中，位列第9名

4 August 2011
Established aviation marketing arm; announced first foray to airlines jet fuel supply and marketing with contracts to supply jet fuel directly to Hainan Airlines Co. Ltd and Turkish Airlines at specified international airports outside the PRC
2011年8月4日
建立航空市场营销部；宣布首次直接与航空公司签订长期航油供应合约，首批客户包括海南航空公司和土耳其航空公司，为其在中国以外的指定国际机场供应航油

26 October 2011
Awarded "Most Transparent Company" (Runner-up in Foreign Listings Category) by SIAS
2011年10月26日
荣获新加坡证券投资者协会颁发的"最透明公司奖"（国外上市公司组第二名）

1 March 2012
Expanded footprint with acquisitions of China Aviation Oil (Hong Kong) Company Limited and North American Fuel Corporation to build a global supply and trading network
2012年3月1日
通过收购中国航油（香港）有限公司和北美航油有限公司，构建全球供应与贸易网络

BOARD OF DIRECTORS
董事会

Gong Feng, 57
*Non-Executive,
Non-Independent Chairman*

Date of first appointment as a director:
9 December 2020

Date of last re-election as a director:
28 April 2021

Length of service as director:
1 year 1 month
(as at 31 December 2021)

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

Academic and Professional Qualification(s):
- Master of Business Administration, National University of Singapore
- Qualified Senior Engineer (Professor Level)

Present Directorships:
(as at 31 December 2021)

Listed Companies:
Nil

Other Principal Directorships:
Nil

Major Appointments (other than directorships):
- Deputy General Manager of China National Aviation Fuel Group Limited

Past Directorships held over the preceding 3 years (from 1 January 2019 to 31 December 2021):
Nil

Others:
- Former Head of Planning Division of China National Aviation Fuel Group Limited
- Former Deputy General Manager (Branch Head) of China Aviation Oil Supply Corporation (North-West Branch)
- Former Deputy Head of Safety Technology Division, China Aviation Oil Supply Corporation
- Former Assistant Manager of Safety Technology Division, China Aviation Oil Supply Corporation
- Former Officer of Fuel Supply Department, CAAC

龚丰，57岁
非执行、非独立董事长

首次当选董事日期：
2020年12月9日

上次董事重选日期：
2021年4月28日

供职董事年限：
1年1个月
（截至2021年12月31日）

供职董事委员会：
不适用

学术和专业资历：
- 新加坡国立大学商学院工商管理专业，研究生学历
- 研究员级高级工程师

现任董事席位：
（截至2021年12月31日）

上市公司：
无

其他主要董事席位：
无

主要任职（除董事职位外）：
- 中国航空油料集团有限公司副总经理

过去三年曾任董事席位（2019年1月1日至2021年12月31日）：
无

其他：
- 曾任中国航空油料集团有限公司计划处处长
- 曾任中国航空油料总公司西北分公司副总经理（主持工作）
- 曾任中国航空油料总公司安全技术处副处长
- 曾任中国航空油料总公司安全技术处干部、助理员
- 曾任中国民航总局物资司油料处干部

BOARD OF DIRECTORS
董事会

Teo Ser Luck, 53
Lead Independent Director

Date of first appointment as a director:
24 April 2019

Date of last re-election as a director:
4 June 2020

Length of service as director:
2 years 8 months
(as at 31 December 2021)

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

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

Present Directorships:
(as at 31 December 2021)

Listed Companies:
- BRC Asia Limited (Chairman)
- Serial System Ltd (Chairman)
- Straco Corporation Limited (Independent Director)
- Yanlord Land Group Limited (Independent Director)
- MindChamps PreSchool Limited (Lead Independent Director)

Other Principal Directorships:
- F4U Pte Ltd (Director)
- 2YSL Pte Ltd (Director)

Major Appointments (other than directorships):
- Adviser to the Institute of Chartered Accountants of Singapore (ISCA)
- Adviser to Singapore Fintech Association

Past Directorships held over the preceding 3 years (from 1 January 2019 to 31 December 2021):
- Lead Independent Director of United Engineers Limited

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

张思乐，53岁
首席独立董事

首次当选董事日期：
2019年4月24日

上次董事重选日期：
2020年6月4日

供职董事年限：
2年8个月
（截至2021年12月31日）

供职董事委员会：
审计委员会（主席）
风险管理委员会（成员）
提名委员会（成员）

学术和专业资历：
- 新加坡南洋理工大学，会计学位

现任董事席位：
（截至2021年12月31日）

上市公司：
- BRC亚洲有限公司（董事长）
- 新晔集团（董事长）
- 星雅集团（独立董事）
- 仁恒置地集团有限公司（独立董事）
- 迈杰思幼儿园有限公司（首席独立董事）

其他主要董事席位：
- F4U私人有限公司（董事）
- 2YSL私人有限公司（董事）

主要任职（除董事职位外）：
- 新加坡特许会计师协会顾问
- 新加坡金融科技协会顾问

过去三年曾任董事席位（2019年1月1日至2021年12月31日）：
- 联合工程有限公司（首席独立董事）

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

BOARD OF DIRECTORS
董事会

Wang Yanjun, 59
Chief Executive Officer/ Executive Director

Date of first appointment as a director:
5 February 2018

Date of last re-election as a director:
28 April 2021

Length of service as director:
3 years 10 months
(as at 31 December 2021)

Board Committee(s) served on:
Nil

Academic and Professional Qualification(s):
- Doctor of Business Administration Huazhong University of Science and Technology, China
- Qualified Senior Engineer, China

Present Directorships:
(as at 31 December 2021)

Listed companies:
Nil

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

Major Appointments (other than directorships):
- President of China Aviation Oil (Hong Kong) Company Limited

Past Directorships held over the preceding 3 years (from 1 January 2019 to 31 December 2021):
- China National Aviation Fuel Southern Property Co., Ltd.

Others:
- Former Chairman, General Manager of Shenzhen Cheng Yuan Aviation Oil Company Limited
- Former Chairman of China National Aviation Fuel South China Bluesky Corporation Ltd

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王延军，59岁
首席执行官/执行董事

首次当选董事日期：
2018年2月5日

上次董事重选日期：
2021年4月28日

供职董事年限：
3年10个月
（截至2021年12月31日）

供职董事委员会：
无

学术和专业资历：
- 华中科技大学研究生院工商管理博士学位
- 中国高级工程师

现任董事席位：
（截至2021年12月31日）

上市公司：
无

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

主要任职（除董事职位外）：
- 中国航油（香港）有限公司总经理

过去三年曾任董事席位（2019年1月1日至2021年12月31日）：
- 中国航油南方置业有限公司

其他：
- 曾任深圳承远航空油料有限公司董事、总经理
- 曾任华南蓝天航空油料有限公司董事长

BOARD OF DIRECTORS
董事会

Shi Lei, 57
Non-Executive,
Non-Independent Director

Date of first appointment as a director:
1 September 2021

Date of last re-election as a director:
Nil

Length of service as director:
3 months
(as at 31 December 2021)

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

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

Present Directorships:
(as at 31 December 2021)

Listed companies:
Nil

Other principal directorships:
Nil

Major Appointments (other than directorships):
- Assistant to General Manager of China National Aviation Fuel Group Limited
- General Manager, Human Resource Department of China National Aviation Fuel Group Limited

Past Directorships held over the preceding 3 years (from 1 January 2019 to 31 December 2021):
Nil

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

石磊，57岁
非执行、非独立董事

首次当选董事日期：
2021年9月1日

上次董事重选日期：
无

供职董事年限：
3个月
（截至2021年12月31日）

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

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

现任董事席位：
（截至2021年12月31日）

上市公司：
无

其他主要董事席位：
无

主要任职（除董事职位外）：
- 中国航空油料集团有限公司总经理助理
- 中国航空油料集团有限公司人力资源部总经理

过去三年曾任董事席位（2019年1月1日至2021年12月31日）：
无

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

BOARD OF DIRECTORS
董事会

Zhang Yuchen, 48
Non-Executive,
Non-Independent Director

Date of first appointment as a director:
1 November 2020

Date of last re-election as a director:
28 April 2021

Length of service as director:
1 year 2 months
(as at 31 December 2021)

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

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

Present Directorships:
(as at 31 December 2021)

Listed companies:
Nil

Other principal directorships:
Nil

Major Appointments (other than directorships):
- Safety Director and General Manager of Safety, Quality and Environment Department of China National Aviation Fuel Group Limited

Past Directorships held over the preceding 3 years (from 1 January 2019 to 31 December 2021):
Nil

Others:
- Former General Manager of South China Bluesky Corporation Ltd, Hubei branch
- Former Deputy General Manager of South China Bluesky Corporation Ltd, Hubei branch
- Former Manager of Safety Monitoring Technology Development Department, South China Bluesky Corporation Ltd
- Former Assistant to the General Manager, South China Bluesky Corporation Ltd, Hubei branch
- Former Manager, South China Bluesky Corporation Ltd, Yichang branch
- Former Acting Manager, South China Bluesky Corporation Ltd, Yichang branch
- Former Assistant of Safety Monitoring Technology Development Department, South China Bluesky Corporation Ltd
- Former Fuelling Operator at Aviation Fuel Station, South China Bluesky Corporation Ltd, Hubei branch
- Former Deputy Officer of Yichang Supply Station, CNAF Hubei branch
- Former Assistant Engineer, Wuhan Tianhe Airport Construction Headquarter, Wuhan Airport Development Group
- Former Intern Engineer, Wuhan Tianhe Airport Construction Headquarter, Wuhan Airport Development Group

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张宇尘，48岁
非执行、非独立董事

首次当选董事日期：
2020年11月1日

上次董事重选日期：
2021年4月28日

供职董事年限：
1年2个月
（截至2021年12月31日）

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

学术和专业资历：
- 工学学士
- 工程师

现任董事席位：
（截至2021年12月31日）

上市公司：
无

其他主要董事席位：
无

主要任职（除董事职位外）：
- 中国航空油料集团有限公司安全总监兼安全质量环保部总经理

过去三年曾任董事席位（2019年1月1日至2021年12月31日）：
无

其他：
- 曾任华南蓝天航空油料有限公司湖北分公司总经理
- 曾任华南蓝天航空油料有限公司湖北分公司副总经理
- 曾任华南蓝天航空油料有限公司安全技术监督开发部经理
- 曾任华南蓝天航空油料有限公司湖北分公司总经理助理
- 曾任华南蓝天航空油料有限公司宜昌分公司经理
- 曾任华南蓝天航空油料有限公司宜昌分公司经理（代）
- 曾任华南蓝天航空油料有限公司安全监督技术开发部助理
- 曾任华南蓝天航空油料有限公司湖北分公司航空加油站加油员
- 曾任中国航空油料湖北分公司宜昌供应站油库副主任
- 曾任武汉机场综合发展总公司天河机场建设指挥部助理工程师
- 曾任武汉机场综合发展总公司天河机场建设指挥部见习工程师

BOARD OF DIRECTORS
董事会

Hee Theng Fong, 67
Non-Executive, Independent Director

Date of first appointment as a director:
24 April 2019

Date of last re-election as a director:
4 June 2020

Length of service as director:
2 years 8 months
(as at 31 December 2021)

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

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

Present Directorships:
(as at 31 December 2021)

Listed companies:
- Straco Corporation Limited (Independent Director)
- Zheneng Jinjiang Environment Holding Company Limited (Independent Director)
- Yanlord Land Group Limited (Independent Director)
- Haidilao International Holding Ltd (Independent Director)
- Huazhu Group Limited (Independent Director)

Other principal directorships:
Nil

Major Appointments (other than directorships):
- Consultant of Harry Elias Partnership LLP

Past Directorships held over the preceding 3 years (from 1 January 2019 to 31 December 2021):
- Director of Singapore Chinese Cultural Centre
- Independent Director of Tye Soon Limited
- Independent Director of APAC Realty Limited

Others:
- Deputy Chairman of Singapore Medishield Life Council
- Member of ACRA's Complaints and Disciplinary Panel
- Member of Advisory Committee for "China Ready Programme" under the Ministry of Law

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许廷芳，67岁
非执行、独立董事

首次当选董事日期：
2019年4月24日

上次董事重选日期：
2020年6月4日

供职董事年限：
2年8个月
（截至2021年12月31日）

供职董事委员会：
风险管理委员会（主席）
审计委员会（成员）
薪酬委员会（成员）

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

现任董事席位：
（截至2021年12月31日）

上市公司：
- 星雅集团（独立董事）
- 浙能锦江环境控股有限公司（独立董事）
- 仁恒置地集团有限公司（独立董事）
- 海底捞国际控股有限公司（独立董事）
- 华住集团有限公司（独立董事）

其他主要董事席位：
无

主要任职（除董事职位外）：
安睿雅士律师事务所顾问

过去三年曾任董事席位（2019年1月1日至2021年12月31日）：
- 新加坡华族文化中心（董事）
- 大顺有限公司（独立董事）
- 亚太地产有限公司（独立董事）

其他：
- 新加坡终身健保理事会副主席
- 新加坡会计与企业管理局投诉纪律小组委员
- 新加坡律政部"中国通识"计划咨询委员会委员

BOARD OF DIRECTORS
董事会

Fu Xingran, 44
Non-Executive, Independent Director

Date of first appointment as a director:
30 September 2021

Date of last re-election as a director:
Nil

Length of service as director:
3 months
(as at 31 December 2021)

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

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

Present Directorships:
(as at 31 December 2021)

Listed companies:
Nil

Other principal directorships:
- Beijing Rongyi Investment and Management Co., Ltd (Director)
- Beijing Jingcheng Zhitong Robot Technology Co., Ltd (Director)
- Beijing Jingguochuang Funds Management Co., Ltd (Director)
- Beijing Ba Yue Gua Technology Co., Ltd (Director)
- Beijing Foreign Enterprise Human Resources Service Co., Ltd (Director)
- Beijing Tianshi Kaiyuan Equity Fund Management Co., Ltd. (Director)

Major Appointments (other than directorships):
- General Manager of Beijing Rongyi Investment and Management Co., Ltd
- General Manager of Beijing Jingguochuang Funds Management Co., Ltd

Past Directorships held over the preceding 3 years (from 1 January 2019 to 31 December 2021):
Nil

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

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付星然，44岁
非执行、独立董事

首次当选董事日期：
2021年9月30日

上次董事重选日期：
无

供职董事年限：
3个月
（截至2021年12月31日）

供职董事委员会：
提名委员会（主席）
审计委员会（成员）
薪酬委员会（成员）

学术和专业资历：
- 英国赫瑞－瓦特大学金融工程专业博士学位

现任董事席位：
（截至2021年12月31日）

上市公司：
无

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

主要任职（除董事职位外）：
- 北京融溢投资管理有限公司总经理
- 北京京国创基金管理有限公司总经理

过去三年曾任董事席位（2019年1月1日至2021年12月31日）：
无

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

BOARD OF DIRECTORS
董事会

Jeffrey Goh Mau Seong, 53
Non-Executive, Independent Director

Date of first appointment as a director:
31 December 2021

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

Length of service as director:
N.A.
(as at 31 December 2021)

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

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

Present Directorships:
(as at 31 December 2021)

Listed companies:
Nil

Other principal directorships:
- Star Alliance (SG) Pte. Ltd. (Director)
- Airline Passenger Experience Association (US) (Director)

Major Appointments (other than directorships):
- Chief Executive Officer of Star Alliance (Germany/Singapore)

Past Directorships held over the preceding 3 years (from 1 January 2019 to 31 December 2021):
Nil

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

吴茂松，53岁
非执行、独立董事

首次当选董事时间：
2021年12月31日

上次董事重选时间：
不适用

任职董事年限：
不适用
（截至2021年12月31日）

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

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

现任董事席位：
（截至2021年12月31日）

上市公司
无

其他主要董事席位：
星空联盟（新加坡）私人有限公司（董事）
航空公司乘客体验协会（美国）（董事）

主要任职（除董事职位外）：
- 星空联盟（德国/新加坡）首席执行官

过去三年曾任董事席位（2019年1月1日至2021年12月31日）：
无

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

BOARD OF DIRECTORS
董事会

Richard Yang Minghui, 52
Non-Executive, Non-Independent Director

Date of first appointment as a director:
31 May 2021

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

Length of service as director:
7 months
(as at 31 December 2021)

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

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

Present Directorships:
(as at 31 December 2021)

Listed companies:
Nil

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

Major Appointments (other than directorships):
- General Manager (China Aviation Sector) of BP (China) Holding Company

Past Directorships held over the preceding 3 years (from 1 January 2019 to 31 December 2021):
Nil

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

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杨明辉，52岁
非执行、非独立董事

首次当选董事日期：
2021年5月31日

上次董事重选日期：
不适用

供职董事年限：
7个月
（截至2021年12月31日）

供职董事委员会：
审计委员会（成员）
薪酬委员会（成员）

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

现任董事席位：
（截至2021年12月31日）

上市公司：
无

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

主要任职（除董事职位外）：
- 碧辟（中国）投资有限公司（中国航空部）总经理

过去三年曾任董事席位（2019年1月1日至2021年12月31日）：
无

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

CORPORATE INFORMATION (as at March 2022)
公司信息（截至2022年3月）

DIRECTORS

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

Teo Ser Luck
(Lead Independent Director)

Wang Yanjun
(Chief Executive Officer/ Executive Director)

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

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

Hee Theng Fong
(Independent Director)

Fu Xingran
(Independent Director)

Jeffrey Goh Mau Seong
(Independent Director)

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATING COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

COMPANY SECRETARY

Doreen Nah

AUDITORS

Deloitte & Touche LLP
(Appointed on 20 April 2016)
6 Shenton Way #33-00
OUE Downtown 2
Singapore 068809
Partner in charge: Yang Chi Chih
(Since financial year 2021)

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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

PRINCIPAL BANKERS

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

REGISTERED OFFICE

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

董事

龚丰
（董事长/非执行、非独立董事）

张思乐
（首席独立董事）

王延军
（首席执行官/执行董事）

石磊
（非执行、非独立董事）

张宇尘
（非执行、非独立董事）

许廷芳
（独立董事）

付星然
（独立董事）

吴茂松
（独立董事）

杨明辉
（非执行、非独立董事）

审计委员会

张思乐 *（主席）*
张宇尘 *（副主席）*
许廷芳
付星然
杨明辉

薪酬委员会

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公司秘书

蓝肖蝶

外部审计师

德勤有限责任合伙人制
（受聘于2016年4月20日）
珊顿大道6号，OUE Downtown 2，33楼
新加坡邮区068809
负责合伙人：杨继智
（从2021财年起）

股票登记处和转让处

宝德隆企业与咨询服务有限公司
港湾道1号，吉宝湾大厦14楼7号，
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主要银行

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

注册办公室

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LEVERAGING **STRENGTHS**

Our extensive jet fuel supply and trading networks and diversified portfolio of other oil products and synergetic oil-related assets constitute our core strengths which we will strategically leverage to sustain steady growth.


浦东航油

CEO'S MESSAGE
首席执行官致辞

Wang Yanjun 王延军
Chief Executive Officer/Executive Director 首席执行官/执行董事

2021 was a year of daunting challenges for China Aviation Oil (Singapore) Corporation Ltd ("CAO" or "the Group"). We navigated persistent uncertainties amid the COVID-19 global pandemic; the volatile operating environment that stifled the recovery of the aviation sector, soaring oil prices against a backdrop of increasing market and operational risks. These external factors have inevitably raised operational risks, However, we maintained our steadfast commitment towards risk management coupled with strategic initiatives to develop new markets, enhanced management effectiveness and stringent cost control measures. They have enabled the Group to improve operational efficiencies and confidently overcome these formidable challenges.

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

In 2021, CAO remained committed to effective risk management, while striving for steady business growth. Adhering to our business philosophy of "Compliance as a Top Priority, Risk Management of Utmost Importance", the Group continues to strengthen and sharpen the effectiveness of our risk controls. This is to ensure sustained improvement and drive our long-term development objectives.

Structural changes in the domestic and international oil products market in 2021 enabled CAO to leverage on its extensive business networks and comparative advantages to enhance the Group's presence and influence in the global oil trading market through expanding our arbitrage trading business. Despite the aviation industry's decline caused by the pandemic, CAO continued to steadily expand its business, strengthen and foster strategic partnerships with its customers while improving service quality. Opportunities are for those who are prepared, and CAO is well positioned to seize them in the post-pandemic era.

To boost business performance and efficient management, we further streamlined our work processes and systems in 2021. We kick-started the development of a comprehensive business management system, as an integral part of our digital transformation.

Mindful of the need for environmental sustainability, CAO sought to reduce its carbon footprint through its inaugural carbon credits trading to offset carbon emissions from its ship chartering activity when supplying imported jet fuel to China. This marks the Group's first step towards becoming a green, low-carbon emissions enterprise.

CEO'S MESSAGE
首席执行官致辞

Into-plane refuelling operations at a Chinese airport
在中国机场的加注业务

Human talent forms an integral part of our business development plan. To forge team cohesion and effectiveness in the workplace, CAO focused on nurturing an inclusive corporate culture while reaffirming our corporate mission, vision and core values.

Looking ahead to 2022, CAO remains committed to upholding its business philosophy of "Compliance as a Top Priority, Risk Management of Utmost Importance". CAO will strive to deliver creditable performance in its aviation fuel and oil products trading businesses as well as its oil-related investments. Besides fostering a business culture of continuous improvement, CAO will seek to capitalise on market opportunities, optimising resources and enhancing information technology systems. CAO will also be focusing on decarbonising targets of "carbon neutrality" and "carbon emissions reduction" in its development of new businesses such as carbon credits trading and biofuel as part of the Company's ongoing efforts to achieve sustainable, long-term growth.

The Group will build on its fundamental business approach of "accelerating asset-related investments across the entire aviation oil value chain" and supported by its two-pronged strategy to drive growth in its aviation fuel and oil products trading businesses. The Group will also seek to grow its business networks in aviation marketing, oil products trading and logistics and transportation with a keen focus on innovation, safety, synergistic and green development. The Group will also seek to strengthen its integrated operations and global control. It will also work towards lowering carbon emissions and digital transformation along with reinforcing its team of diverse talents to further enhance our competitive advantages and resilience.

Notwithstanding the challenges ahead, we will strive to become an innovative global top-tier integrated transportation fuels provider underpinned by our core competitiveness from our global oil-related assets.

Wang Yanjun
Chief Executive Officer/Executive Director

CEO'S MESSAGE
首席执行官致辞

2021年是中国航油(新加坡)股份有限公司(简称"新加坡公司")奋力拼搏、攻坚克难的一年。新冠疫情持续在全球范围内蔓延,航空业恢复缓慢,公司面临的市场环境持续严峻;国际油价大幅飙升,油品市场风险事件频发,公司面临的经营风险不断加大。新加坡公司在持续做好疫情防控和风险管控的同时,重点围绕市场开拓、管理提升、降本减费等方面,多措并举、深度挖潜,实现了公司经营的稳健发展和运行效率的全面提升。

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

2021年,我们坚持风控底线,稳促业务发展。公司以合规管理和风险控制为主线,前移管控关口,密切监控各项经营风险,确保了业务发展稳中有进、进中有优。针对国内外油品市场的结构性变化,公司积极组织优质资源开拓跨区域贸易业务,有效提升了公司在全球油品贸易市场的参与度和影响力。虽然航空市场受疫情影响需求低迷,但公司精耕细作,通过加强与客户的战略合作,提升服务质量,稳步拓展航空市场销售业务,为疫情后航空市场恢复做好准备。

2021年,我们精益经营管理,提升发展质量。公司持续开展制度体系建设,以制度形式固化发展成果,保障企业持续健康发展;全面推进业务管理系统开发,推动数字化转型;通过购买碳抵消额度,实现了两船中国进口航油在海运环节的"碳中和",为践行低碳绿色发展做出了积极有益的尝试。围绕发展战略,公司开展了全面的企业文化建设,重塑了公司使命、愿景、核心价值观等,提振了公司员工的凝聚力和向心力。

2022年,公司将继续秉持"合规第一、风控至上"的经营理念,在航油业务、油品贸易、实业投资、信息化建设等方面持续发力,不断创新业务模式,捕捉市场机会,整合优化资源。同时高度关注"碳中和"、"碳减排"目标,积极探索生物航油、碳交易等新兴业务,不断推动公司的可持续长远发展。

展望未来,公司将以"加速航油全供应链资产投资"为一条实业主线,支撑航油业务和油品贸易"两翼齐飞",建立航空市场销售、油品贸易、物流储运三大业务网络,构建创新、安全、协同、绿色"四个新发展"格局,加强一体化营运、全球化管控、低碳化转型、数字化发展、多元化人才五种能力建设,努力成为以全球航油资产布局为支撑、具有持续创新力与核心竞争力的优质实业商贸公司。

王延军
首席执行官/执行董事

OKYC tank farm in Yeosu, Korea
OKYC在韩国丽水的储罐

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Jet fuel discharging from vessel at port
港口卸油场景

JET FUEL MARKET REVIEW

The rapid spread of the Delta and Omicron variants of the COVID-19 virus in 2021 caused lockdowns to be re-imposed across the globe. While strict flight control measures weighed upon the demand recovery for jet fuel, strong demand for air cargo transport and increased vaccination rates provided some relief for global aviation.

Demand for jet fuel saw further support in the third quarter of 2021 after gradual relaxation of travel restrictions coupled with seasonal demand for heating oil.

Asian jet fuel markets saw a tight supply situation in 2021 as Asian refineries cut back on production resulting in demand outstripping supply and an overall improvement to Asian jet fuel fundamentals.

The annual average Platts FOB Singapore jet fuel price jumped 68% to US$75.25/barrel from US$44.82/barrel in 2020. FOB Singapore physical premiums trended higher in 2021 hitting a three and half year record of US$0.87/barrel on 17 December 2021.

HIGHLIGHTS OF JET FUEL SUPPLY AND TRADING ACTIVITIES IN 2021

Jet fuel supply and trading volumes rose 1% year-on-year to 9.40 million tonnes in 2021 from 9.30 million tonnes in 2020. The result was achieved despite the re-emergence of COVID-19 infections, the restrictions of international flights into and out of China, and the sluggish demand for jet fuel import.

1. Broadened procurement channels and optimised logistics to reduce supply costs

China's jet fuel export slowed significantly in the second half of 2021, due to resurgence of COVID-19 outbreaks, a "dual-target" policy to curb carbon emission, and amendments to taxation policy. At the same time, weaker jet fuel refining margins prompted Korean and Japanese refiners to scale back production volumes.

Constrained by these factors, jet fuel supply tightened significantly causing further supply disruption. In light of these difficulties, the Aviation Fuel Department actively sought to broaden procurement channels and strengthen cooperation with Asian refiners to secure jet fuel cargoes. Meanwhile, the Department capitalised on the OKYC storage facilities in South Korea and storage hubs along the Singapore straits to optimise logistics and shipping. This helped to better manage supply quality, quantity and cost thereby ensuring the safe and timely delivery of jet fuel supply to China.

2. Optimised resource allocation and executed cross-region arbitrage strategy

Leveraging on our extensive network and resources across the Asia Pacific and Middle East, the Aviation Fuel Department accurately spotted market trends to identify and secure windows of arbitrage to Europe and North America. We managed to secure our largest arbitrage trade volume in CAO's history contributing substantially to our underlying profit margin.

3. Rigorously explored the end-user market, strived to increase trading volume, revenue, and profit

To further enhance trading profit, the Aviation Fuel Department actively developed the Japanese winter heating oil market, identified and seized retail demand for low-sulphur kerosene and gasoil-blends in the North Asian end-user market.

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JET FUEL MARKET OUTLOOK AND TRADING STRATEGY IN 2022

The rapid spread of the Omicron variant in the United States, Europe, Japan, South Korea, Australia, India and other countries has prompted many of these countries to reintroduce stringent border and travel restrictions that continue to impede the recovery of the Asia Pacific aviation sector.

Fortunately, preliminary studies have indicated that the symptoms caused by Omicron variant are less severe, and vaccines are effective in reducing hospitalisation and death rates. In addition, many countries have enhanced capabilities and strategies to deal with further outbreaks after the Delta wave, which may herald a softer impact on the aviation sector by future variants.

Most analysts remain cautiously optimistic that Asia Pacific jet fuel demand in 2022 will improve and surpass 2021, even though the recovery of the region's aviation sector ultimately depends on the severity of any new virus variant and the opening of international borders.

Near term challenges remain as China's stringent "zero" policy is expected to dampen its international flight activity, and consequently curb its 2022 bonded jet fuel import demand.

At the same time, supply shortages will persist as China, South Korea and other North Asian refineries scale back production adding difficulty to securing cargoes for the region. Against these unfavourable market conditions, the Aviation Fuel Department will closely monitor any development in China's refined product sector as well as its central government industry policies. The Department will also proactively maintain communication with Chinese refiners, to better optimise export resources, reduce supply costs and create greater value. Moving forward, CAO will continue to develop intra-regional and cross-regional arbitrage opportunities, capitalise on storage facilities in Korea's OKYC and along the Singapore straits as well as expand market share among North Asian end-users.

Geopolitical tensions such as the Russia-Ukraine conflict will undoubtedly make the operating environment more challenging and dim recovery prospects. We will therefore remain prudent and will pursue risk mitigation strategies to achieve our sustained development.

GASOIL AND GASOLINE MARKET REVIEW

Asia Pacific demand for gasoil saw choppy and divergent recovery due to the emergence of new COVID-19 variants and seasonality.

Despite this uncertainty, Asian gasoil demand rose 220,000 barrels per day to 9.38 million barrels per day in 2021 mainly driven by a steady rebound in demand from industrial and agricultural sectors as countries gradually eased pandemic restrictions as well as elevated demand from gas to oil switching due to higher LNG and electricity prices. China and India were key contributors to this demand growth accounting for increases of about 88,000 barrels per day and 106,000 barrels per day respectively. Supply for gasoil in 2021 remained tight across the Asia-Pacific region as refinery closures and seasonal refinery maintenance in the Asia-Pacific region lowered exports from Japan and Taiwan.

China gasoil export saw its most pronounced decline in 2H 2021. This was due to surges in local demand coupled with the introduction of a consumption tax on light cycle oil (LCO) in June 2021 as well as robust seasonal demand in September and October. Higher domestic demand as a result of power outages and tight energy supplies exacerbated gasoil supply shortages in the region. In addition, stable arbitrage flows to the West in 2H 2021 outstripped net supply increases in the region of about 31,000 barrels per day. This further compounded gasoil supply shortages in the Asia-Pacific region.

Reflecting the greater gasoil demand and supply shortages in 2021, Singapore Platts gasoil price climbed to a fresh 3-year high of US$98.75/barrel on 18 October 2021. In addition, the average Platts FOB Singapore gasoil price in 2021 surged US$28.34/barrel or 57% year-on-year to US$77.77/barrel compared to US$49.42/barrel in 2020.

The average of Singapore 10 ppm gasoil cracks also jumped US$1.22/barrel to US$8.36/barrel in 2021 compared to US$7.13/barrel in 2020; reaching a 21-month high of US$15.24/barrel on 15 October 2021. Cash differentials for Singapore 10 ppm gasoil cash differentials similarly gathered momentum in 2H 2021 reaching a 2-year high of US$0.89/barrel on 29 December 2021.

Asian gasoline market movements in 2021 mirrored those of the Asian gasoil market and was largely impacted by the ongoing pandemic situation. However, due to the strong rebound in demand and reduced supply, the overall Asian gasoline market, especially the gasoline crack spread, was stronger than that of gasoline.

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HIGHLIGHTS OF GASOIL AND GASOLINE TRADING ACTIVITIES IN 2021

Gasoil and gasoline trade volumes declined 6% year-on-year to 5.68 million tonnes in 2021 led by a 10% reduction in gasoil trading volume.

The Group leveraged on China's refined oil export resources to achieve higher trading volume and revenue. In addition to strengthening our established market and customer base, the Group also used term contracts with Asian refineries to further secure stable supplies. This will serve to increase our participation in the spot market and improve trading capabilities of the team. To further enhance profitability, CAO had also conducted gasoil storage business along the Singapore straits.

GASOIL AND GASOLINE MARKET OUTLOOK AND TRADING STRATEGIES IN 2022

Sustained recovery of economic activity in the Asia-Pacific region coupled with gas to oil switching requirements for power generation is expected to boost gasoil demand in 2022. Tight supply conditions for the Asian gasoil market are anticipated in the first quarter of 2022 as China exports and Singapore's middle distillates inventories continue to decline.

2022 continues to be a volatile year for gasoil markets and while continued reopening of global economies will undoubtedly support demand for gasoil, the uncertainty of supply will add to complexities as the market seeks to achieve an equilibrium for a longer term sustainable trend.

To mitigate market volatility arising from supply and demand shocks such as sharp declines in Chinese exports, unstable demand in the region and muted spot transactions, CAO's gasoil and gasoline team will proactively identify and seize market opportunities to expand our scope of business, improve logistic efficiency, optimise inventories and explore opportunities in the blending business to increase trading volumes and enhance profitability.

CRUDE OIL MARKET REVIEW

Volatility persisted for Brent crude oil prices in 2021 with the average Brent future price rising 64% or US$27.73/barrel to US$70.95/barrel in 2021 from US$43.22/barrel in 2020.

On the back of global triggers such as Saudi Arabia's pledge to cut output by 1 million barrels per day, Brent futures broke US$76 in June. However, the emergence of the Delta variant and the subsequent Omicron variant in November dragged down Brent Futures which had hit US$86.40/barrel in October, the highest level since 2014.

Following the release of preliminary studies indicating that while Omicron is highly contagious, severity of symptoms was significantly lower, panic in global crude oil markets gradually eased.

In addition, delays in the return of Iranian crude oil due to an impasse of US-Iran nuclear talks further boosted

TSN-PEKCL Tanggu Operations Centre
管输公司运控中心塘沽站

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CNAF HKR operations at Hong Kong International Airport
香港供油公司在香港国际机场的运作场景

oil price in mid-to-late December. Brent crude oil futures posted its biggest annual gains since 2016 settling at US$77.78/barrel on the last day of 2021, up more than 50% compared to 2020.

HIGHLIGHTS OF CRUDE OIL TRADING ACTIVITIES IN 2021

Crude oil trading volume set a new record in 2021 rising 40% year-on-year to 14.69 million tonnes.

Spot market demand for crude oil in 2021 was weighed down by the emergence of new COVID-19 variants, tepid demand from China and weaker procurement appetite from independent refineries due to tax issues. To mitigate these market challenges and stabilise trading volumes and revenue, CAO's crude oil team sought to strengthen business cooperation with Chinese state-owned companies and large-scale independent refineries.

At the same time, the team also actively developed new business models by identifying and initiating business opportunities with new counterparties as well as establishing the trading of Oman crude oil futures for spot deliveries on the Dubai Exchange.

CRUDE OIL MARKET OUTLOOK AND TRADING STRATEGIES IN 2022

As global economies except China continue to reopen despite the emergence of new COVID-19 variants, economic activity and consequently demand for oil is expected to rebound.

To cater to this rising demand, OPEC+ had announced its decision to increase production output by another 400,000 barrels per day in February. However, physical limitations persisted as some OPEC+ producers struggled to keep up with the quota increase resulting in actual supply increases to potentially miss targets which forecasted global crude oil demand growth of 4.5 million barrels per day.

According to EIA's latest forecast, global oil demand is expected to reach 100.52 million barrels per day in 2022. Global oil output will rise to a record high of 101.05 million barrels per day in 2022, dispelling prior speculation of a significant oversupply situation for crude oil. In addition, limited investments in the global oil and gas sector and low spare capacity from OPEC+ by 2H 2022 will undoubtedly rally crude oil prices higher for the rest of 2022.

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In light of the existing market conditions, CAO's crude oil team will continue to strengthen cooperation with state-owned enterprises and independent refineries and explore new business models leveraging on our competitive advantages to achieve a win-win scenario for CAO and our customers. At the same time, the team will actively identify and conduct crude oil arbitrage opportunities to create greater trading value for CAO.

FUEL OIL MARKET REVIEW

Demand for low sulfur fuel oil (LSFO) was robust in the first quarter of 2021 as limited supply coupled with higher than usual demand from Far East generation companies switching from LNG which saw sharp upward price movements and strong buy in from ship owners pre Chinese New Year. The LSFO market flipped into contango in the second quarter of 2021 amid oversupply and seasonal lacklustre demand.

However, the LSFO market rebound from third quarter of 2021 on bullish factors including less LSFO arbitrage volumes landing in Singapore, tightened production from refineries prioritising middle distillate outputs as well as surging power and heating demand in North Asia.

CNAF storage tanks in China
中国航空油料集团在中国的储罐

Meanwhile, the high sulfur fuel oil (HSFO) market went up for most of the year, supported by power generation demand from the Middle East and South Asia, stronger straight run fuel oil (SRFO) buying interest from Chinese independent refiners. This was due to the import tax implementation on LCO/MA/Bitumen Mix, clampdown on misuse of crude oil import quota by the Chinese authorities and higher fuel oil demand from gas to oil switching amid soaring LNG prices. The tight supply situation persisted till the further of 2021 when demand gradually eased.

HIGHLIGHTS OF FUEL OIL TRADING ACTIVITIES IN 2021

Total fuel oil volume traded in 2021 rose 142% year-on-year to 4.35 million tonnes.

Building on our existing business of LSFO supply into Hong Kong, the fuel oil team actively developed and successfully sold fuel into the Australian market bolstering revenue and profit contributions in 2021.

The team also continued to actively expand cooperation with traders to take advantage of available opportunities to conduct SRFO trading business with local refineries or teapots as they are commonly referred to who may experience supply shortfalls due to prevailing market conditions to further improve our fuel oil trading volumes and profitability.

FUEL OIL MARKET OUTLOOK AND TRADING STRATEGIES IN 2022

In the first quarter of 2022, backwardation in the LSFO market will remain a key challenge amid low supply and strong demand for bunker fuel. At the same time, HSFO markets remain pressured at the start of 2022 amid ample supply and weak demand from Middle East. The HSFO Market is expected to tighten from the second quarter of 2022 on rising demand from South Asia and the Middle East as the power sector switches from gas to oil.

In addition to maintaining a steady LSFO supply into Hong Kong and China's domestic market, the fuel oil team will seek to actively develop new supply sources and new end-user clients. The team will also closely monitor demand for SRFO from teapots in China and strengthen cooperation with related traders to expand the supply and sales channels for SRFO in order to establish stable long-term fuel oil customer relationships.

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INVESTMENTS IN OIL-RELATED ASSETS

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

Established in 1997, SPIA is the exclusive supplier of jet fuel and into-plane services at Shanghai Pudong International Airport ("Pudong Airport"), one of the busiest airports in the PRC in terms of air passenger numbers. It owns and operates all refuelling facilities at Pudong Airport, including a full suite of hydrant systems, a fleet of dispensers and refuelling trucks, refuelling stations, airport tank farm, a 42-km dedicated jet fuel pipeline connecting Pudong Airport to Waigaoqiao terminal with storage facilities of 200,000 m^3 in capacity. CAO owns a 33% stake in SPIA, with Shanghai International Airport Co., Ltd owning 40% and Sinopec Shanghai Gaoqiao Petrochemical Co., Ltd owning 27% respectively.

As a major international aviation hub in East Asia, Pudong Airport is one of the best connected hub airports in China with over 210 direct destinations. In 2021, the number of international flights at Pudong Airport continued to be weighed down by the COVID-19 pandemic. Air passenger traffic remained low as per 2020, down 60% from pre-COVID levels, impacting SPIA's performance severely. Due to the global resurgence of COVID-19 infections, SPIA's total jet fuel sales and refuelling volume in FY2021 was 2.56 million tonnes, a decline of 3.82% year-over-year.

Nonetheless, following the progressive roll out of new COVID-19 anti-viral medication in 2022, the demand for international air traffic is expected to rise gradually, leading to healthy growth prospects for SPIA.

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

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

As part of China's pandemic-related preventive measures, the Civil Aviation Administration of China ("CAAC") issued a "Five-One" policy, which limits each domestic airline to just one flight per any one foreign country each week. Likewise, foreign airlines are limited to a single flight to China each week as well. Under this policy, Beijing-bound international flights were diverted to other surrounding airports and operations at the Tianjin Airport have shrunk considerably. For FY2021, TSN-PEKCL's total jet fuel transportation volume decreased 2.64% year-on-year to 1.05 million tonnes.

China Aviation Oil Xinyuan Petrochemicals Co., Ltd ("Xinyuan")

Engaged in the business of storage tank leasing and trading of oil products, Xinyuan's key asset is a storage tank farm located in the city of Maoming, Guangdong Province, China, with a total storage capacity of 79,000m3. Xinyuan's shareholders include Shenzhen Juzhengyuan Co., Ltd, CAO and CNAF, holding 60%, 39% and 1% stakes, respectively.

TSN-PEKCL's jet fuel transportation pipeline
管输公司的航油运输管道

CEO'S STRATEGIC REPORT – OPERATIONS REVIEW
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Due to relatively low strategic synergy, CAO made an announcement in June 2018 about the Group's intention to divest its 39% stake in Xinyuan (the "Xinyuan Stake"). Prior attempts to divest the Xinyuan Stake via a listing-for-sale through the China Beijing Equity Exchange had been unsuccessful. Continuing efforts are being made by CAO to divest the Xinyuan stake.

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

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

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

OKYC's storage utilisation rate declined year-over-year but remained at 88.8% utilisation rate in 2021, mainly due to rapid rebound in oil prices and changes in the market structure. OKYC's profitability was further impacted by the year-on-year decline in storage rental rates, along with multiple storage tank overhauls and higher maintenance costs.

CNAF Hong Kong Refuelling Limited ("CNAF HKR")

CNAF HKR is an associated company of CAOHK, a wholly owned subsidiary of CAO. CNAF HKR is dedicated to providing high quality into-plane fuelling services at Hong Kong International Airport at Chek Lap Kok ("HKIA"). As the third licensed refueller at HKIA, CNAF HKR is well-equipped with a fleet of professional hydrant dispensers and bowsers which are supported by a refuelling station that comes with an administration building and scheduling office sited in a 3,000 m^2 compound. Shareholders of CNAF HKR include CAOHK, Shenzhen Cheng Yuan Aviation Oil Company, China United Petroleum (Holding) Company Limited and Cheer Luck Investment Limited.

Currently, 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.

As a dual international and regional aviation hub, HKIA plays an important role in upholding Hong Kong's image as a global financial, tourism and logistics hub, and is striving to develop into a smart airport as well as one of the world's greenest airports. In 2021, a series of projects at HKIA will be implemented progressively as part of the blueprint which entails an investment of over HK$40 billion in the next 10 years.

In 2021, air passenger travel remained at a significantly lower levels due to COVID-19. HKIA handled 1.4 million passengers in 2021, close to 85% plunge from the previous year. The total number of flights handled by HKIA was 144,815, down 9.9% year-on-year while cargo flights remained at historically high levels. HKIA handled 5 million tonnes of cargo last year, up 12.5% year-on-year. Benefitting from the robust air cargo demand, CNAF HKR's total number of flights handled and jet fuel refuelling volume were more than 20% in 2021.

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

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

As one of the best connected airport hubs in Europe, the main international airport of the Netherlands, Schiphol Airport, is equipped with the capacity to handle up to 500,000 flights annually. Due to travel restrictions imposed by governments worldwide to prevent the spread of COVID-19, Schiphol Airport's air passenger traffic continued to be impacted in 2021, reaching only 35.6% of its pre-COVID level in 2019. Nevertheless, following the global rollout of COVID-19 vaccinations, Schiphol Airport's air passenger traffic increased 22% year-on-year, especially in the fourth quarter when air passenger traffic nearly doubled year-on-year to 56.6% of the same period in 2019. Operations at the Schiphol Airport will continue to face uncertainties in 2022 brought about by new COVID strains such as Omicron.

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航煤市场回顾

2021年新冠疫情持续反复且变种病毒德尔塔和奥密克戎来势汹汹，大部分国家仍然采取各种飞行管制措施，严控病毒传播，航煤需求复苏缓慢。然而，航空货运需求旺盛和疫苗接种率的提高有效地推升了全球旅行，从第三季度开始部分国家逐步放宽旅游限制，加上季节性取暖油的需求，对航煤需求产生了有利的支撑。

全年的航煤供应因亚洲炼厂持续减少航煤产出而大部分时间处于紧俏状态，供应下跌幅度甚至超过需求，因此亚太航煤供需基本面得到一定程度改善。新加坡普氏航煤实货均价攀升到75.25美元/桶，和2020年44.82美元/桶的均价相比，大幅走高约68%；新加坡航煤实货离岸贴水价格居高不下，尤其进入第四季度，新加坡航煤现货离岸贴水价格持续创历史新高，并在12月17日攀升到0.87美元/桶，为3年半以来的新高。

2021年航煤供应与贸易活动亮点

2021财年，航油供应和贸易量为940万吨，较上年同期的930万吨上升1%。这主要是因新冠疫情持续反复，多数国际航班仍未恢复，进口需求依然低迷所致。

1. 拓宽采购渠道和物流优化，降低供应成本

2021年下半年，受新冠疫情反复的影响，双碳目标要求以及一系列税费政策组合拳的拖累和打击，中国航煤出口大幅减少。与此同时，韩国和日本炼厂因航煤炼制利润疲弱也不断降低航煤产量，使得区域内航煤现货供应日益紧张，保供压力不断加剧。尽管困难重重，航煤贸易团队积极拓展采购渠道，与亚洲出口炼厂加强合作，确保供货来源。此外，团队也充分利用在韩国OKYC和新加坡海峡地区的储罐进行物流优化和船运优化，有效地降低了保供成本，保质保量、安全及时地完成了国内航油供应任务。

2. 优化资源配置，积极开展跨区贸易

新加坡公司也积极整合亚太和中东航煤贸易资源，通过大量市场调研和准确预判市场趋势，成功抓住亚洲到欧洲和北美的航油跨区贸易机会，创下了公司历史最高跨区贸易量的记录，为公司实现了良好利润。

3. 大力拓展终端市场，努力扩大贸易规模并创收增效。

除此之外，新加坡公司还积极开展日本冬季取暖油业务，并抓住北亚部分终端市场开展低硫航煤调和柴油的零散业务需求，销售低硫煤油至日本市场，进一步创造丰厚的贸易利润。

2022年航煤市场展望及贸易策略

新冠变异毒株奥密克戎在全球快速扩散，导致美国、欧洲、日本、韩国、澳洲、印度等多个国家和地区的确诊人数急速攀升，使得各国仍需维持或收紧边境和旅行限制政策，预期将继续打压亚太航空终端需求，尤其是国际航线的恢复。所幸经目前初步研究显示，奥密克戎引发的症状并不严重，且得益于疫苗提供的保护作用，住院病例和死亡病例的增幅有所放缓。此外，各国经过变异病毒德尔塔的施虐之后，也变得更有能力和策略应对新一轮新冠疫情的挑战，这无疑意味着新冠疫情后续对航煤市场造成严重冲击的可能性正在逐渐变小。

虽然亚太航空业的持续性复苏最终将取决于新变种病毒的演变情况和各国的边境开放程度，但大多数分析机构对2022年亚太航煤需求将超过2021年水平持谨慎乐观态度。

中国严格的“动态清零”政策预期将导致中国国际航班需求继续保持低迷，同时限制2022年中国保税航煤进口需求的增长。在中国、韩国等北亚国家的主要出口炼厂预计会继续收紧航煤供应，使获取区域内可交易货源的难度进一步加大。面对这些不利的市场环境，航煤组将密切跟踪中国石油市场的变化和政府出台的相关行业调控政策，积极与国内出口炼厂保持沟通，努力优化出口资源，降低保供成本、积极创效。公司会继续开展区域内和跨区贸易业务，借助区域内储罐和韩国OKYC储罐优势，拓展北亚日韩终端市场业务。

俄乌冲突等国际局势的变化，也将会为公司的运营带来诸多挑战和不确定性。鉴于此，新加坡公司将继续保持谨慎态度并采取适当的风险缓解策略，以实现我们的可持续发展目标。

汽柴油市场回顾

受新冠疫情反复干扰和季节性因素的影响，亚太各国柴油需求的恢复状况起伏不定。总体来看，在防疫限制措施逐步放松的背景下，基建和工业用柴油需求稳步复苏；天然气和电力供应紧张提振了柴油作为替代能源的需求，推动了2021年亚太柴油需求达到938万桶/日的水平，同比上升22万桶/日；其中中国和印度的柴油需求增幅分别约为8.8万桶/日和10.6万桶/日。从供应端来看，亚太柴油供应因几家炼厂永久关停和其他炼厂的常规性维修，导致日本、台湾等地的出口量下降；中国的出口量也从2021年下半年显著下滑（中国出口下滑主要受6月开始对轻循环油征收消费税；“金九银十”旺季需求以及限电和能源供应紧张推动的国内需求激增等因素推动），使得区域内的实际供应再度减少。此外，2021年下半年来自西方的柴油套利船货需求稳定，进一步收紧了亚太区域的柴油供应，使得2021年亚太柴油供应仅小幅增长3.1万桶/日。

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Pipelines at Shanghai Pudong’s discharge port
浦东机场卸油码头储油管线

2021年，柴油需求增幅超过供应增幅，使得基本面状况得到稳步提升，新加坡普氏柴油实货价格更是在2021年10月18日攀升到98.75美元/桶的水平，创下3年以来的新高。总体来看，2021年新加坡普氏柴油实货均价收报到77.77美元/桶，和2020年49.43美元/桶的均价相比，攀升了约28.34美元/桶或57%。新加坡柴油裂解价差均价也上扬，从2020年的7.13美元/桶，走高1.22美元/桶达到2021年的8.36美元/桶，10月15日柴油裂解价差一度达到15.24美元/桶，为21个月以来的新高。此外，新加坡柴油实货离岸贴水价格也从2021年下半年开始由弱转强，并在12月29日攀升到0.89美元/桶，为2年多以来的新高。

汽油市场全年走势受疫情反复的影响同柴油走势基本相同。受需求反弹强劲和供应减少影响，亚太汽油市场整体表现，尤其是汽油裂解价差水平强于柴油。

2021年汽柴油贸易业务亮点

2021年，汽柴油贸易量同比下降6%至568万吨，主要是柴油贸易量下降10%所致。

新加坡公司充分利用中国成品油出口资源实现了较高的贸易量和收入。除巩固现有市场和客户群外，公司继续借助与亚太炼厂的采购长约保证了稳定的资源，在提高现货市场的参与度的同时，也拓展了贸易深度。公司还在新加坡海峡开展储罐柴油业务，取得较好的毛利。

2022年汽柴油市场展望及贸易策略

受经济活动持续恢复和油气替换需求支撑，亚洲区域柴油需求预计仍将增加。从供应端来看，预计中国柴油出口将继续下滑，新加坡岸罐库存仍将维持低位，都将对2022年第一季度的亚太柴油市场提供一定支撑。从需求来看，尽管新的变异毒株奥密克戎在亚太各国迅速传播，但至今情况显示其传染性虽强，但并不致命；因此，随着各国的疫苗接种率不断提升，除中国外的其他亚太国家政府已纷纷放松对疫情的防控策略，预期将继续对亚太柴油需求增长提供一定支撑。总体来看，供需两端的不确定性将决定亚太柴油市场的基本面状况和未来走势。

面对国内柴油出口量锐减，区域内需求不稳定和交易不活跃的严峻形势，公司汽柴油团队将根据市场机会，优化贸易物流环节，把握市场机会开展柴油调和业务，拓展业务范围，提升收入和利润。

原油市场回顾

2021年国际油价总体呈震荡上行走势，布伦特原油期货均价在2021年攀升到70.95美元/桶，较2020年均价43.22美元/桶大幅上扬，涨幅达27.73美元或64%。从年初沙特宣布自愿额外减产100万桶开始，油价持续上涨，布伦特原油期货价格在6月底一度突破76美元/桶。然而，来势汹汹的变种病毒德尔塔和奥密克戎于11月在世界各地迅速蔓延，使原本还在10月份达到每桶86.40美元（2014年以来新高）的布伦特原油期货价格，单日暴跌每桶10美元。所幸奥米克戎变种病毒的传播性虽强，但致死率和住院率都较低，使得市场的担忧恐慌情绪逐渐缓解。

此外，美国与伊朗核谈判陷入停滞令伊朗原油回归推迟，提振原油价格从12月中下旬开始由弱转强，并在2021年最后一天收报到78.60美元/桶的高位，与去年相比，增幅超过50%，是2016年以来的最大涨幅。

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2021年原油贸易业务亮点

原油贸易量在2021年创下新记录，同比增长40%，达到1469万吨。

受到新冠疫情不断反复，以中国为首的亚太原油现货需求疲弱和中国独立炼厂因税务问题造成采购停滞等不利因素的影响，原油组稳中求进，通过加强与中国央企和大型独立炼厂的业务合作，取得了稳定的贸易量和利润。同时，原油组也积极拓展新业务模式并开发新的贸易对家，打通了迪拜交易所阿曼原油期货转现货的交易模式。

2022年原油市场展望及贸易策略

尽管奥密克戎变种病毒导致使新冠确诊病例远超去年创下的峰值，但目前来看，除中国外，大多数国家或地区继续放宽防疫限制措施，预期将推升石油需求强劲回弹。从供应端来看，虽然OPEC+决定在2月再增产40万桶/日，但一些OPEC+产油国难以增加供应，使得实际增加的供应量可能低于计划。EIA最新数据预测显示，2022年全球石油消费量将达到每天1.0052亿桶，而2022年全球石油供应量将创下每天1.0105亿桶的记录，因此供应过剩规模远低于以前的预期；此外，全球对石油和天然气行业供应方面的投资有限，OPEC+闲置产能预期在2022年下半年处于低位，将进一步支撑油价上行。目前来看，多数分析机构对2022年原油市场持乐观态度，认为油价将延续2021年的涨势。

原油业务组将继续巩固与中国央企和独立炼厂的合作，探讨新的业务模式，发挥互补优势，争取双赢。与此同时，团队也会继续开展原油跨区套利业务，为公司创造更多的贸易价值。

燃料油市场市场回顾

2021年初因低硫燃料油供应有限，且液化天然气价格大幅攀升推动远东发电厂需求高于往常，叠加春节前船东采购更多船用油，提升了低硫燃料油需求，市场呈现出健康的供需平衡基本面。虽然第二季度船燃基本面出现供应过剩需求疲弱的情况，低硫燃料油呈期货溢价结构，但在一系列利好因素支撑下，低硫燃料油市场从第三季度开始回弹，转为现货溢价结构，并一直保持到年底。利好因素包括较低的套利货流入新加坡，炼厂优先生产中馏分产品而使低硫燃料油的产出受限；液化天然气价格飙升带动北亚电力和供暖需求增加对低硫燃料油需求。

受中东和南亚发电厂需求强劲，中国官方调查炼厂滥用原油进口配额导致国内地炼转向采购直馏燃料油作为加工原料，天然气价格走高提振高硫燃料油作为替代能源的需求以及供应收紧等因素的影响，高硫燃料油从第二季开始

Worker handling jet fuel discharge operations from vessel
员工在油轮上进行卸油操作

逐步走强并保持平稳，一直到第四季度末才显现出需求逐步下降的趋势。

2021年燃料油贸易业务亮点

新加坡公司全年累计燃料油贸易量为435万吨，同比上升142%。燃料油组在稳定供应香港燃料油市场的基础上，积极开发其他终端客户，将燃料油销售到澳洲市场；扩大了新加坡地区燃料油贸易量，创造了较好的收入和毛利。其次，团队也利用中国地方炼厂原油配额不足来增加直馏燃料油采购的机会，加强同贸易商合作开展直馏燃料油贸易，提升了燃料油交易量和盈利能力。

2022年燃料油市场展望及贸易策略

2022年第一季度，低硫燃料油市场将因供应偏低和船燃需求强劲而维持现货溢价结构，但高硫燃料油将因中东需求平淡和供应充裕而承压。随着中东和南亚发电厂需求回归以及高硫用做加工原料和供应脱硫装置的船燃需求增加，预计高硫燃料油市场将从2022年第二季度开始收紧。

燃料油业务组将在稳定供应香港和国内燃料油需求的基础上，寻找新的资源并开发新的终端需求市场。密切关注国内地方炼厂直馏燃料油需求，并加强同有关贸易商的合作，扩大直馏燃料油资源范围，以便建立长期稳定的燃料油客户关系和购销渠道。

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CAO continues to broaden procurement channels and strengthen cooperation with Asian refiners to secure jet fuel cargoes
新加坡公司积极拓展采购渠道，与亚洲炼厂加强合作，确保航煤来源

油品相关实业投资

上海浦东国际机场航空油料有限责任公司（简称“浦东航油”）

浦东航油成立于1997年，是上海浦东国际机场（简称“浦东机场”）的唯一航油供应商和加注服务商，浦东机场为中国最繁忙机场之一。浦东航油拥有并经营浦东机场所需全部飞机加油设施，包括一整套机坪管网、管线加油车队和罐式加油车队、航空加油站、机场内油库，并设有库容量达20万立方米的储罐设施及连接浦东机场与外高桥码头的42公里专用航油管线。新加坡公司拥有浦东航油33%的股份，其余由上海国际机场股份有限公司持股40%，中国石化上海高桥石油化工有限公司持股27%。

作为亚太主要的国际航空枢纽，浦东机场连通国际 – 国内210个机场，是中国枢纽机场中最佳的机场之一。2021年，浦东机场持续受到新冠疫情影响，旅客吞吐量与2020年基本持平，较疫情前水平下降60%，严重影响了浦东航油的整体业绩。由于中国国内疫情反复以及国际疫情的持续影响，浦东航油全年航油总销售量和加注量为256万吨，同比减少3.82%。

随着新冠特效药即将在2022年问世，国际航班需求将逐步增加，浦东航油的业务量也将稳步恢复。

中国航油集团津京管道运输有限责任公司（简称“管输公司”）

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

受新冠疫情影响，中国民航局出台“五个一”政策，即中国国内每家航空公司经营至任一国家的航线只能保留1条，且每条航线每周运营班次不得超过1班；外国每家航空公司经营至中国的航线只能保留1条，且每周运营班次不得超过1班。该政策导致飞往北京首都机场的国际航班都转飞到其他临近机场，天津机场的国际航线也大幅缩量。2021财年，管输公司的总航油运输量同比下降2.64%至105万吨。

中国航油集团新源石化有限公司（简称“新源公司”）

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

由于战略契合度较低，新加坡公司于2018年6月公告拟出售所持新源公司的39%股权。公司前期通过中国北京产权交易所挂牌脱售未果。新源股权的出售仍在进行中。

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

韩国丽水枢纽油库有限公司（简称"OKYC"）

OKYC是韩国最大的独立仓储设施，由新加坡公司与韩国国家石油公司、加德士、SK仁川石化、三星物产、Seoul Line和LG国际合资成立。新加坡公司是OKYC的第二大股东，持股26%，仅次于持股29%的韩国国家石油公司。

OKYC位于东北亚中心地带的战略要冲，便于油品运往主要石油消费国，并配备接纳超大型油轮的装卸设施，吃水最深达17.7米。OKYC也拥有总库容达130万立方米的商业储罐和码头，可储存原油、航油及其它油品。

2021年，由于油价快速回弹，市场结构发生变化，OKYC总储罐利用率同比有所下降，但仍保持在88.8%。租金同比下滑，同时多个储罐大修，维护成本较高，因此OKYC在2021年的盈利水平大幅下降。

中国航油香港供油有限公司（简称"香港供油公司"）

香港供油公司是新加坡公司全资子公司香港公司的联营公司，专为香港赤腊角国际机场（简称"香港国际机场"）提供高质量的航油加注服务。作为香港国际机场第三家获得加注牌照的航油加注服务商，香港供油公司配有专业的管线加油车和罐式加油车，并设有占地3,000平方米的加注站、行政楼和调度室。其股东包括香港公司、深圳承远航空油料有限公司、中国联合石油集团有限公司和展裕投资有限公司。香港公司目前持有香港供油公司全部已发行股票的39%，其余三家公司分别持有37%、14%和10%的股份。

香港国际机场是国际及区域性的双重航空枢纽，为香港担当全球金融、旅游及物流枢纽发挥着重要作用，并致力成为智能机场和全球最环保机场之一。香港国际机场在2021年逐步落实于未来10年投资超过400亿港元的蓝图。

2021年新冠疫情对航空出行的持续冲击主要发生在航空客运，其中，香港国际机场的旅客吞吐量为140万人次，同比大幅下降近85%；起降架为144,815架次，同比下降9.9%；而航空货运量持续维持在历史高位和世界领先地位，为500万公吨，同比上升12.5%。鉴于强劲的航空货运需求，香港供油公司2021年加注架次和加注量市场份额均超过20%。

阿姆斯特丹机场航油供应公司（简称"AFS"）

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

作为荷兰主要的国际机场，史基浦机场是欧洲连通性最好的枢纽机场之一，其年均通行航班能力达50万架次。鉴于全球政府为防止疫情蔓延所实施的旅行限制，史基浦机场2021年的旅客吞吐量持续受到影响，仅恢复到2019年疫情前水平的35.6%。然而，随着疫苗接种的不断推广，史基浦机场在2021年的旅客吞吐量同比增长了22%；尤其在第四季度其客运量同比翻了近一番，恢复到了2019年同期的56.6%。进入2022年，史基浦机场的业务量将依然面临奥密克戎变异病毒所产生的不确定性。

Guangzhou Baiyun Airport tank farm
广州白云机场油库罐区

CEO'S STRATEGIC REPORT – INVESTOR RELATIONS
首席执行官战略报告——投资者关系

Due to restrictions posed by the pandemic, CAO conducted a virtual Annual General Meeting in 2021
鉴于疫情所带来的诸多限制，新加坡公司在2021年以线上直播方式召开常年股东大会

In line with our high standards of corporate governance and transparency, CAO places strategic management priority on Investor Relations and engages in active, open and fair communication with our shareholders in 2021. While the COVID-19 pandemic has imposed restrictions on face-to-face interaction with investors during the year, the Group maintained communication flow with the investment community, using virtual platforms to provide regular, accurate, fair and timely information about the Group's business operations and performance. This underscored the Group's commitment to create long-term value for our stakeholders through proactive investor relations practices. In all, the Group participated in seven investor conferences during the year.

Whilst economic activities resumed its nascent recovery in 2021, countries continued to impose movement restrictions to halt the spread of the virus which slowed the pace of recovery in the global aviation sector. The investor relations team kept up active working relationships with local and international brokerage firms, investment banks and the media despite the challenges posed by the COVID-19 pandemic, communicating via tele-conferencing and video-conferencing. The team's efforts paid off, as CAO's share price performance remained stable through 2021 despite an overall cautious market outlook on the aviation sector which was hurt by travel curbs and random lockdowns.

Our investor relations team persisted in engaging with investors globally, focusing on helping investors understand the impact of the pandemic on the Group and the various measures taken to mitigate its downside as well as the Group's efforts toward sustainable development. At the 2021 Annual General Meeting which was held virtually, the Group's senior management team gave a presentation of the Group's FY2020 business performance and addressed questions from investors and the Securities Investors' Association (Singapore) ("SIAS").

Following the announcement of the Group's FY2020 financial announcement, some updates on the Group's business, financial performance and market outlook were provided at a virtual analyst briefing which was attended by over 30 fund managers and analysts across the globe.

As at 31 December 2021, CAO's share price closed at S$0.94, with a market capitalisation of S$809 million. CAO remained a constituent in major benchmark indexes including FTSE ST China, FTSE ST Small Cap and MSCI Singapore Small Cap Indexes.

CAO is committed to delivering shareholder value with a dividend payout based on 30% of the Group's annual consolidated net profits attributable to shareholders. At the upcoming Annual General Meeting, the Board of Directors will propose a one-tier, tax-exempt first and final dividend of 1.90 Singapore cents per ordinary share.

CEO'S STRATEGIC REPORT – INVESTOR RELATIONS
首席执行官战略报告——投资者关系

A virtual FY2021 Results Briefing was organised to address queries from analysts and institutional investors regarding CAO's operations and growth
新加坡公司通过组织线上全年业绩发布会，回应分析师和机构投资者有关公司业务与发展的提问

GLOBAL BASE OF INTERNATIONAL SHAREHOLDERS

As at 31 December 2021, China National Aviation Fuel Group Limited remains our largest shareholder with 51.31% of issued share capital (excluding treasury shares). BP Investments Asia Limited, a subsidiary of oil major, BP Plc, the second largest shareholder holds 20.17% of issued share capital (excluding treasury shares). CAO holds a total of 6,000,000 treasury shares which remains unchanged in 2021. The number of registered shareholders remains at around 13,000 during 2021. An analysis of the shareholding structure carried out as at 31 December 2021 showed that institutional holdings accounted for over 12% of the issued share capital, with the share of institutional investors predominantly from the United Kingdom, Malaysia, United States, Hong Kong SAR and Australia.

ACCOLADES

Over the years, CAO has won many accolades from the investment community for its proactive approach to shareholder communication and transparency. During 2021, whilst many award events were curtailed in view of the COVID-19 pandemic, the Group was ranked by RHB Research as one of the Top 20 Small Cap Jewels 2021 in view of its strong fundamentals and standing in the Singapore equity market. The Group was also named "Most Transparent Company" (Winner in Energy Category) by SIAS, the "Best Risk Management" (Gold Award, Mid Cap Category) and "Best Investor Relations" (Gold Award, Mid Cap Category) by Singapore Corporate Awards as well as named "Best Performing Stock" (Commerce Category) by The Edge Billion Dollar Club in prior years.

To raise global awareness and appreciation of CAO's business growth strategies, corporate developments and financial performance as well as enhance the quantity and quality of analysts' research, CAO used various channels of communication comprising international virtual conferences, face-to-face video meetings, tele-conferences, virtual earnings briefings and recorded webcasts as well as through Zoom, Microsoft Teams and Cisco Webex to conduct virtual meetings with the international investment and financial community.

PROACTIVE & OPEN COMMUNICATION WITH THE INVESTMENT COMMUNITY

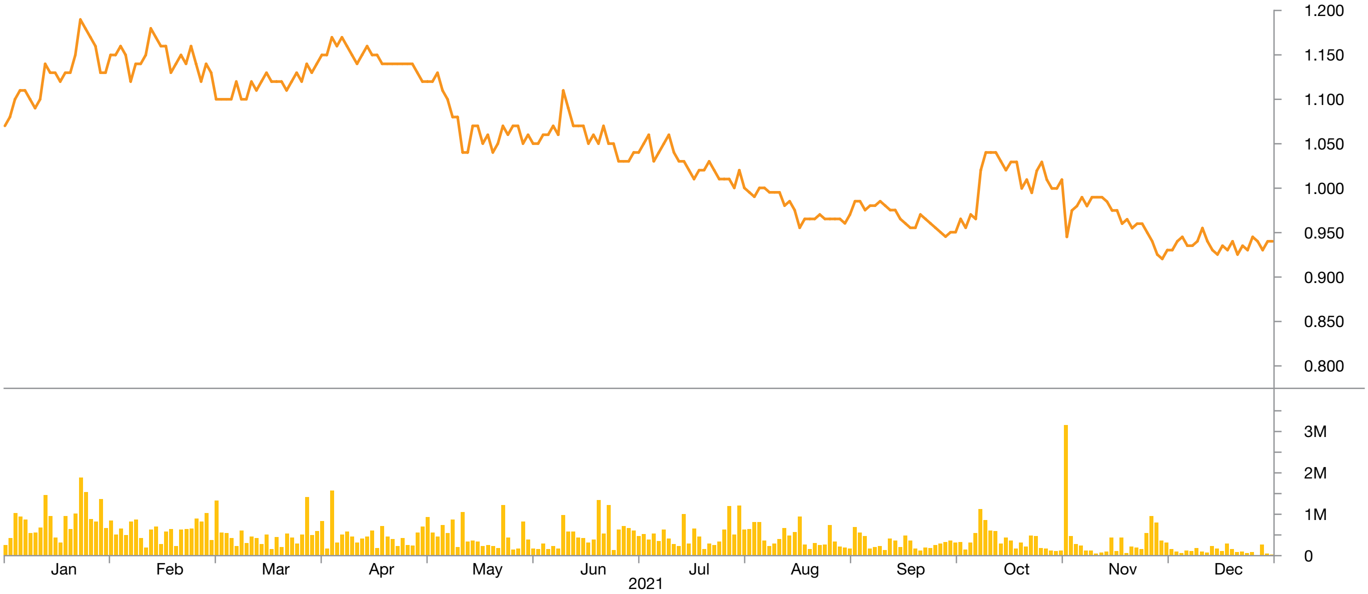
Through sustained investor communication efforts, CAO currently receives positive research coverage from analysts from various brokerages.

The investor relations team also monitors media reports closely, as part of our efforts to continuously improve corporate disclosures and transparency. In 2021, CAO was covered in over 100 media articles. To enhance our global reach, the Group maintains an active corporate website to provide timely and useful information to investors.

While investor sentiments and the longer term outlook may be clouded by uncertainties caused by the ongoing virus pandemic and geopolitical tensions that may trigger supply chain disruptions and structural changes, CAO will stay the course to uphold our high investor relations standards in line with our corporate responsibility to our shareholders.

CEO'S STRATEGIC REPORT – INVESTOR RELATIONS
首席执行官战略报告——投资者关系

2021 CAO SHARE PRICE MOVEMENT & TRADING VOLUME
2021年新加坡公司股价走势与交易量



SHARE PRICE INFORMATION
股价信息

Share Price (S$) 股价(新元)	2017	2018	2019	2020	2021
As at last trading day of the year 截至当年的最后一个交易日	1.620	1.060	1.270	1.060	0.940
Highest 最高价	1.800	1.710	1.470	1.320	1.200
Lowest 最低价	1.390	1.040	1.040	0.720	0.910
Average 平均	1.605	1.498	1.256	1.022	1.046

Source: Bloomberg
资料来源:彭博社

CORPORATE CALENDAR
公司事务时间表

2022	
Announcement of 2H 2021 and 2021 full-year financial results 2021财年下半年和全年业绩公告	25 February 2022 2022年2月25日
28th Annual General Meeting 第28届公司常年股东大会	27 April 2022 2022年4月27日
Proposed First and Final Dividend for FY2021 2021财年首次及年终股息 Record Date 登记日期 Payment date 付息日	 10 May 2022 2022年5月10日 26 May 2022 2022年5月26日
Announcement of 1H 2022 results 2022财年上半年业绩公告	4 August 2022 2022年8月4日
2023	
Announcement of 2H 2022 and 2022 full-year financial results 2022财年下半年和全年业绩公告	February 2023 2023年2月

CEO'S STRATEGIC REPORT – INVESTOR RELATIONS
首席执行官战略报告——投资者关系

2021年，新加坡公司继续将投资者关系作为战略管理的重要事项，致力于保持高标准的公司治理和透明度，同时与股东保持积极、公开和公平的沟通。尽管因疫情的影响，我们仍无法在2021年与投资者进行面对面交流，但公司始终坚持与投资界保持沟通，并通过线上平台定期为投资界提供有关公司业务和业绩的准确、客观、及时的信息。我们旨在通过积极的投资者关系实践，为利益相关方创造长期价值。本年度，新加坡公司一共参加了7次投资者论坛。

虽然经济活动在2021年逐步复苏，但各国政府仍继续实施旅游限制以遏止疫情蔓延，导致全球航空业的复苏步伐受挫，进而影响了公司业务。尽管面对疫情所带来的诸多挑战，投资者关系团队继续与国际和国内经纪公司、投资银行和媒体保持良好的工作关系。由于公司员工在过去一年，绝大部分的时间都居家办公，因此团队大多通过电话和视频会议的方式与投资界保持联系。尽管因疫情造成的旅行限制和封锁对航空业的沉重打击，投资者的投资情绪低迷，公司依然确保了股价在2021年保持稳定。

投资者关系团队通过线上交流平台向全球范围内的投资者传递公司信息，包括疫情对公司的影响，公司采取的缓解措施，以及公司保持稳健发展的策略等。在2021年常年股东大会上，管理层向股东汇报了公司2020财年业绩，并解答了投资者和新加坡证券投资者协会的提问。此外，公司也在发布2020财年业绩公告后，通过线上视频方式召开了业绩介绍会，向超过30名来自全球各地的基金经理和分析师介绍了关于公司业务、业绩和市场展望的最新信息。

截至2021年12月31日，公司股价闭市报0.94新元，市值为8.09亿新元。新加坡公司依然是富时海峡时报中国指数、富时海峡时报小盘股指数和摩根士丹利资本国际新加坡小盘股指数的成分股。

为兑现为股东创造价值的承诺，新加坡公司坚持将公司年度可分配净利润的30%作为股息派发给股东。在即将召开的常年股东大会上，董事会将提请股东批准派发每股0.019新元的单层、免税年终股息。

全球股东持股情况

截至2021年12月31日，中国航空油料集团有限公司仍是新加坡公司的最大股东，持有全部发行股票的51.31%（不包括库存股）。石油巨头BP旗下子公司BP投资亚洲有限公司是公司的第二大股东，持有全部发行股票的20.17%（不包括库存股）；新加坡公司共持有600万股库存股，此数目在2021年保持不变；注册股东数量约为1.3万人。截至2021年12月31日的股权结构分析显示，机构持股占全部已发行股票的12%以上，机构投资者主要来自英国、马来西亚、美国、香港特别行政区和澳大利亚。

投资者的认可

多年来，公司通过积极主动与股东沟通并保持信息透明，获得了投资界的诸多赞誉。2021年，因新冠疫情的持续蔓延，多项颁奖活动被取消，但公司凭借其强劲的基本面和在新加坡资本市场的地位，被兴业研究评为"2021年新加坡20大小盘股瑰宝"之一。除此之外，公司也在过去几年被新加坡证券投资者协会评为"最透明公司"（能源组别冠军）、获颁新加坡企业奖"最佳风险管理"（金奖，中盘股组别），以及被"前沿亿万新元俱乐部"评为"最佳表现股票"（商业组别）。

为了强化外部对公司业务增长战略、企业发展和财务业绩的认知和理解，同时提升分析师研究报告的数量和质量，新加坡公司多方拓展沟通渠道，包括国际线上会议、面对面视频会议、电话会议、线上业绩简报和网络广播，并通过Zoom、微软团队和思科Webex等视频平台与国际投资和金融界人士开展线上交流会议。

与投资界保持积极开放的沟通

凭借投资者关系团队的不懈努力，新加坡公司受到了各券商卖方分析师的积极关注。

投资者关系团队还密切关注媒体报道，不断改进信息披露的质量和透明度。2021年，媒体刊登了超过100篇有关新加坡公司的报道。为了进一步加强公司的国际影响力，团队也定期更新公司官网内容，为投资者提供及时和有用的信息。

虽然疫情所带来的不确定性以及地缘政治紧张局势可能引发的供应链中断和结构性变化均会对投资者信心和长期展望造成负面影响，但是公司将秉持对股东负责的原则，继续做好投资者关系工作。

SENIOR MANAGEMENT
高级管理层

From left to right: Xu Guohong, Wang Yanjun, Zou Yaoping
从左至右：许国宏，王延军，邹耀平

WANG YANJUN

Chief Executive Officer/Executive Director of CAO

As the Chief Executive Officer and Executive Director of CAO Group, Mr Wang Yanjun has overall responsibility for the management of the entire business of the Group. He provides supervision and leadership, with his principal focus on corporate development and investments, human resources, legal and compliance as well as administration functions, to achieve operating targets and business growth. He is accountable to the Board of Directors for the overall business performance of the Group.

Concurrently, he is the Chairman of CNAF Hong Kong Refuelling Limited ("CNAF HKR") as well as the Chairman/President of China Aviation Oil (Hong Kong) Company Limited ("CAOHK"), where he directs and manages the day-to-day business operations in Hong Kong SAR and also oversees the joint venture operations of CNAF HKR. Mr Wang is also the Chairman of North American Fuel Corporation and Oilhub Korea Yeosu Co., Ltd, as well as the Deputy Chairman of Shanghai Pudong International Airport Aviation Fuel Supply Corporation Ltd.

Please refer to profile of Mr Wang Yanjun under "Board of Directors" section for more information.

SENIOR MANAGEMENT
高级管理层

XU GUOHONG
Chief Financial Officer

As the Chief Financial Officer, Mr Xu Guohong leads CAO's finance function with specific responsibility for financial management, reporting and accounting practices, financial planning and analysis, treasury and taxation. Mr Xu directs and manages the Group's day-to-day finance operations across all business units and also heads the risk management function.

Mr Xu also serves as the Director of China Aviation Oil (Hong Kong) Company Ltd, CNAF Hong Kong Refuelling Limited and Shanghai Pudong International Airport Aviation Fuel Supply Corporation Ltd.

Mr Xu has over 30 years of experience in the petroleum industry in China. Prior to joining CAO, Mr Xu was the General Manager of the Audit Department at China National Aviation Fuel Group Limited ("CNAF") between 2012 to 2017. From 2007 to 2012, Mr Xu was the Chief Financial Officer of CNAF Land Oil Company Limited and subsequently, Chief Financial Officer of CNAF Petroleum Company Limited. Before joining CNAF, Mr Xu served 19 years at the head office of PetroChina Jinxi Refining and Chemical Company as well as a branch of PetroChina Jinxi Petrochemical Company with responsibilities for financial assets management, accounting and audit.

Mr Xu holds a Master of Engineering in Software Engineering from Beihang University and a Bachelor degree in Accounting from Dongbei University of Finance and Economics. He is a member of the Chinese Institute of Certified Public Accountants, a Certified Internal Auditor as well as a Certified Senior International Finance Manager.

ZOU YAOPING
Vice President

Mr Zou Yaoping, as Vice President of CAO, assists the Chief Executive Officer/Executive Director to oversee the management of the aviation fuel and other oil products trading businesses of the CAO Group. He also has oversight responsibilities over the Aviation Fuel and Oil Products Trading Divisions.

Mr Zou is also the Chairman of China Aviation Fuel (Europe) Limited as well as the Vice Chairman of China National Aviation Fuel TSN-PEK Pipeline Transportation Corp Ltd and China Aviation Oil Xinyuan Petrochemicals Co., Ltd.

Prior to his current appointment, Mr Zou was the Deputy General Manager of the Finance Department at China National Aviation Fuel Group Limited from May 2017 to August 2021. He joined CNAF in 2006 and had held various senior management roles with a portfolio spanning finance management, financial investment and hedging management, including serving as Senior Business Manager of the Finance Department at CNAF, as well as Department Manager and Assistant to General Manager of China National Aviation Fuel Finance Co., Ltd. Mr Zou began his career in 1997 and had previously worked at Hunan Materials Industry Group and Institute of Telecommunications Technology of China.

Mr Zou graduated from Central South University of Technology (now known as Central South University), majoring in International Finance, and he also holds a Master of Business Administration from Central South University. He is also a Senior Economist.

SENIOR MANAGEMENT
高级管理层

王延军
新加坡公司首席执行官/执行董事

作为新加坡公司首席执行官和执行董事，王延军先生全面负责公司的经营管理。他监管和带领经营班子，着重分管企管与投资、人力资源、法律与合规和行政办公室，以实现公司经营目标和业务增长，并就公司整体业务表现向董事会负责。王先生同时担任中国航油香港供油有限公司（简称"香港供油公司"）董事长，以及中国航油（香港）有限公司（简称"香港公司"）董事长/总裁，指导并管理公司在香港特别行政区的日常业务运作，及监督香港供油公司的合资业务。王先生也是北美航油有限公司和韩国丽水枢纽油库有限公司董事长，以及上海浦东国际机场航空油料有限责任公司副董事长。

关于王先生更详细的介绍，请参阅"董事会"部份。

许国宏
财务总监

作为新加坡公司财务总监，许国宏先生负责主导公司的财务工作，主要职责包括财务管理、财务报告、会计核算、财务规划与分析、资金运作和税务事宜。许先生负责指导和管理公司所有业务部门的日常财务运作，同时也主管风险管控工作。许先生也是中国航油（香港）股份有限公司、中国航油香港供油有限公司和上海浦东国际机场航空油料有限责任公司的董事。

许先生在中国石油行业有超过30年的经验。在加入新加坡公司之前，许先生从2012年至2017年任中国航空油料集团有限公司审计部总经理；2007年至2012年，许先生曾先后担任中国航油集团陆地石油有限公司和中国航油集团石油有限公司的财务总监。在加入中国航油集团之前，许先生先后在中国石油锦西炼油化工总厂和锦西石化分公司工作19年，负责财务资产、会计、审计等管理工作。

许先生拥有北京航空航天大学软件工程专业工程硕士学位，东北财经大学会计学专业大学学历。他还是注册会计师、国际注册内部审计师，以及高级国际财务管理师。

邹耀平
副总裁

作为新加坡公司副总裁，邹耀平先生主要负责协助首席执行官/执行董事监管公司和其子公司的航油与其他油品贸易业务。此外，他也分管公司的航油业务部和油品贸易部。

邹先生也同时担任中国航油（欧洲）有限公司董事长，以及中国航油集团津京管道运输有限责任公司和中国航油集团新源石化有限公司的副董事长。

在担任目前职位之前，邹先生曾于2017年5月至2021年8月任中国航空油料集团有限公司财务金融部副总经理。邹先生于2006年加入中国航空油料集团有限公司以来，主要从事财务管理、金融投资和套期保值业务管理等工作，先后在财务部担任高级业务经理、中国航油集团财务有限公司担任部门经理和总经理助理等高级管理岗位。邹先生的职业生涯开始于1997年，曾任职于湖南省物资产业集团公司和中国电信科学技术研究院。

邹先生毕业于中南工业大学（现名为中南大学），主修国际金融，同时也是中南大学的工商管理硕士。此外，他也是一名高级经济师。

SEIZING OPPORTUNITIES

Our strong fundamentals, extensive market ecosystem and operational expertise will position us to seize opportunities to expand our markets through investments in synergetic oil-related assets and businesses.

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BOARD STATEMENT

At China Aviation Oil (Singapore) Corporation Ltd ("CAO" or "the Group"), the Board of Directors is committed to upholding the highest standards of corporate governance, as well as establishing a consistent and robust risk management framework and compliance management system to support the Group's sustainable development and create long-term value for our shareholders.

CAO's ultimate goal of sustainable development is evident in its strategic planning, laying a solid foundation for the Group to continually push for high-quality and steady growth.

As part of our global expansion strategy, CAO leverages on its strategic investments in various oil-related assets worldwide to increase its international reach and further strengthen its leading position as the largest physical jet fuel trader in the Asia Pacific region, as well as the key supplier of imported jet fuel to the civil aviation industry of the People's Republic of China. In addition, the Group will continue to capture growing global demand through its strategic global jet fuel supply and trading network.

CAO's adoption of a diversification strategy has contributed significantly to the establishment of its global business operations in addition to recruiting the best talent. Besides building on the operational capabilities of its integrated jet fuel supply and trading value chain, CAO is also actively developing strategic advantages in the global trading of other oil products, thereby implementing an effective two-pronged approach to drive growth in both our jet fuel and oil products trading businesses.

Moving ahead, CAO will also be focusing on its green, low-carbon emissions development strategy, paying close attention to the opportunities and challenges associated with the global transition towards renewable energy while actively exploring new business opportunities in bio-jet fuel and carbon credits trading, etc. CAO remains dedicated to its cause of creating value for stakeholders, as well as fulfilling its social responsibilities as a good corporate citizen.

2021 had been an extremely challenging year for the Group amid an unpredictable global economy affected by the ongoing COVID-19 pandemic, coupled with geopolitical uncertainties and a difficult market environment. Notwithstanding these challenging circumstances, CAO continued to uphold its corporate social responsibility and remained steadfast in managing the Environmental, Social and Governance ("ESG") aspects of our business and operations. This concerted effort enabled the Group to deliver a strong financial performance, safeguard our shareholders' interests, and create long-term value for our stakeholders.

Taking on an active role in protecting our environment, CAO is committed to minimising its environmental impact as well as developing a green, low-carbon emissions supply chain while complying with applicable environmental laws and regulations.

From the social sustainability aspect, CAO's business and operations are founded on the fundamental principle of integrity, with the goal to establish trusted and mutually beneficial relationships with our business partners. At the same time, CAO respects and values our employees, providing them with a fair and safe working environment complemented with diverse learning opportunities. In light of the COVID-19 pandemic, safeguarding the health and safety of our employees is of utmost importance to the Group. Besides providing ample supply of COVID-related health and safety "care kits" to each and every employee in a timely manner, remote working and split teams' arrangements were also implemented to further safeguard the health and safety of our employees.

Adhering to the highest standards of corporate governance, risk management and compliance management, CAO seeks to standardise and improve its evidence-informed policy-making approach, implementing effective internal policies and directives that will in turn enhance the standards and efficiencies of its corporate governance practices.

As a responsible corporate citizen, CAO embraces its responsibility to create long-term value in a financially, environmentally and socially responsible manner for our shareholders and the community at large, as well as engaging in the professional development of our employees.

Forging ahead, the Board of Directors will continue to lead the Group in upholding the highest standards of corporate governance, delivering creditable financial performance as well as advancing sustainable growth while embracing green, low-carbon emissions mentality in our everyday business.

ABOUT THIS REPORT

CAO's 2021 Sustainability Report ("Report") complies with the Singapore Exchange Securities Trading Limited ("SGX-ST") "Comply or Explain" requirements for sustainability reporting, and continues to apply the key principles of the International Integrated Reporting Council's ("IIRC") Integrated Reporting approach to communicate how the Group drives long-term value creation. In doing so, the Group is able to identify emerging risks and areas for improvement as well as address opportunities for sustainable growth and realise its goal of attaining long-term profitability. This Report has also been

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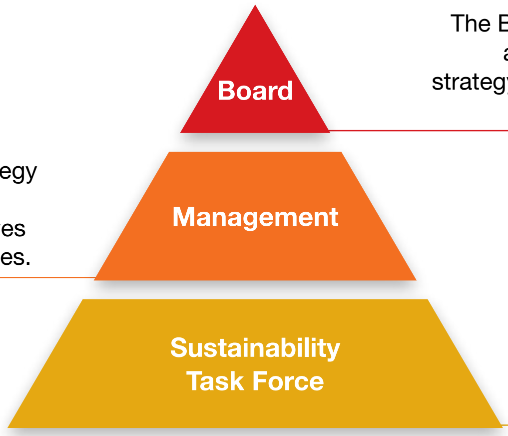
CAO'S SUSTAINABILITY GOVERNANCE STRUCTURE



The Board of Directors provides oversight and direction on CAO's sustainability strategy to address and review ESG factors material to CAO businesses.

Management is responsible for implementing the sustainability strategy approved by the Board of Directors, develops and drives relevant initiatives to achieve the sustainability objectives.

The Sustainability Task Force includes representatives from business functions across the Group to implement CAO's sustainable initiatives.

prepared with reference to the Global Reporting Initiative Standards ("GRI") as well as the proposed list of core ESG metrics by SGX-ST.

The scope of this Report includes CAO and all its subsidiaries. Associated companies are excluded from this Report due to the absence of direct operational control.

Besides CAO, the other entities covered in this Report are:

1. China Aviation Oil (Hong Kong) Company Limited ("CAOHK"; incorporated in Hong Kong Special Administrative Region of the People's Republic of China)
2. North American Fuel Corporation ("NAFCO"; incorporated in United States of America)
3. China Aviation Fuel (Europe) Limited ("CAFEU"; incorporated in United Kingdom)

This Report and additional corporate information are also available on CAO's website http://www.caosco.com.

CAO seeks to continuously improve its sustainability performance and disclosure. We welcome your feedback and comments which can be directed to sustainability@caosco.com.

CREATING VALUE FOR STAKEHOLDERS

To facilitate effective communication and cooperation, CAO adopts a proactive approach in stakeholder engagements. While COVID-19 restrictions constrained face-to-face stakeholder engagements in 2021, CAO continued to work to maintain open dialogue through various communication channels including online interactions, video and tele-conferencing.

INVESTORS
Venture into new markets to drive financial growth and deliver strong returns

CUSTOMERS
Trusted business relationships based upon high standards of Code of Conduct and Ethics

COMMUNITY
Fulfill corporate social responsibility and contribute actively towards charitable and environmental-related initatives

EMPLOYEES
Opportunities to develop their full potential

BUSINESS PARTNERS
Leverage on strategic partnerships to build up synergistic value chain

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Key Stakeholders	Means of Value Creation for Stakeholders	Modes of Engagement
Investors	CAO strives to maximise investor returns through upholding the highest standards of corporate governance, standardising operations and achieving sustainable development, while prioritising timely, accurate and efficient communications with investors and analysts.	• Updates of financial results and announcements, business developments, press releases, and other relevant disclosures via SGXNet and CAO's website • Annual General Meeting
Customers	CAO upholds the business principle of establishing mutually beneficial relationships with our customers and strives to maintain open communication with them, so as to better understand their needs while continuously improving the quality of our customer service.	• Regular meetings to communicate updates, including new policies and practices • Site visits
Community	CAO places social corporate responsibility at the heart of our sustainable development goals, seeking to improve the welfare of our community as well as the environment.	• Provided care packages and personal protective equipment for the less privileged children and their families during the pandemic • Organised workshops on environmental issues such as "carbon neutrality" and "net zero emissions" to raise awareness of low-carbon lifestyles amongst the employees • Participated in industry-level initiatives seeking to achieve the ultimate goal of "net zero emissions", while strengthening our abilities to better deal with the impacts of climate change
Employees	Adhering to its people-oriented management philosophy, CAO provides a fair and safe working environment for its employees, as well as creating professional development opportunities and maintaining open dialogue with them.	• Induction programme for new employees • Training and development programmes • Work performance appraisals and feedback • Recreational and wellness activities • Employee feedback channels • Regular e-mails and meetings
Business Partners	Upholds high ethical standards and ensures business continuity while maintaining adequate and open communication with our business partners.	• Regular meetings to communicate updates, including new policies and practices • Site visits

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MATERIALITY ASSESSMENT

A key component of the Sustainability Report is identifying and assessing material ESG topics. The assessment process took into consideration the stakeholders' requests, overall business risks, sustainability trends and industry best practices, etc. The material ESG topics disclosed in this Report cover core areas of the Group's sustainable business development. CAO recognises that a good ESG performance is fundamental to the achievement of operational stability as well as The Group's near- and medium- to long-term development goals.

MATERIAL ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) FACTORS

Reduction of Greenhouse Gas (GHG) Emissions

Material ESG Topic	CAO's Involvement
Reduction of GHG Emissions	Direct, indirect
Relevant GRI	**Relevant SDG**
GRI 305-5 Reduction of GHG emissions	13 CLIMATE ACTION

(1) Importance

The significant increase in GHG emissions over the recent years has worsen the effects of global warming, making addressing climate change a pressing global issue. From the 1997 Kyoto Protocol to the 2015 Paris Agreement, various framework guidelines had been set out to address climate change and its negative impacts, including near-term initiatives and long-term targets to reduce carbon emissions worldwide. Countries around the world participated in this global cause through the adoption of specific targets and initiatives. In view of the challenges of climate change, CAO rises to the occasion and plays its part to mitigate carbon emissions in its day-to-day operations through the implementation of well-thought-through measures. To further contribute to the Group's sustainable development, CAO will also be focusing on developing a green, low-carbon emissions supply chain.

(2) Strategic significance

CAO remains committed to its green, low-carbon emissions development strategy. Following energy conservation and the upgrading of industrial structure, traditional energy markets such as oil, petrochemicals and coal will eventually see a decline in demand, while the market development and trading of carbon credits, emission allowances and water access entitlements, as well as clean energy sources such as natural gas and other forms of renewable electricity will increase. Therefore, the Group's entry into the carbon credits trading business will not only help achieve its goal of "carbon neutrality", but is also essential in diversifying the risks associated with conventional oil businesses by mitigating rising economic costs incurred to reduce GHG emissions and declining demand.

(3) Major initiatives taken in 2021 and their results

Considering the "strict regulation" faced by our airline customers in terms of GHG emissions reduction, as well as research done on the "carbon credits market", CAO initiated a more comprehensive service offering by bundling jet fuel supply with carbon credits trading, and had been in discussions with major Chinese airlines and international oil companies since early 2021. Besides establishing accounts with various Carbon Registries, such as the Switzerland-based The Gold Standard Foundation, CAO had also joined the advisory team of Taskforce on Scaling Voluntary Carbon Markets, making concerted efforts to have our voices heard in this area. Additionally, CAO had taken the initiative to orchestrate its first carbon emissions reduction business through the purchase of carbon credits to offset carbon emissions from its ship chartering activity when supplying imported jet fuel to its Chinese counterparties, thus achieving "carbon neutrality" for two shipments of imported jet fuel. The total amount of GHG missions reduced from the above mentioned ship chartering activity was 307 tonnes. This attempt was beneficial and conducive to the Group's transition into a green, low-carbon emissions enterprise.

On the home front, to minimise paper consumption, CAO encourages the adoption of electronic documents in its day-to-day operations. In addition to setting the air conditioning temperature at moderate levels and switching off appliances that are not in use, energy-efficient light bulbs are preferred and used to further reduce our electricity consumption. As a result, CAO had reduced paper consumption and electricity consumption by 21% and 6% respectively in 2021 as compared to 2020.

(4) Targets for 2022

To collaborate with suppliers and customers across both upstream and downstream industry chains to achieve carbon emissions reduction, including working when possible with suppliers who are highly committed to carbon emissions reduction, and providing carbon emissions reduction solutions for downstream airline customers. At the same time, CAO will also actively explore and seize opportunities to venture into the bio-jet fuel business.

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Environmental Compliance

Material ESG Topic	CAO's Involvement
Environmental Compliance	Direct
Relevant GRI	**Relevant SDG**
GRI 307-1 Non-compliance with environmental laws and regulations	

(1) Importance

Environmental laws and regulations governing conventional energy industries such as oil, petrochemicals and natural gas are becoming increasingly stringent, in addition, regulators are also tightening the compliance requirements for companies. As CAO continues to expand its business globally, risks associated with environmental compliance will increase as well.

(2) Strategic significance

Adhering to our management philosophy of "compliance as top priority, risk management as utmost importance", the Group continues to strengthen its risk controls and compliance management across its global business operations, advancing its agenda to achieve sustainable and favourable growth trajectory.

(3) Major initiatives taken in 2021 and their results

CAO continues to comply with its Safety, Health and Environment ("SHE") Policy and Guidelines, which entails environmental management guidelines in creating a comfortable and safe environment for all employees and visitors, as well as ensuring that all operations complied with local environmental laws and regulations. Additionally, CAO requires all business units to include local environmental laws and regulations as part of their due diligence reports before the commencement of any new businesses. There was no violation of any environmental laws and regulations during the reporting period.

(4) Targets for 2022

CAO will continue to closely monitor changes and updates in environmental-related laws and regulations, comply with all applicable laws and regulations, avoid any potential non-compliance incidents, and ensure smooth operational efficiency.

Oil Spill Prevention

Material ESG Topic	CAO's Involvement
Oil Spill Prevention	Direct, indirect
Relevant GRI	**Relevant SDG**
GRI 306-3 Signifcant spills	

(1) Importance

As the largest physical jet fuel trader in the Asia Pacific region and China's key supplier of imported jet fuel, the prevention of oil spills during transportation and storage is critical to the safety process in CAO's oil trading operations.

(2) Strategic significance

CAO strives to minimise and mitigate the impact of potential oil spills to protect the surrounding environment. This aligns with the Group's corporate mission to maintain high SHE standards and to conduct businesses in a safe, reliable and efficient manner, with minimal impact on the environment.

(3) Major initiatives taken in 2021 and their results

CAO complied with strict compliance to the Chartering and Vessel Audit Management Measures which stipulate requirements on the selection of vessels to avoid potential oil spills and minimise SHE-related risks. The criteria used in selecting the vessel include, but are not limited to, the age of the vessel, safety record, and safety management capability, etc. Vessels that were involved in collisions, grounding accidents, oil spills or pollution incidents within a year would not be considered. There were no major oil spills during the reporting period.

(4) Targets for 2022

To carry out chartering, oil storage and other trade-related operations in strict compliance with the relevant internal policies, and uphold CAO's good track record of no major oil spills.

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Economic Performance

Material ESG Topic	CAO's Involvement
Economic Performance	Direct
Relevant GRI	**Relevant SDG**
GRI 201-1 Direct economic value generated and distributed	8 DECENT WORK AND ECONOMIC GROWTH

(1) Importance

As CAO conducts oil supply and trading activities in major countries and regions around the world, the complex geopolitical and global economic landscape, international oil prices fluctuations along with the development of green energy products will all have varying impact on CAO's business operations. As China's key supplier of imported jet fuel, CAO's jet fuel supply business will also be exposed to risks associated with changes in China's aviation fuel market-related policies as well as changes in the supply and trade network structures of jet fuel in China. Therefore, in order to secure strong financial performance, it is imperative for CAO to address the challenges posed by these external factors.

(2) Strategic significance

Leveraging on the global operations of its core jet fuel and other oil products businesses as well as strategic investments in oil-related assets, CAO aspires to be an innovative top-notch enterprise with sustainable competitive advantages. In addition, CAO is also committed to achieving strong business performance so as to create long-term value for our shareholders, provide professional development opportunities for the employees and contribute positively to society.

(3) Major initiatives taken in 2021 and their results

Although the resurgence of the COVID-19 outbreak in 2021 had led to a slower recovery of the aviation industry, CAO continued to leverage on its resources and market competitive advantages, built strategic partnerships, extended its global jet fuel supply and trade supply chain, and developed arbitrage jet fuel trading from Asia to Europe and North America. These business activities not only contributed to the Group's profitability, but also increased its visibility and influence.

Under CAO's leadership, its wholly-owned subsidiaries, CAOHK, NAFCO and CAFEU, surmounted the challenges that had adversely impacted their businesses as a result of the COVID-19 pandemic and worked hard to expand their aviation marketing networks, including securing contracts to supply aviation oil to airlines, in preparation for the post-pandemic recovery.

As a member of the Global Trader Programme ("GTP"), administered by Enterprise Singapore, CAO enjoys a concessionary tax rate on its trading activities, which helps to reduce its corporate tax and enhance its brand influence. Being accepted as a member of the GTP endorsed CAO's continued strength in the areas of global trading, risk and logistics management, as well as according due recognition to CAO's contribution to the development of local manpower and business ecosystem.

In addition to strengthening its business development efforts, CAO also closely monitored all expenses and practised prudent cost management across all business support functions.

As of 31 December 2021, CAO had generated a direct economic value of US$17.68 billion, including an operating revenue of US$17.64 billion, US$45.34 million in dividends from associated companies and other income of US$2.22 million. An economic value of US$17.64 billion was distributed, including cost of sales of US$17.61 billion, operating expenses of US$10.35 million, financial expenses of US$1.70 million, tax expenses of US$4.08 million, as well as a dividend payout of US$16.76 million. Staff costs of US$12.25 million for FY2021 were included in the cost of sales and administrative expenses. Economic value retained for the year was $45.39 million.

(4) Targets for 2022

To adhere to our diversification strategy while prioritising risk and compliance management as we continue to expand our scale in aviation oil supply and trading, aviation marketing and other oil products trading, to achieve sustainable, progressive growth. To align with the industry's growing trend, CAO will also be actively exploring business opportunities in new energy markets, including biofuel.

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Health and Safety

Material ESG Topic	CAO's Involvement
Health and Safety (Workplace and Customers)	Direct, Indirect
Relevant GRI	**Relevant SDG**
GRI 403-2 Hazard identification, risk assessment, and incident investigation GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	

(1) Importance

Ensuring the health and safety of our employees and customers is a key aspect to protecting the legal rights and interests of our employees and customers as well as achieving sustainable development.

(2) Strategic significance

The Group is committed to building a global workforce, as such protecting the health and safety of our employees at work is of great importance for us in developing and retaining our employees. CAO's corporate mission to create value for our customers, ensuring product safety and providing high quality products and services, are the prerequisites and fundamentals to achieving our business strategies and visions.

(3) Major initiatives taken in 2021 and their results

The Group's Safety, Health and Environment Policy and Guidelines was strictly enforced, especially in the areas of operational safety, accident prevention, emergency management as well as air quality and purification, etc. The Group also created a culture where safety awareness is embedded in our daily work, with each and every employee taking ownership and accountability for safe behaviour and workplace practices.

In light of the resurgence of COVID-19 cases and new variants, the Group implemented various infection prevention and control policies that are in strict adherence to the mandatory requirements issued in respective countries and regions. These timely guidelines served to educate and better prepare our employees on effective prevention measures as well as enhance their awareness for compliance to the said measures and applicable regulations. Throughout the year, CAO had conducted 12 meetings to discuss infection prevention-related measures, issued 18 guidelines and implemented 10 prevention measures. 10 rounds of deep cleaning and disinfection within the office premises had also been performed. In addition, the Group had completed 75 rounds of procurement and distribution of personal protection care kits to all employees. The aggregate vaccination rate of employees across the Group with two doses was 98%, and a third of the employees have completed their third dosage of the COVID-19 booster jab. Adhering to measures put in place by the respective governments to control and prevent the spread of COVID-19 infections, remote working and split teams' arrangements were implemented. The Group had also implemented various ingenious prevention measures, including "Differentiated Safe Management Measures for Vaccinated and Non-Vaccinated Employees", "Zoning Management for Workplace and Quarantine Area Segregation", "Health Risk Warning Declaration", "Vaccination Safety Training and Leave Entitlement", "Daily Cleaning and Inspection of Workplace with Weekly Professional Disinfection Services", and "Visitors to Self-administer Antigen Rapid Test (ART)". The Group maintained zero infection among its workforce in 2021.

All emergency exits in the workplace and escape routes are clearly marked. Safety equipment, such as fire extinguishers and first-aid kits can also be found throughout the workplace. Besides providing our employees with comprehensive medical insurance coverage, CAO also organises annual health screenings for employees.

The Group strictly complies with its Oil Inspection Policy and Guidelines which standardises oil quality inspection methods, vessel inspection procedures, loading and unloading operation procedures, etc., to ensure the quality and safety of our oil products. In addition to complying with applicable regulatory requirements, CAO seeks to continuously enhance its responsiveness in customer service and provide quality products and services.

There were no workplace-related injuries or fatalities, nor any incidents of product quality violations during the reporting period.

(4) Targets for 2022

To strictly enforce relevant policies and maintain a good track record of zero safety accidents in the workplace, in addition to providing safe and quality products and services to our customers.

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Diversity and Equal Opportunities

Material ESG Topic	CAO's Involvement
Diversity and Equal Opportunities	Direct
Relevant GRI	**Relevant SDG**
GRI 405-1 Diversity of governance bodies and employees	10 REDUCED INEQUALITIES

(1) Importance

Given the strong global competition for the best talent pool, attracting and retaining talent is critical to the sustainability of our business. CAO recognises that a fair, diverse and inclusive work environment is conducive to developing and retaining talent. Cultivating a diverse workforce is also beneficial in complementing the competencies of the Group in terms of skills, ideas and experience. Furthermore, such diversity in the workplace will also serve to enrich our corporate culture, and in turn improve our business performance.

(2) Strategic Significance

Guided by the Group's vision, mission and core values, CAO is committed to cultivating a global team of professionals through a diversified recruitment strategy, regular talent exchange and systematic approach to internal training. This will in turn enhance our competitive advantage for sustainable growth.

(3) Major initiatives taken in 2021 and their results

In accordance with the Employer's pledge of Fair Employment Practices, formulated by the Tripartite Alliance for Fair and Progressive Employment Practices ("TAFEP"), CAO affirms its commitment to fair and non-discriminatory workplace practices. This includes posting non-discriminatory job advertisements, conducting regular employee performance evaluations, instilling ethical guidelines, and providing channels for employees to express their negative sentiments. CAO also complied with the requirements of the Fair Consideration Framework ("FCF"), a guideline administered by the Singapore Ministry of Manpower, and posted job vacancies on the Jobs Bank web portal (managed by the Singapore Workforce Development Agency).

SPIA's into-plane refuelling operations
浦东航油的航油加注工作场景

As of 31 December 2021, the Group has a total headcount of 121 employees worldwide. The Group's gender profile is a 54:46 split between women and men, out of which 10% of employees are under the age of 30, 74% are in the 30-50 age group, and 16% are over the age of 50. Among the senior management across the Group, 25% are female and 38% are under the age of 50.

CAO remains steadfast in providing training opportunities for our employees and advancing their professional development. As of 31 December 2021, the average number of training hours per employee exceeded 22 hours.

(4) Targets for 2022

CAO will continue to maintain a diverse and inclusive corporate culture where our differences are respected and supported, adhere to its people-oriented management philosophy, respect the value of our employees, and provide equal work and development opportunities for all.

SUSTAINABILITY REPORT
可持续发展报告

Procurement Practices

Material ESG Topic	CAO's Involvement
Procurement Practices	Direct
Relevant GRI	**Relevant SDG**
GRI 3-3 Management of material topics	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

(1) Importance

As a responsible corporate citizen in the global transportation fuels ecosystem, it is imperative for us to have in place an effective supply chain management system so as to improve our operational efficiency as well as enhance our brand value and reputation.

(2) Strategic significance

In order to standardise our operations as well as achieving optimal governance and sustainable growth, it is essential to adhere to standardised procurement practices and proactively seek to reduce potential negative impacts in our supply chain.

(3) Major initiatives taken in 2021 and their results

CAO conducts bidding and procurement in an open, fair and impartial manner in accordance with a standardised procurement process. In addition, the Group regularly updates its list of eligible counterparties, and conducts regular credit risk and trade sanction risk checks on these counterparties. The Group also sets up a robust procurement bidding process for its jet fuel business as well as a jet fuel procurement committee which comprises heads from various business functions, to supervise the implementation and execution of the bidding and procurement procedures for jet fuel. To further ensure procurement compliance, CAO also implemented the "Non-Oil Products Procurement Management Measures" in 2021.

The Group did not suffer any negative impact on its supply chain arising from improper procurement practices in FY2021.

(4) Targets for 2022

CAO will continue to conduct procurement activities in strict compliance with the relevant policies and requirements, selecting suppliers with a high level of corporate social responsibility so as to minimise potential negative impacts on our supply chain.

Protection of Confidential Information

Material ESG Topic	CAO's Involvement
Protection of Confidential Information	Direct
Relevant GRI	**Relevant SDG**
GRI418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

(1) Importance

The Group handles a large amount of confidential information, such as personal data, oil prices and contract terms in the course of running our business operations. Hence, safeguarding confidential information and respecting our stakeholders' rights to privacy and confidentiality is both a regulatory requirement as well as a necessity to maintaining our corporate image.

(2) Strategic significance

Building long-term and mutually trusting relationships with our stakeholders is the basis for achieving a synergistic and win-win cooperation with all parties. Our compliance with the requirements of relevant laws and regulations as well as our effective data security management in protecting confidential information reflect our commitment to data management, and is a key factor to achieving sustainable development.

(3) Major initiatives taken in 2021 and their results

The Group upholds its Personal Data Protection Policy, which stipulates the principles of data protection, obligations imposed on the processing of personal data as well as general guidelines for the collection, usage, disclosure, processing and transmission of personal data. A personal data protection taskforce was set up to monitor the implementation of the said policy.

There were no complaints received from employees, customers or regulators regarding personal data breaches in 2021.

(4) Targets for 2022

The Group remains committed and vigilant in upholding high data security standards to prevent any data breaches, theft or loss of sensitive information.

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可持续发展报告

Corporate Governance

Material ESG Topic	CAO's Involvement
Compliance and Internal Audit Anti-Corruption	Direct
Relevant GRI	**Relevant SDG**
GRI 419-1 Non-compliance with laws and regulations in the social and economic area GRI 205-3 Confirmed incidents of corruption and actions taken	11 SUSTAINABLE CITIES AND COMMUNITIES

(1) Importance

With an increasingly complex geopolitical and economic environment, compliance risk exposure will inevitably increase as the Group continues to diversify its operations and investments in multiple countries and regions. The Group recognises that ensuring business compliance is both a prerequisite for business continuity as well as a critical factor in protecting its corporate reputation. The Group complies strictly with anti-corruption policies of the countries and regions in which they operate, and takes a proactive approach to social responsibility as a devoted, law-abiding corporate citizen.

(2) Strategic significance

One of the fundamental principles of our business strategy is to adhere to our management philosophy of "compliance as top priority, risk management as utmost importance". As part of its long-term growth strategy, the Group continues to enforce various internal policies and directives relating to its business activities in addition to internal audits, providing reasonable assurance in achieving business compliance with applicable laws and regulations. The Group also enforces a zero-tolerance policy towards fraudulent activities, corruption or bribery of any kind. In addition, the Group recognises that a fair and transparent business environment is vital to its growth and development.

(3) Major initiatives taken in 2021 and their results

Besides developing a comprehensive system of compliance oversight which aligned with the Committee of Sponsoring Organisations of the Treadway Commission framework, CAO also regularly reviews and identifies potential compliance risks, including anti-trust and competition laws, anti-corruption, trade sanctions, occupational safety, health and environmental regulations, data protection regulations, insider trading and fraud. In doing so, the Group seeks to comply with applicable local and international laws and regulations in the countries and regions where it operates through the enforcement of internal policies and directives.

CAO also conducted exercises to streamline and optimise its internal policies and directives in 2021, ensuring that they are relevant, robust and comply with the latest compliance requirements. CAO also engaged an independent third-party audit firm to conduct internal audits to objectively assess the effectiveness of its internal controls and governance processes, providing reasonable assurance that it has in place the appropriate risk mitigating initiatives to address and manage the significant risks associated with its global business activities. The Group upholds a zero-tolerance policy towards corruption or bribery of any kind, and has in place a robust whistleblowing policy with clear guidelines for reporting suspected or actual violations of laws and regulations. CAO also conducted compliance-related online training sessions relating to anti-bribery and anti-corruption in 2021 with a 100% participation rate, comprising a total of 117 employees. To further strengthen the compliance culture within the Group as well as enhancing the employees' understanding and knowledge surrounding compliance, relevant e-learning course modules relating to (1) Conflicts of Interest; (2) Information Security and Cyber Risk Awareness; (3) Anti-money Laundering and Counter-Terrorist Financing; (4) Fraud Prevention; and (5) Insider Trading were conducted with a 100% participation rate.

There were no serious violations nor any confirmed incidents of corruption in 2021.

(4) Targets for 2022

CAO is committed to maintaining its good track record, and strives to prevent and curtail any violations of relevant laws and regulations, as well as any forms of corruption. CAO will provide ongoing compliance-related training for all employees to raise their awareness of compliance issues and encourage them to remain vigilant at all times. In addition, it will continue to revise and review existing internal policies and guidelines, with the aim to optimise processes and internal controls.

SUSTAINABILITY REPORT
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董事会声明

中国航油（新加坡）股份有限公司（以下简称“新加坡公司”）董事会致力于践行公司治理最高标准，始终以完善的风险管控和合规管理体系为公司可持续发展和为股东创造长期价值保驾护航。

新加坡公司将可持续发展理念根植于公司战略规划，充分发挥战略引领作用，为高质量稳健发展提供有力支撑。公司践行国际化战略，以全球航油资产布局为支撑，着力开拓国际市场，不断巩固中国最重要航油进口商和亚太地区最大实货贸易商的市场地位，逐步打造全球航油供应和油品贸易的战略平台。公司践行多元化战略，充分发挥国际贸易和人才队伍优势，在提升航油供应与贸易一体化运作能力的同时，积极培育其它油品的国际贸易能力和渠道优势，切实打造航油业务和油品业务“两翼齐飞、两翼共振”的新格局。公司践行绿色低碳战略，高度关注新能源转型带来的机遇和挑战，积极探索生物航煤、碳交易等新兴业务。新加坡公司始终以为利益相关方创造价值为己任，积极履行社会责任，维护良好的企业公民形象。

2021年，紧张的世界政经形势、持续蔓延的新冠疫情以及复杂的市场环境使公司经营面临着艰巨挑战。在逆境中，新加坡公司依然秉持企业社会责任，围绕环境、社会及治理（ESG）三个维度持续发力，不仅保持了稳健的财务业绩，维护了股东权益，也持续为其它利益相关方创造了价值。在环境方面，新加坡公司高度关注环境保护，以遵守环保法律法规为底线，在业务运营中尽量减少对环境的不利影响，同时致力于促进整个供应链的绿色低碳发展。在社会方面，新加坡公司秉持经商以信的理念，与合作伙伴以诚相待、互利共赢；同时也秉持尊重人才的价值理念，为员工提供平等、安全的工作环境和丰富多样的学习机会，今年在严峻的疫情形势下，公司把员工健康放在首位，及时为员工发放防疫物资、调整办公方案，充分保障了员工的健康和安全。在治理方面，新加坡公司坚持高标准的公司治理、风险控制和合规管理，通过开展制度建设，不断完善科学规范、运行有效的制度体系，提升依法治企水平和企业运行效率。

新加坡公司作为负责人的企业公民，肩负着为股东创价值、为员工谋发展、为社会做贡献的使命。展望未来，董事会将持续引领公司坚持绿色低碳发展思路，保持稳健的经营业绩，践行高标准的公司治理准则，不断推动企业可持续健康发展。

关于本报告

新加坡公司2021财年可持续发展报告符合新加坡证券交易所（简称“新交所”）对可持续发展报告“若不遵守就必须解释”的要求。本年继续采用国际综合报告理事会的综合报告主要原则（简称“IIRC”）来呈现公司的长期价值创造，原因是这不仅可以帮助公司识别需改进或降低风险的领域，还可以帮助公司了解可持续增长的机会，以实现长期发展战略。本报告在编制过程中还参考了全球报告倡议组织标准（简称“GRI”）以及新交所发布的主要环境、社会、治理（简称“ESG”）指标。

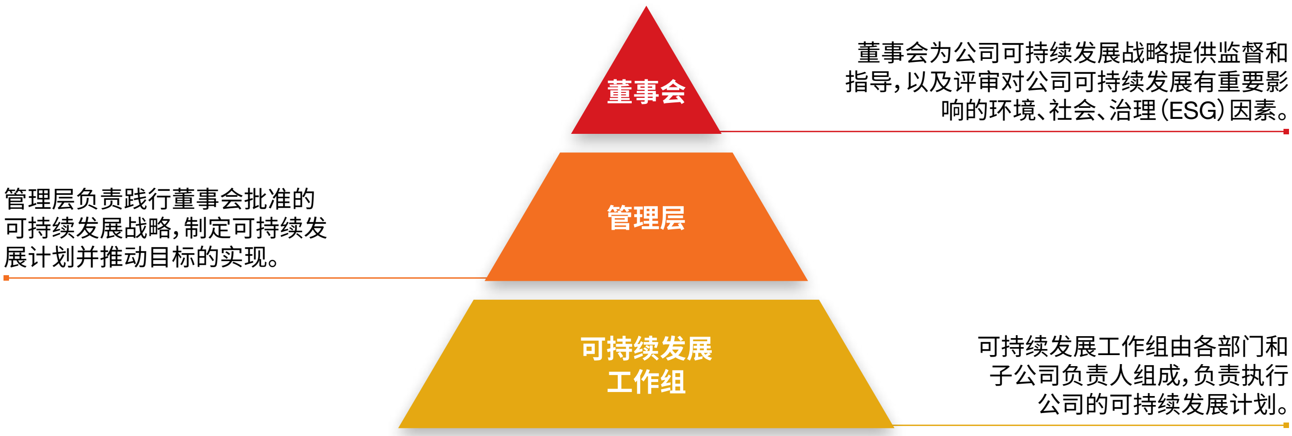
本报告的范围包括新加坡公司总部及其控股子公司，因对联营公司的运营没有控制权，所以联营公司未纳入本报告范围。除新加坡公司总部之外，纳入本报告范围的实体还包括：

1. 中国航油（香港）有限公司（在中国香港注册成立）
2. 北美航油有限公司（在美国注册成立）
3. 中国航油（欧洲）有限公司（在英国注册成立）

关于本报告和公司的其它信息，您可登录公司网站http://www.caosco.com查阅。

新加坡公司致力于不断改进可持续发展工作和信息披露，如果您对本报告有任何意见或建议，欢迎您发送邮件至sustainability@caosco.com。

可持续发展管理架构



SUSTAINABILITY REPORT
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为利益相关方创造价值

新加坡公司积极与利益相关方开展双向沟通，以更有效地传递信息、开展合作。2021年，虽然受新冠疫情的限制，面对面的活动较难开展，但公司通过视频、电话会议等方式，畅通了与利益相关方的沟通渠道。

主要利益相关方	如何为利益相关方创造价值	沟通方式
投资者	通过治理优化、规范运作和稳健发展，致力于为股东创造最大化的收益；与投资者和分析师保持及时、准确、高效的沟通。	• 通过新交所网站和公司网站提供最新财务业绩公告、业务发展进展、新闻稿和其他相关披露 • 常年股东大会
客户	坚持与客户"互利共赢"的理念，与客户保持顺畅的沟通，及时了解客户需求，不断提升客户服务质量。	• 与客户定期会面以交流最新情况，包括最新政策和实践 • 实地访问
社区	以可持续发展为目标，肩负企业社会责任，以实际行动为公益、环保事业做出贡献。	• 在疫情期间为弱势儿童及其家人提供关爱礼包和抗疫物资，帮助他们抗击疫情 • 组织以"碳中和"和"净零排放"为主题的环保讲座，加强员工对低碳生活方式的认同 • 参与行业协会关于实现"净零目标"的倡议，号召加强对气候变化的关注和应对
员工	秉持"以人为本"的理念，为员工提供平等、安全的工作环境，创造职业发展机会并保持畅通的双向沟通。	• 新员工入职培训 • 培训及发展计划 • 工作绩效评估及反馈 • 休闲健康活动 • 员工意见反馈渠道 • 电邮和会议沟通
商业伙伴	践行高标准的道德准则，确保业务持续性，保持信息沟通充分、畅通。	• 与商业伙伴定期会面以交流最新情况，包括最新政策和实践 • 实地访问

SUSTAINABILITY REPORT
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重要性评估

识别与评估重要环境、社会、治理(ESG)因素是可持续发展报告重要性评估的关键环节。评估过程主要考虑了利益相关者的诉求、整体经营风险、可持续发展趋势以及行业最佳实践等。在本报告中所披露的重要ESG因素覆盖了公司可持续发展的关键领域,良好的ESG业绩对于公司的稳健经营以及实现近期及中长期发展目标尤为重要。

重要环境、社会、治理(ESG)因素

减少碳排放

重要ESG因素	公司参与方式
减少碳排放	直接、间接
参考的GRI标准	**对应的联合国可持续发展目标**
GRI 305-5 减少温室气体排放	

(1) 重要性

近年来温室气体排放导致的全球变暖问题日益严峻,应对气候变化已成为各国的共同任务。从1997年的京都协议到2015年的巴黎协定,都对减少碳排放的短期计划和长期目标制定了适用于全球范围的框架指南,世界各国也纷纷出台了具体的目标和方案。新加坡公司积极响应碳减排的号召,努力通过设计并优化碳减排解决方案,尽量减少经营过程中的碳排放,践行低碳绿色发展,为可持续发展贡献力量。

(2) 战略意义

新加坡公司坚持低碳绿色发展战略,随着节能降耗、产业结构升级,石油、石化、煤炭等传统大宗能源市场会随着需求的减少而萎缩,而碳配额、排污权、水权等环境产权以及天然气、电力等清洁能源的大宗交易发展步伐将加快。进入碳市场培育碳交易业务不仅有利于实现"碳中和"目标,也可以分散传统油品业务面临的减排成本上升和需求萎缩风险。

(3) 2021年的主要实践及成效

基于自身对"碳市场"的先行研究,以及航空客户所面临的行业"碳减排硬监管"情况,公司于年初与中国航空公司和国际石油巨头探讨包含碳权交易在内的一揽子供油服务方案,完成了在瑞士GS交易所的碳权交易注册工作并加入了全球"扩大自愿碳市场工作组"顾问团,在世界绿色组织中发出了中国航油声音。新加坡公司还组织实施了首例碳减排业务,通过在海运环节购买碳抵消额度供应中国进口航油,实现了2船中国进口航油在海运环节的"碳中和",共计减少温室气体排放约307吨,为践行低碳绿色发展做出了积极有益的尝试,迈出了新加坡公司绿色低碳转型发展的第一步。

在日常运营层面,公司鼓励使用电子版文件,尽量减少打印文件;公司还通过尽可能使用节能灯,对办公场所空调适度控温以及随手关闭不使用的电器等来减少用电量。与2020年相比,新加坡公司总部2021年减少打印纸张21%,使用电量减少6%。

(4) 2022年目标

协同产业链上下游的供应商和客户实现碳减排,包括尽量选择高度关注并致力于碳减排的供应商,以及为下游航空公司客户提供碳减排方案。同时,积极把握机会开拓生物航煤业务。

环境合规

重要ESG因素	公司参与方式
环境合规	直接
参考的GRI标准	**对应的联合国可持续发展目标**
GRI 307-1 违反环境法律法规的情况	

(1) 重要性

目前约束石油、石化、天然气等传统能源行业的环保法律法规越来越严苛,监管机构也在不断加强对企业的合规性审查。随着业务在全球范围内的拓展,公司所面临的环境合规风险不断加大。

(2) 战略意义

公司始终坚持"合规第一、风控至上"的经营理念,不断加强对国际化经营的风险控制和业务运行的合规管控,使公司发展保持在健康持续、稳中向好的轨道上。

(3) 2021年的主要实践及成效

持续执行安全、健康、环境政策,其中涵盖环境管理指引,践行该制度旨在为所有雇员和访客创造舒适安全的环境,并确保经营活动符合当地的环保法律和法规。同时,公司要求在开展新业务之前必须将当地环保法律法规作为尽职调查的事项之一。报告期内,未发生任何违反环保法律法规的情况。

(4) 2022年目标

公司将继续跟进环保相关法律法规的最新变化,遵守所有适用的法律法规,避免不合规事件的发生,确保运营工作的顺利、高效开展。

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Routine checks are being conducted at the TSN-PEKCL Pipeline
员工定期对管输公司的管线进行检查

防止溢油

重要ESG因素	公司参与方式
防止溢油	直接、间接
参考的GRI标准	**对应的联合国可持续发展目标**
GRI 306-3 严重溢油情况	

(1) 重要性

新加坡公司作为亚太地区最大的航油实货贸易商和中国最重要的航油进口商，防止油品运输和存储过程中溢油事件的发生对公司的油品运作安全至关重要。

(2) 战略意义

新加坡公司致力于避免严重溢油事件的发生以保护生态环境，这与新加坡公司坚持安全、健康、环境高标准，以安全、可靠、高效的方式经营业务的目标一致。

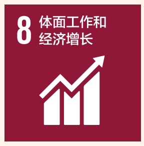
(3) 2021年的主要实践及成效

严格执行《租船与船舶审核管理办法》，规范选择船舶以避免重大石油污染事故，将健康、安全和环境相关风险降至最低。公司的船舶选择标准包括但不限于船舶年限、安全记录、安全管理能力等，对于一年内发生过碰撞、触底、漏油或污染事故的船舶将不予接受。报告期内，没有发生严重溢油事件。

(4) 2022年目标

严格按照公司制度开展船运、储油等相关贸易运作工作，保持无重大溢油事故的良好记录。

经济表现

重要ESG因素	公司参与方式
经济表现	直接
参考的GRI标准	**对应的联合国可持续发展目标**
GRI 201-1 已产生和分配的直接经济价值	

(1) 重要性

新加坡公司在世界主要国家和地区开展油品供应与贸易活动，复杂的世界政治经济环境、国际油价的波动、绿色能源产品的开发等都将对公司的经营活动产生影响。新加坡公司作为中国的主要航油进口商，公司的航油供应业务还将受到中国航油供需关系变化和中国航油市场政策变化的影响。积极应对这些外部因素带来的挑战对公司保持稳健的财务业绩尤为重要。

(2) 战略意义

新加坡公司的愿景是以实业投资为引擎，以航油业务和油品贸易为双翼，努力成为富有创造力、竞争力的优质公司。公司也一直致力于通过稳健的经营业绩持续为股东创造价值、为员工谋发展、为社会做贡献。

(3) 2021年的主要实践及成效

虽然新冠疫情的持续反复导致航空业恢复缓慢，但公司充分发挥市场和资源的优势，构建战略伙伴关系，拓展全球航油供应与贸易供应链，通过开拓亚洲到欧洲、亚洲到北美的航油跨区贸易，在实现创收增效的同时，增强了品牌影响力。

在新加坡总部的统筹下，全资子公司香港公司、北美公司、欧洲公司克服了新冠疫情对航空市场销售业务的不利影响，在所在业务国家或地区精耕细作，通过中标航空公司供油合约，拓展了航空市场销售网络，为疫情后市场恢复做好准备。

新加坡公司还是新加坡企业发展局"全球贸易商计划"成员企业，公司因此获得了油品贸易的优惠税率，在降低税收费用的同时，有力地提升了品牌影响力。入选新加坡全球贸易商计划是对新加坡公司全球贸易能力、风险管控能力、物流管理能力及对当地人力发展和营商生态环境贡献的肯定。

在做好业务拓展的同时，公司还持续做好费用管控工作，密切监控各项费用支出，做到了非必要不支出。

SUSTAINABILITY REPORT
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截至2021年12月底，新加坡公司实现直接经济价值176.84亿美元，其中营业收入176.37亿美元，联营公司股息4,534.1万美元及其它收入222.4万美元。完成经济价值分配176.39亿美元，其中包括销售成本176.06亿美元，运营费用1,034.7万美元，财务费用169.5万美元，税务费用407.9万美元，股息支出1,675.6万美元。2021财年的员工费用为1,224.8万美元，已包含在了销售成本和管理费用中。全年实现的剩余经济价值为4,538.5万美元。

(4) 2022年目标

继续实施多元化战略，以风险管控和合规经营为前提，开展航油供应与贸易、航空市场销售及其它油品贸易业务，实现经营业绩稳中有进。同时顺应市场发展趋势，积极探索包括生物航油在内的新能源业务。

健康与安全

重要ESG因素	公司参与方式
健康与安全 （工作场所和客户）	直接、间接
参考的GRI标准	**对应的联合国可持续发展目标**
GRI 403-2 危害识别，风险评估与事故调查 GRI 416-2 有关产品和服务影响健康和安全的违规事件	3 良好健康与福祉

(1) 重要性

确保员工和客户的健康与安全是维护员工及客户合法权益以及实现公司可持续发展的关键环节。

(2) 战略意义

新加坡公司致力于打造国际化的人才队伍，确保工作场所的健康与安全是公司培养人、留住人的前提条件。新加坡公司肩负对为客户创造价值的企业使命，确保油品质量安全并为客户提供高质量的产品和服务是实现公司战略与愿景的前提和基础。

(3) 2021年的主要实践及成效

公司严格执行《安全、健康与环境政策及指导方针》制度，按照制度要求做好运作安全、事故预防、应急管理、空气净化等工作；公司号召所有员工培养安全的工作习惯，在工作场所对自己的行为负责。

2021年全球新冠疫情形势依旧严峻，变异病毒不断涌现。新加坡公司及其三个子公司严格按照各国和各地区的规定及时出台疫情防控政策以指导并约束员工做好疫情防控工作。公司多措并举引导全体员工树立防疫意识、遵守防疫措施。全年共召开了12次防疫工作会议，发布了18项制度性文件，出台了10项防疫措施，采购了75次防疫物资，进行了10次专业消杀，海外四地员工疫苗两针接种率达到98%，三分之一的员工已完成三针疫苗的接种。公司紧跟政府防疫政令实施现场办公和居家办公方案，并创新性地建立了"疫苗接种和非接种员工区别化管理"、"办公区和隔离区分区化管理"、"风险提示自我隔离申报"、"疫苗接种安全培训及接种休假福利"、"办公区域日清洁巡检周专业消毒"、"访客ART抗原自我检测"等防疫措施，保持了员工"零染疫"的好成绩。

公司在工作场所已清楚地标明了所有紧急逃生出口以及在紧急情况下的逃生路线。公司已配备必要的应急安全装置，例如灭火器和急救设施。此外，公司每年会定期组织体检并为所有员工提供了医疗保险保障。

公司严格执行《油品检验指南》制度，规范油品质量检验方法、船舶检验流程、装卸载操作流程等，以确保油品质量安全。除满足监管要求外，新加坡公司还不断提升对客户的服务响应能力，提供优质产品和服务。

在报告期内，公司没有发生与工作场所相关的伤亡事件，且没有产品质量违规事件发生。

(4) 2022年目标

严格执行公司制度，继续保持工作场所零安全事故的良好记录，并持续为客户提供安全优质的产品和服务。

多元化与平等机会

重要ESG因素	公司参与方式
多元化与平等机会	直接
参考的GRI标准	**对应的联合国可持续发展目标**
GRI 405-1 治理机构和员工的多元化	10 减少不平等

(1) 重要性

在竞争激烈的市场中吸引并留住人才对公司业务的可持续发展至关重要，而提供公平、多元、包容的工作环境有利于培养人才、留住人才。多元化的团队有利于实现技术、观念与经验的互补，也可以丰富公司文化，提升业务表现。

(2) 战略意义

在公司愿景、使命及核心价值观的指引下，新加坡公司致力于通过多元化的属地招聘、常态化的人才交流、体系化的公司培训，培养国际化专业人才队伍，增强可持续增长的竞争优势。

SUSTAINABILITY REPORT
可持续发展报告

(3) 2021年的主要实践及成效

新加坡公司遵守新加坡公平就业实践三方联盟(简称"TAFEP")提出的公平就业实践，并贯彻执行TAFEP制定的公平就业实践三方指南，包括刊登非歧视的招聘广告、定期进行员工绩效评估、灌输道德准则，并为员工负面情绪提供疏通渠道。新加坡公司还遵守新加坡人力部公平考量框架的要求，在新加坡劳动力发展局管理的职位信息库中发布职位空缺。截至2021年12月底，新加坡公司全球员工人数为121人。按性别分布看，女性员工占比为54%，男性员工占比为46%。从年龄分布看，30岁以下员工占比10%，30岁至50岁员工占比74%，50岁以上员工占比16%。在全球高级管理人员中，女性占比25%，50岁以下高管占比38%。

新加坡公司还致力于为员工提供丰富的培训机会，促进员工的职业发展。截至2021年12月31日，员工平均培训时数超过22小时。

(4) 2022年目标

新加坡公司将保持"尊重差异、兼容并包"的多元企业文化，秉持"以人为本"人才理念，尊重人才价值，为员工提供平等的工作和发展机会。

采购实践

重要ESG因素	公司参与方式
采购实践	直接
参考的GRI标准	**对应的联合国可持续发展目标**
GRI 3-3 重要事项管理	12 负责任消费和生产

(1) 重要性

作为全球运输燃料生态系统中负责任的企业公民，有效的供应链管理对于提高公司的运营效率和品牌价值以及维护公司声誉至关重要。

(2) 战略意义

坚持规范的采购实践，积极主动减少在供应链中潜在的负面影响，对于公司实现治理优化、规范运作和持续发展具有重要意义。

(3) 2021年的主要实践及成效

新加坡公司按照标准化的采购流程，以公开、公平、公正的方式开展招标和采购。公司制定并适时更新合格贸易对家库，公司会定期对贸易对家开展信用风险检查，同时也会对贸易对家开展贸易制裁风险排查。公司制定了航煤招标程序并成立了航油采购委员会，成员由公司职能部门主管组成，负责监督航煤招标采购程序的执行情况。公司还制定了《非油品采购管理办法》以持续规范公司的采购行为。

2021财年公司没有因不良采购实践对供应链产生负面影响。

(4) 2022年目标

新加坡公司将继续按照相关制度要求开展采购活动并尽量选择具有高度企业社会责任感的供应商，尽可能将供应链中潜在的负面影响减至最低。

保护敏感信息

重要ESG因素	公司参与方式
保护敏感信息	直接
参考的GRI标准	**对应的联合国可持续发展目标**
GRI418-1 有关违反客户隐私权和遗失客户资料经证实的投诉	16 和平、正义与强大机构

(1) 重要性

在业务运作过程中，新加坡公司需要处理大量敏感信息，例如个人资料、油价及合同条款等。保护敏感信息，尊重利益相关方的隐私权和保密权既是法律法规的要求，也是维护公司形象的必要条件。

(2) 战略意义

与利益相关方建立长期的互信是实现与各方协同合作共赢的基础。遵守相关法律法规的要求，保护利益相关方的敏感信息既是公司规范化管理的体现，也是长期稳定发展的关键因素。

(3) 2021年的主要实践及成效

新加坡公司继续执行《个人资料保护政策》，该制度对数据保护的原则，公司在处理个人资料时需履行的义务以及在收集、使用、披露、处理及传输个人资料的一般准则等进行了规定。公司还成立了个人资料保护小组，对制度的执行情况进行监督。

2021年公司未收到员工、客户和监管机构关于隐私和数据丢失的投诉。

(4) 2022年目标

新加坡公司将继续致力于保持不发生违反隐私权和保密权的事件，也不发生敏感信息泄露、被盗或遗失的情况。

SUSTAINABILITY REPORT
可持续发展报告

公司治理

重要ESG因素	公司参与方式
合规与内审 反贪污	直接
参考的GRI标准	**对应的联合国可持续发展目标**
GRI 419-1 在社会和经济领域违反法律法规的情况 GRI 205-3 经证实的贪污事件及采取应对措施	11 可持续城市和社区

(1) 重要性

当前政治经济形势日益复杂，而公司在多个国家和地区开展多元化经营和投资，因此也面临更为复杂的合规风险。确保业务合规性既是业务持续开展的前提条件，也是维护公司名誉的重要保证。新加坡公司应遵守业务所在国家或地区的反贪污政策，同时也应积极承担社会责任，杜绝一切违法违规行为。

(2) 战略意义

坚持风控合规底线是公司战略的基本原则之一，严格执行公司管理制度和流程并开展内部审计程序不仅能为商业活动提供合规保障，也有助于公司实现长期发展战略。公司对任何欺诈、贿赂或贪污行为的态度是零容忍，也坚信公平和透明的商业环境可促进业务发展。

(3) 2021年的主要实践及成效

新加坡公司参照特雷德韦委员会赞助组织委员会的内控框架制定了较为完善的合规监管体系。公司定期审查并识别潜在合规风险，范围涵盖反垄断和竞争法、反腐败、贸易制裁、职业安全、健康和环境法规、数据保护条例、内幕交易和欺诈行为等，通过强化制度执行，确保公司的经营行为符合业务所在国家或地区的法律法规要求。公司还在2021年开展了规章制度的清理优化工作，对制度体系进行了完善，确保符合最新的合规要求。公司还聘请了独立的第三方审计公司开展内部审计工作，以客观地评估公司管控措施和治理流程的有效性，以监督并合理保证公司具备适当的管控措施来应对全球业务环境中的重大风险。公司对任何形式的贪污和贿赂都保持零容忍的态度，制定并实施举报政策，对举报违法违规行为提供了明确的指引。2021年公司对员工开展了反贿赂和反腐败线上培训，接受培训的员工人数为117人，参与度为100%。为强化公司内部的合规文化，公司还开展了包括利益冲突、信息安全与网络风险意识、反洗钱和反恐怖融资、预防诈骗、内部交易等合规培训，参与度均为100%，有效增强了员工对合规的认识和理解。

2021年没有发生严重的违规事件也无任何经证实的贪污事件。

(4) 2022年目标

致力于保持没有违反相关法律法规的良好记录以及保持零贪污记录；继续为员工提供合规培训，以增强员工对合规的认识并时刻保持警惕；继续开展规章制度的修编工作，不断优化流程和内部控制。

A good working environment helps to facilitate better communication and collaboration among the employees
为员工提供良好的工作环境，促进员工间的沟通协作

FINANCIAL REVIEW
业绩回顾

OVERVIEW

For the financial year ended 31 December 2021 ("FY2021"), CAO Group (the "Group") achieved total revenue of US$17.64 billion, higher by 67.70% compared to US$10.52 billion for the financial year ended 31 December 2020 ("FY2020") due to the increase in oil prices, total supply and trading volume.

The Group's operating profit declined 41.10% to US$20.88 million for FY2021 as compared to FY2020 mainly due to lower gross profit derived from jet fuel supply and trading business partly offset by lower expenses.

The share of results of associates was 5% lower at US$23.55 million in FY2021 compared to US$24.79 million in FY2020.

The Group's net profit attributable to shareholders in FY2021 was US$15.84 million or 28.19% lower at US$40.35 million. Consequently, Earnings Per Share ("EPS") was lower at 4.69 US cents compared to 6.53 US cents in FY2020. Return on Equity ("ROE") declined 2.03 percentage points to 4.54%, mainly attributable to the lower profits.

The Group generated net operating cash inflow of US$113 million in FY2021 due to the net cash inflow from trade receivables and payables compared to net operating cash outflow of US$166.19 million in FY2020. Cash flow from investing activities decreased due to lower dividends received from associates in FY2021.

The Group is proposing a final one-tier tax exempt ordinary dividend of 1.9 Singapore cents per share for FY2021.

Despite the challenging global market conditions, the Group will push ahead to strengthen its operational resilience, build on its jet fuel supply and trading network complemented with trading in other oil products. The Group will also continue to focus on long-term profitability by seeking opportunities for strategic expansion through investments in synergistic and strategic oil-related assets and businesses.

OPERATING PROFIT

Total revenue increased 67.70% to US$17.64 billion in FY2021 mainly attributable to the rise in oil prices as well as trading volume. Total supply and trading volume was 34.11 million tonnes for FY2021, an increase of 23.50% compared to 27.62 million tonnes for FY2020. Trading volume for other oil products, comprising mainly crude oil and fuel oil, increased by 6.89 million tonnes or 51.53% to 20.26 million tonnes in FY2021 and generated US$9.52 billion in revenue. Revenue from supply and trading of middle distillates increased 44.16% to US$8.12 billion, attributable mainly to the increase in oil prices. The supply and trading volume of middle distillates eased 2.81% to 13.85 million tonnes for FY2021, compared to 14.25 million tonnes for FY2020, and accounted for 46.02% of the Group's total revenue in FY2021.

China remains the Group's largest market, accounting for 50.88% of the Group's revenue in FY2021, down by 4.52 percentage points in proportion to the Group's revenue compared to FY2020.

Gross profit declined 33.08% to US$30.70 million for FY2021 compared to US$45.87 million for FY2020. The Group earned higher profits in FY2020 as it managed to capitalise on the contango structure of the market last year to build up its jet fuel inventories and locked in better returns through its hedging activities.

Other operating income was US$2.22 million for FY2021, down by 67.05% compared to US$6.75 million for FY2020, mainly due to lower bank interest income. Bank interest income was US$1.56 million for FY2021, a decrease of US$3.04 million compared to bank interest income of US$4.60 million for FY2020, as a result of low deposit interest rates. Foreign exchange differences decreased by US$0.80 million and other income – mainly comprising of wage support and property tax rebates from the Singapore Government pertaining to COVID-19 pandemic, decreased by US$0.69 million.

Total expenses fell 29.87% to US$12.04 million for FY2021 compared to US$17.17 million mainly attributable to the reversal of US$2.28 million in provision of ECL in FY2021 compared to the provision of US$0.71 million in FY2020, a drop of US$2.99 million. Staff costs decreased by US$1.58 million while bank charges rose US$0.72 million year-on-year.

SHARE OF RESULTS OF ASSOCIATES

Share of results of associates dipped 5% to US$23.55 million for FY2021 compared to US$24.79 million for FY2020. Profit contribution from SPIA rose 17.18% to US$23.19 million for FY2021 compared to US$19.79 million for FY2020, mainly attributable to higher profits arising from higher revenue. Share of results from other associates was US$0.36 million for FY2021 compared to US$5.00 million for FY2020, a decrease of US$4.64 million or 92.80%, mainly due to lower contribution from OKYC as a result of reduced revenue.

FINANCIAL REVIEW
业绩回顾

NET PROFIT

The Group's profit before tax in FY2021 declined 26.25% to US$44.43 million compared to US$60.24 million for FY2020, mainly attributable to the lower gross profit and lower interest income, partially offset by reduced expenses.

Income tax expense edged up 0.82% to US$4.08 million for FY2021 compared to US$4.05 million for FY2020.

As a result of lower gross profit, the Group recorded net profit of US$40.35 million in FY2021, lower by US$15.84 million or 28.19% compared to US$56.19 million for FY2020.

FINANCIAL POSITION

The Group maintained a healthy balance sheet in FY2021. As at 31 December 2021, total assets was US$1.54 billion, down by US$0.35 billion compared to US$1.89 billion as at 31 December 2020, mainly due to the decrease in trade and other receivables, and inventories, partially offset by increased cash and cash equivalents.

The Group's liquidity and debt servicing ability remained robust. As at 31 December 2021, the Group's cash and cash equivalents stood at US$400.84 million, compared to US$269.11 million as at 31 December 2020, an increase of US$131.73 million. As at 31 December 2021, the Group's current ratio and quick ratio were 1.98 and 1.91 respectively (FY2020: 1.56 and 1.47 respectively). As at 31 December 2021, the Group's total trade and banking facilities amounted to US$2.56 billion.

As at 31 December 2021, the Group's net assets rose to US$901.37 million, or 104.79 US cents per share, compared to US$876.88 million or 101.94 US cents per share as at 31 December 2020. The increase in net asset value per share was attributable mainly to the earnings generated in FY2021 less dividends paid in FY2020.

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

The Group's FY2021 financial performance has underscored the strength and resilience of CAO's businesses despite operating in difficult market conditions impacted by the ongoing COVID-19 pandemic. CAO will continue to maintain a healthy bank balance, exercising stringent credit management as it continues to focus on credit control as well as account receivables and working capital management, while proactively seeking synergistic and strategic asset investment opportunities to diversify and augment its income streams.

ECONOMIC VALUE ADDED

Economic Value Added ("EVA") profit for FY2021 was -US$17.44 million, a decline of US$20.25 million from US$2.81 million for FY2020, mainly due to the decrease in net earnings on the back of higher capital employed. Accounting net profits decreased 28.19% year-on-year to US$40.35 million for FY2021, compared to US$56.19 million for FY2020. To reward shareholders, the Board of Directors has proposed a first and final dividend in cash of 1.9 Singapore cents per share for FY2021 (FY2020: 2.58 Singapore cents per share). The Group will continue to focus on improving efficiency and remain prudent in financial management to create sustainable value for shareholders.

Jet fuel discharge operations at port
码头卸油场景

FINANCIAL REVIEW
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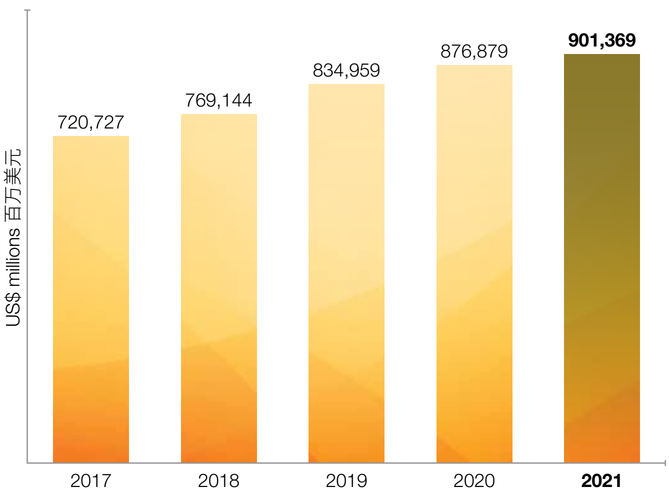
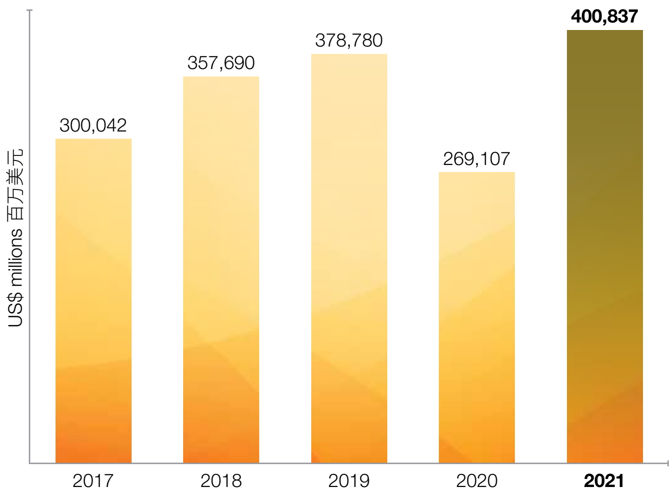
5-YEAR FINANCIAL SUMMARY 五年财务摘要	2017	2018	2019	2020	2021
INCOME STATEMENT (US$'000) 损益表(千美元)					
Revenue 营业额	16,267,606	20,611,954	20,343,491	10,516,955	17,636,657
Gross Profit 毛利	38,703	49,994	58,456	45,872	30,697
Associated Companies 联营公司	71,534	72,109	65,532	24,789	23,550
Net Profit Attributable to Equity Holders of the Company (PATMI) 可向股东分配净利润	84,927	93,858	99,830	56,193	40,350
BALANCE SHEET (US$'000) 资产负债表(千美元)					
Total Assets 总资产	1,909,809	1,653,568	1,872,945	1,887,949	1,535,658
Total Equity 股东权益	720,727	769,144	834,959	876,879	901,369
Cash and Cash Equivalents 现金及现金等价物	300,042	357,690	378,780	269,107	400,837
FINANCIAL RATIOS 财务比率					
Earnings Per Share (US$ cents) 每股收益(美分)	9.87	10.91	11.61	6.53	4.69
Net Asset Value Per Share (US$ cents) 每股净资产(美分)	83.79	89.42	97.07	101.94	104.79
Return on Equity 净资产回报率	12.42%	12.60%	12.45%	6.57%	4.54%
Return on Assets 资产回报率	5.65%	5.63%	6.04%	3.22%	2.61%
Debt Equity Ratio 股本带息负债率	16.60%	0.00%	0.00%	0.00%	0.00%

Total Equity
股东收益



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



FINANCIAL REVIEW
业绩回顾

综述

截至2021年12月31日（简称"2021财年"），新加坡公司及子公司（统称"新加坡公司"）总收入为176.4亿美元，相比2020年12月31日（简称"2020财年"）的105.2亿美元上涨67.70%，主要是因为油价和总业务量增加。

新加坡公司2021财年的营业利润为2,088万美元，较2020财年减少41.10%，主要是因为航油供应与贸易业务毛利减少，同时费用减少抵消了部分降幅。

2021财年来自联营公司的投资收益为2,355万美元，较上年同期的2,479万美元，下降5%。

2021财年可分配给公司股东的净利润为4,035万美元，同比减少1,584万美元，降幅为28.19%。2021财年的每股收益为4.69美分，上年同期为6.53美分。净资产收益率下降2.03个百分点至4.54%，主要是利润减少所致。

2021财年经营活动产生的净现金流入为1.13亿美元，主要是来自贸易应收账款和应付账款的净现金流入，2020财年的经营活动净现金流出为1.66亿美元。投资活动的现金流入减少，主要是2021财年从联营公司收到较低的股息。

新加坡公司提议2021财年的最终股息为每股0.019新元。

尽管市场条件充满挑战，新加坡公司将砥砺奋进，在扩展航油供应与贸易网络的同时促进其他油品贸易的发展，不断增强公司的经营韧性。新加坡公司也将积极寻求合适的投资项目，通过投资与油品相关的协同性和战略性资产和业务，提升长期盈利能力。

营业利润

2021财年总收入上涨67.70%至176.4亿美元，主要是得益于油价和业务量增加。2021财年供应与贸易总量为3,411万吨，比2020财年的2,762万吨增加23.50%。其他油品贸易量（主要来自于原油和燃料油）在2021财年增加689万吨（或51.53%）至2,026万吨，贡献95.2亿美元的收入。中馏分供应与贸易收入增加44.16%至81.2亿美元，主要是由于油价上涨。中馏分供应与贸易量从2020财年的1,425万吨减少至2021财年的1,385万吨，降幅为2.81%，占新加坡公司2021财年总收入的46.02%。

中国依然是新加坡公司最大的市场，占公司2021财年收入的50.88%，与2020财年的收入相比，占比减少4.52个百分点。

2021财年毛利为3,070万美元，较2020财年毛利4,587万美元下降33.08%，主要是新加坡公司在2020年抓住了远期溢价结构的市场机会，及时建立航煤库存并通过套期保值锁定了较好的收益。

2021财年其他经营收入为222万美元，较上年同期675万美元下降67.05%，主要是因为银行存款利息收入减少。2021财年银行存款利息收入为156万美元，较去年同期的460万美元减少304万美元，主要是受到市场存款利率下降的影响；汇兑收益同比减少80万美元；其他收入同比减少69万美元，主要是因为新加坡政府针对新冠疫情影响给予的雇佣补贴和财产税费减免减少。

2021财年总费用为1,204万美元，较上年同期的1,717万美元下降29.87%，主要是由于2021财年信用损失冲回228万

Transit Storage
中转库

FINANCIAL REVIEW
业绩回顾

美元，而2020财年信用损失为计提71万美元，因此同比减少299万美元。员工成本同比减少158万美元，同时银行费用同比增加72万。

来自联营公司的投资收益

2021财年联营公司投资收益为2,355万美元，较上年同期的2,479万美元下降5%。2021年来自浦东航油的投资收益为2,319万美元，较上年同期的1,979万美元上涨17.18%，主要是因为其收入增加带来盈利增加。2021年来自其他联营公司的投资收益为36万美元，较去年同期的500万美元减少464万美元，减幅为92.80%，主要是因为韩国丽水枢纽油库有限公司营业收入下降，致使来自于该联营公司的投资收益减少。

净利润

新加坡公司2021财年税前利润为4,443万美元，较2020财年的6,024万美元下降26.25%，主要是因为毛利和利息收入下降，费用的减少部分抵减了利润的降幅。

2021财年所得税费用为408万美元，较上年同期的405万美元略涨0.82%。由于毛利较低，2021财年净利润为4,035万美元，较2020财年的5,619万美元减少1,584万美元，降幅为28.19%。

财务状况

新加坡公司在2021财年的资产负债状况健康。截至2021年12月31日，总资产为15.4亿美元，较上年同期的18.9亿美元减少3.5亿美元，主要是由于应收账款和其他应收账款及存货减少，而现金及现金等价物的增加抵减了部分降幅。

新加坡公司的资金流动性和偿债能力依然稳健。截至2021年12月31日，新加坡公司现金及现金等价物为4.01亿美元，较2020年12月31日的2.69亿美元，增加1.32亿美元。截至2021年12月31日，新加坡公司的流动比率和速动比率分别为1.98和1.91（2020财年分别为1.56和1.47）。截至2021年12月31日，新加坡公司的银行授信额度总计25.6亿美元。

截至2021年12月31日，新加坡公司净资产为9.01亿美元或每股104.79美分，而截至2020年12月31日，新加坡公司净资产为8.77亿美元或每股101.94美分。每股净资产的增加主要是由2021年实现的盈利减去支付的2020年股息带来。

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


CNAF's oil storage facilities in China
中国航空油料集团在中国的储罐设施

尽管持续的新冠疫情对市场带来了极为恶劣的影响，但新加坡公司在2021财年所取得的业绩却充分展现了公司业务的运营实力及韧性。新加坡公司将继续保持充裕的资金，严格管理信用风险，持续关注信用控制、应收账款、流动资金管理，积极寻找有协同性的战略资产投资机会，以拓宽收入来源。

经济增加值

2021财年经济增加值为负1,744万美元，较上年的281万美元减少2,025万美元，主要是因为净利润减少，在投资资本增加的情况下经济增加值下降。2021财年净利润为4,035万美元，较2020财年的5,619万美元下降28.19%。为了回报股东的支持，董事会提议2021财年派发每股0.019新元的年终股息（2020财年：0.0258新元）。新加坡公司将继续提高运营效率，保持谨慎的财务管理策略，为股东持续创造价值。

RISK MANAGEMENT
风险管理

2021 witnessed the continued transmission of the COVID-19 virus. While the global vaccination drive has softened the effects of the pandemic, recovery in the global economy was lacklustre and uneven resulting in a complex and volatile global landscape. The slow recovery of the aviation industry coupled with a fluctuating oil market that saw prices rise from US$50.67 per barrel at the beginning of the year to US$85.99 per barrel in October and closing the year around US$75 per barrel further complicates the operations, risk exposure and growth of CAO.

To navigate this challenging and rapidly evolving environment, CAO relies on its four-tier risk management framework and reporting structure to analyse, assess and identify various risks to effectively mitigate and manage the risk exposure faced by the Group's expanding globalised business operations and ensure its sustained development.

The Group continued to enhance its risk management systems in 2021. In addition to refinements to our key risk indicators (KRI), we improved our business continuity plans and emergency protocols for restricted bank accounts. We similarly optimised processes for counterparty assessment as well as monitoring of counterparties and portfolio reviews. The Group's overall risk management capabilities were strengthened through automation of operational duties, enhanced monitoring of the daily hedging ledger records and review and updates of market risk limits.

As part of its risk management culture, the Group actively develops and refines our centralised risk control and support network to better support global business growth. The Group's risk management process comprises the following key features:

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

RISK MANAGEMENT FRAMEWORK, POLICIES AND PROCESSES

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

Our risk management foundation is built upon three pillars, namely:

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

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

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

At the tactical and policy level, the Risk Management Committee ("RMC") has oversight over key risk management issues. The RMC reviews limits for various types of risks and proposes them to the Board for approval. In addition, The RMC will review and approve business plans and new activities that CAO plans to embark on. Through monthly reports and quarterly meetings, the RMC is updated on the various risk metrics as well as CAO's risk exposures and the manageability of each category of risk.

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

At the operation level, the Risk Management Department ensures that risk management activities are executed daily and that all risk-related policies, processes and limits are implemented and adhered to. Over the past years, the Risk Management Department has defined and built the framework around risk management, identifying, reporting and monitoring the risk profiles of the Group's supply and trading businesses in Singapore, Hong Kong

RISK MANAGEMENT
风险管理

CAO'S ROBUST RISK MANAGEMENT AND CONTROL STRUCTURE
新加坡公司严谨的风险管控构架

SAR, Los Angeles and London. The Group's global risk management team, with professional credentials such as Financial Risk Manager (FRM) by Global Association of Risk Professionals (GARP) and their expertise in credit, market and enterprise risk management, manages and supports appropriate risk management practices in daily operations across the globe. This enables the management team to execute strategic business objectives and achieve performance targets.

RISK MANAGEMENT STRATEGY

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

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

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

RISK MANAGEMENT
风险管理

No.	Assessed Significant Risks	Mitigation Strategies	Impact
1	Strategic risk of investments	1. Actively seek opportunities to add value to the jet fuel business, while focusing on aviation marketing and supporting the Group's supply and trade network; and 2. Continuously improve the Group's investment portfolio through acquisition activities, and invest in synergistic assets with profit growth, and increase investment efforts in the industrial chain and value chain.	Mid
2	Counterparty credit risk	1. Set appropriate portfolio credit limit for all trading counterparties; 2. Conduct annual review of active counterparties; 3. Strengthen the credit risk management team; and 4. Implement credit mitigation measures, such as Letter of Credit, prepayments, credit insurance, etc.	Mid
3	Policy change in China's aviation fuel market	1. Proactively seek opportunities that offer added value for core jet fuel business with a focus on aviation marketing to support the Group's supply and trading network; and 2. Continuously refine the Group's investment portfolio through acquisitions and investments in synergistic assets which promise profitable growth.	Mid
4	COVID-19 impact	1. Adjust business strategy in a timely manner, such as rescheduling supply contract, developing new jet fuel demand, etc.; 2. Follow the development of the global pandemic closely; make arrangements for employees to work from home and set up measurements for work place emergency management; 3. Purchase, store and distribute the pandemic prevention supplies; and 4. Make arrangements for business continuity.	Mid
5	Strategic risk of single product	1. Adopt product diversification strategy to develop supply and trading capabilities in other oil products; and 2. Seek to build structural advantages for other oil products through securing supply contracts and investing in synergetic assets to support trading activities.	Mid

TOP 5 RISKS AND MITIGATION

At CAO, we constantly improve on the risk control systems through adopting best-in-class practices and developing new initiatives to enhance the Group's risk management capabilities. On top of managing the key identified business risks on a daily basis, we have also analysed and determined – from an internal assessment – the top five risks in CAO's operating environment in 2021.

COMPREHENSIVE ENTERPRISE RISK MANAGEMENT

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

Under the ERM, the top-down and bottom-up approach is deployed for information collection and compilation for the Group's risk register. CAO currently reviews the Risk Register semi-annually. During the review process, we quantified each risk entry in terms of impact and probability and rank them, to identify the greatest potential risks.

The CRM which comprises senior management team and heads from various business functions, forms the next critical component of our ERM model and is an important channel for discussing risk-related topics and issues. Through regular meetings, and correspondences, potential risk factors in daily business operations are discussed and evaluated. For example, in the scenario where the credit

RISK MANAGEMENT
风险管理

risk team highlights credit issues with late payments from a trading counterparty, the CRM may discuss and decide promptly whether to have any further commercial dealings with said trading counterparty.

For the past two years, enterprise level stress-testing was conducted, enabling the Group to identify various risk categories and better understand and take appropriate measures to mitigate possible impact that CAO may face in special events and environments.

MARKET RISK MANAGEMENT AND SENSITIVITY ANALYSIS

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

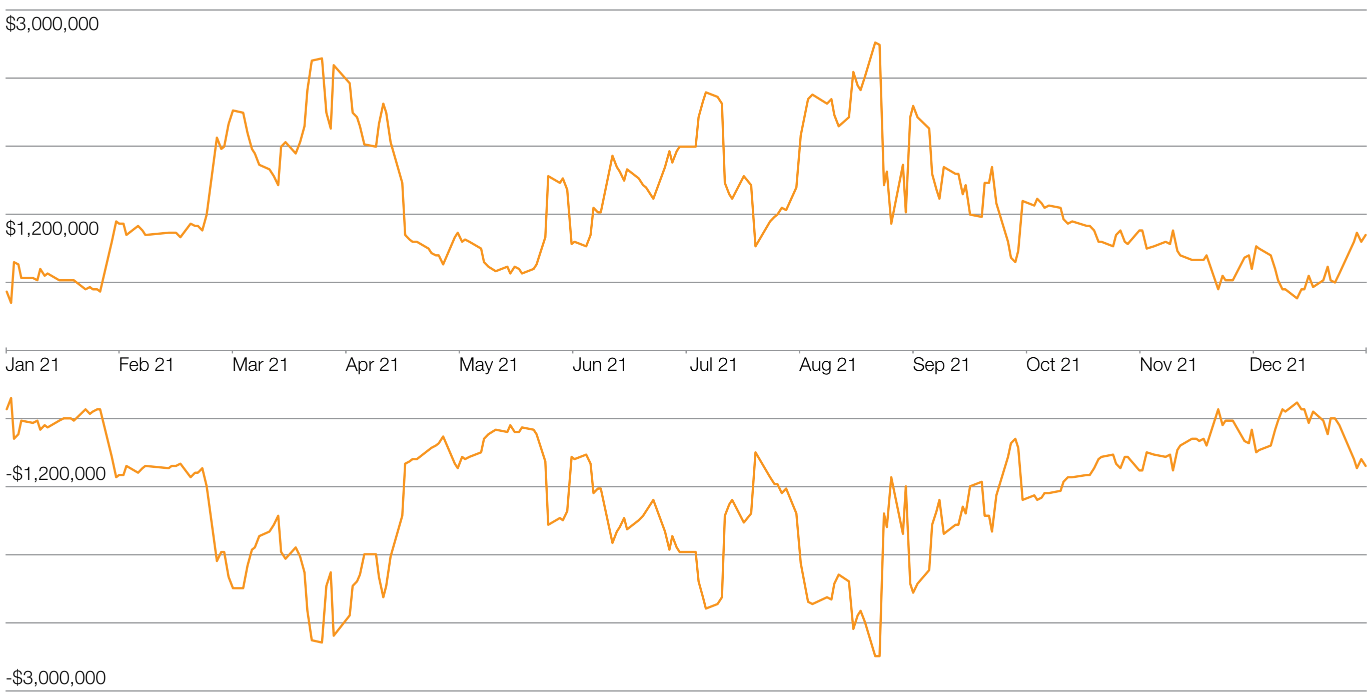
The Market Value at Risk ("MVaR") is used as a primary tool to measure market risk. All physical and financial contracts are subjected to MVaR limits and valuation of the holding portfolio is monitored on a daily basis. Market risk limits, which are delegated by the Board, include Volumetric limits,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

To complement the market risk limits, the Risk Management Department also conducts market stress tests on the Group's trading positions on a regular basis. Using historical scenarios from the database, the team simulates in a timely manner the likely impact of the Group's recent trading position in times of extreme market conditions. In 2021, four stress tests were conducted, providing CAO with timely and accurate insight into our business activities and enabled the Group to take mitigating actions where necessary.

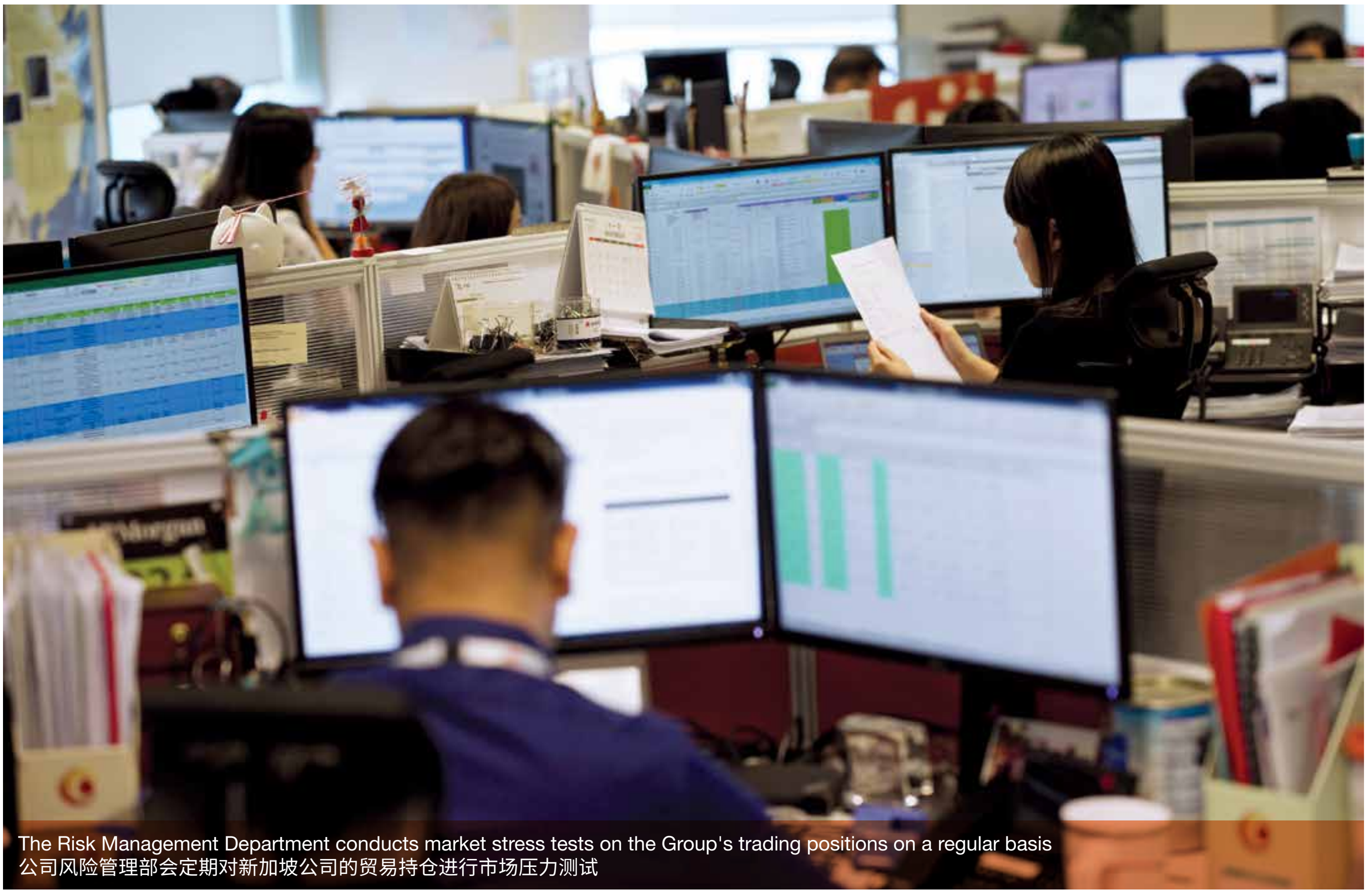
Notwithstanding the high volatility in the market environment, the Group's risk appetite has remained prudent. The daily MVaR utilisation rate, based on a 95% confidence interval, remained stable with an average MVaR utilisation of US$1.06 million in 2021.

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

2021 MVaR UTILISATION AT COMPANY LEVEL
2021年公司市场风险值使用情况



RISK MANAGEMENT
风险管理



The Risk Management Department conducts market stress tests on the Group's trading positions on a regular basis
公司风险管理部会定期对新加坡公司的贸易持仓进行市场压力测试

CREDIT RISK MANAGEMENT AND CONCENTRATION ANALYSIS

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

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

1. credit default risk is the risk of losses arising from a counterparty being unable to pay its obligations in full;

2. Concentration risk is the risk posed to a company by any single or group of exposures which have the potential to produce losses large enough to threaten the ability of the company to continue operating as a going concern; and

3. Country risk or sovereign risk is the risk of loss arising from a sovereign state freezing foreign currency payments or when it defaults on its obligations.

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

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

1. Special reviews and deep dives into high risk counterparties or industry segments, allowing the Group to adopt pre-emptive measures and actions to avert potential credit events;

2. Enhance the counterparty management policies to improve the effectiveness and efficiencies of counterparty management in CAO Group, and also conducted counterparties clean up exercises to reduce the exposure to riskier counterparties and improve the overall credit quality of the Group's portfolio of counterparties; and

3. Updated the Probability of Default data used in the Expected Credit Loss calculation of the CAO Group based on the 2020 published probability of default data from Moody's and S&P.

RISK MANAGEMENT
风险管理

Our concentration risk profile of accounts receivables are as follows:

By Country

As of 31 December 2021, our geographical exposure was predominantly Mainland China (57.61%) and Singapore (36.72%), which accounted for 94.33% of the Group's total exposure.

By Internal Credit Rating

As of 31 December 2021, in terms of internal credit rating, the Group's exposure mainly comes from Grade B1 (40.98%), Grade B2 (30.76%), A2 (15.52%) and C1 (6.38%), which makes up around 93.64% of our account receivable position. LC receivables constituted around 13.06% of total account receivables.

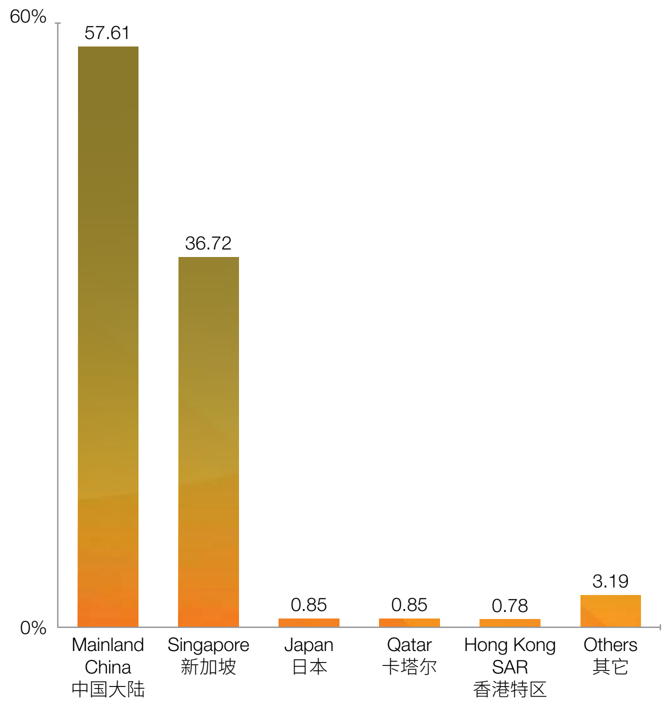
As of 31 December 2021, the exposure from these internal ratings of Grade A1 to B2 (including exposures against LC) equivalent of investment-grade made up 88.32% of the Group's receivable exposure. The overall credit grade composition of the receivables portfolio was satisfactory.

CAO rarely grants credit lines to non-investment-grade credit rated counterparties, and if necessary, the payment terms granted to them are on Letter of Credit and prepayment basis, which effectively reduces the Group's credit risk exposure.

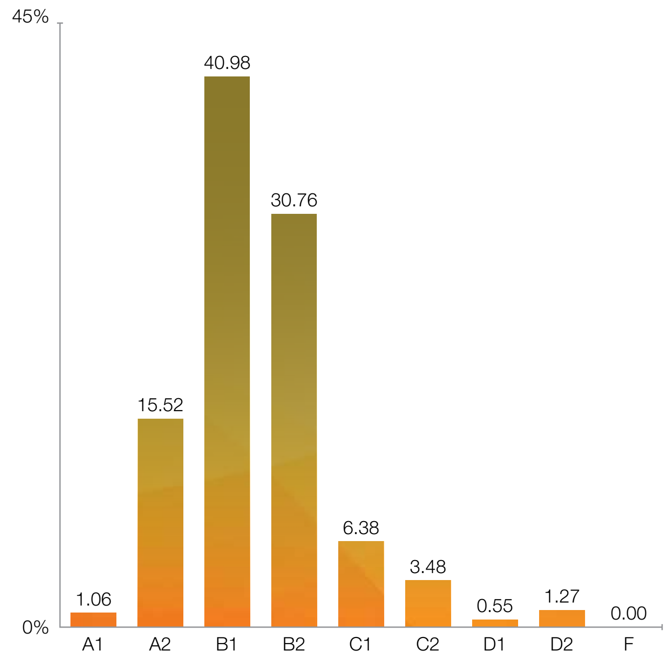
The Group also employs credit enhancement or mitigation tools where necessary. These include obtaining parental company guarantees, cash collateral, letter of credit from investment grade rated banks and off-set clauses in contracts.

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

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



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



RISK MANAGEMENT
风险管理

2021年，新冠疫情依然笼罩全球，虽然随着疫苗的投入使用，全球经济出现一定复苏，但各国短期经济走势的分化断层使国际形势依旧复杂多变。布伦特原油价格年初为每桶50.67美元，在10月上升至每桶85.99美元的高点后又回落至每桶75美元左右，油价的反复震荡使航空业的复苏受挫。新加坡公司的经营与发展在此不利的大环境下倍受挑战，各项风险的复杂程度也日益提高。

新加坡公司依靠现有的四层风险管理构架和报告机制，及时分析、评估和报告各项风险，有效地管控国际贸易和企业运营中的各项风险，确保公司业务的可持续发展。

新加坡公司在2021年继续稳步优化风险管理体系，进一步推进关键风险指标建设工作；除了提升公司业务延续能力之外，也完成了公司账户冻结应急预案。与此同时，公司动态管理对家库，完成了多轮交易对家清理工作，进一步提升了交易对家质量，增强了公司抵御风险能力。公司持续开展贸易风险限额的回顾与更新，提升自动化水平，进一步优化每日套保台账记录，进而提升公司的整体风险管理水平。

作为公司风险文化的一部分，我们继续积极开展并改善集中化风险控制与支持网络，以支持公司在全球的业务拓展。公司的风险管控流程主要包括：

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

风险管理框架、政策和流程

新加坡公司的全面风险管理框架包括风险管理政策、指引、程序、流程、限额和内控系统，用于识别、评估和控制经营中出现的多种风险，有助于我们对多变的市场做出快速反应。

新加坡公司风险管理的三大支柱分别为：

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

新加坡公司的四层管理与控制架构旨在确保有效的治理体系，同时监督风险管理实践的有效性。

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

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

在管控层面，公司风险会议（简称“风险会”）在风险管理委员会的授权下，负责市场、信用、运营、财务、合规和信誉等各类风险管控措施的组织和实施。风险会主席由风险管理部主管担任，既向首席执行官负责，同时也有权直接、独立地向风险管理委员会汇报。

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

风险管理策略

新加坡公司日益扩大的多产品业务使公司面临多项风险。这些风险敞口来自部分地区监控管理和运营条件的改变，货币变动以及油价波动。为了更好地管理不断拓展的业务组合，公司不断完善风险管理实践，使公司能够有效地应对关键市场的不确定性。

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

- 市场风险 – 因贸易仓位、市场价格变化导致公司受到损失的风险；
- 信用风险 – 贸易对家履约的不确定性所带来的风险；
- 运作风险 – 财务和实货运作之间由于运作环节上的不足而带来的风险；
- 法律风险 – 对法律法规的意识缺乏、误解、不明确或不计后果的行为所带来的财务和/或信誉损失风险；
- 财务风险 – 公司无法履行债务所带来的风险。

RISK MANAGEMENT
风险管理

序号	评估的重大风险	采取的管理策略和解决方案	影响程度
1	投资战略风险	1. 积极寻找为核心航油业务增值的机会，以航空市场营销为重点，支持公司供应与贸易网络； 2. 通过收购活动不断完善公司的投资业务，并投资有利润增长的协同性资产，加大产业链、价值链的投资力度。	一般
2	交易对家信用风险	1. 设立恰当的对家（全球）总信用限额； 2. 每年对活跃对家做复审； 3. 增强信用管理团队； 4. 实施信用缓解措施，如信用证、预付款、信用保险等。	一般
3	中国航油市场政策变化	1. 积极寻找为核心航油业务增值的机会，以航空市场营销为重点，支持公司供应与贸易网络； 2. 通过收购活动不断完善公司的投资业务，并投资有利润增长的协同性资产。	一般
4	新冠疫情影响	1. 及时调整业务策略，如对供应合同进行重新安排，开发新的航油需求等； 2. 密切跟踪疫情发展情况，做好现场办公和居家办公人员安排，制定现场应急管控措施； 3. 做好防疫物资的采购、存储和发放工作； 4. 做好业务连续性的安排。	一般
5	单一产品战略风险	1. 执行产品多元化战略，开发其他油品的供应与贸易能力； 2. 通过寻求供应合同和有投资协同性的资产，为其他油品建立结构性优势，支持贸易活动。	一般

五项关键风险及缓解措施

新加坡公司通过借鉴业内的最佳实践来持续改善公司的风险管理，并通过新的措施加强风险管理能力。在管控主要业务风险之外，公司也通过企业风险管理方法来排查公司经营中的其它风险。以下是公司通过内部评估所得出的2021年公司经营前五大风险。


Good communication is essential for any effective risk management strategy
任何有效的风险管理策略均须建立在良好的沟通上

企业全面风险管理介绍

考虑风险管理在企业可持续发展中的重要作用，新加坡公司采用企业风险管理实践来识别和管理公司在全球业务运作中面临的各种风险。风险团队能够通过全面的风险管理实践，识别、分析和评估公司所面临的主要风险因素，通过由归口管理的部门/子公司执行风险减缓计划，确保关键风险得到积极的监控和管理，并且有适当的缓解措施。

企业风险管理注册表通过自上而下和自下而上两种方法来收集信息、汇总公司风险注册。新加坡公司目前对企业风险注册每半年进行一次回顾，并在回顾的过程中通过对影响力和可能性进行量化的方法对每个注册项进行估值和排序，从而列出对公司潜在影响最大的几项风险。

公司风险会是讨论风险相关议题的重要平台，由公司管理层和业务相关部门主管所组成。通过例会、临时会议、电邮等形式，公司在日常经营中所遇到的任何风险议题均可得到及时的讨论和评估。例如，在某个贸易对家因现金流问题发生延迟付款时，公司风险会可以及时讨论并决定是否要中止与这个对家的任何商业往来。

最近两年，我们在企业范围所进行的压力测试使我们能够更好地了解公司在特殊事件和环境下可能面临的潜在影响，从而为更好地防范和缓解这些负面影响提供了支持。

RISK MANAGEMENT
风险管理

市场风险管理及风险值分析

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

公司继续将市场风险值作为衡量市场风险的基本工具，所有实货合约和金融衍生品合约都受市场风险值限额管理，而公司每日均会跟踪持仓价值的变化。董事会授权的一系列市场风险限额，如数量限额、风险值限额、管理层预警限额、止损限额和套期保值比率也在每日跟踪范围内。此外，公司定期的回溯测试也有助于确保其风险值模型的合理性。

作为对市场风险限额的补充，公司风险管理团队会定期对公司的贸易持仓进行市场压力测试。利用历史数据库中的特殊历史场景，我们能够及时地模拟出公司最近的贸易持仓在极端市场环境下可能受到的影响。2021年，我们进行了四次压力测试，以协助公司对其业务活动有及时和深入的了解，在必要时采取风险缓解措施。

尽管市场环境波动很大，公司的风险偏好始终保持谨慎和节制。根据95%置信区间，公司层面的每日市场风险值使用率基本保持平稳；2021年公司整体的每日市场风险值平均使用率为106万美元。

此外，我们继续严格按照董事会批准的套期保值业务管理方案开展金融衍生品业务，一切金融衍生品业务均以套期保值为目的，严格禁止金融衍生品业务投机行为。

信用风险管理及集中度分析

鉴于公司业务性质，信用风险不可避免，是新加坡公司所面临的一项最显著的可衡量风险。

信用风险可分为信用违约风险，集中度风险和国家风险：

1. 信用违约风险是因贸易对家无法全额偿还债务而对公司造成损失的风险；
2. 集中度风险是某个公司的一个或一组风险敞口所带来的潜在损失足以对该公司继续经营能力造成威胁的风险；
3. 国家风险或主权风险是因一个国家冻结外汇支付或不履行其债务而对公司造成损失的风险。

为了积极管理信用风险，公司会定期对贸易对家的信用状况进行评估，例如观察贸易对家的财务状况、运营和付款记录，并对各贸易对家进行背景调查。公司事后会根据所获得的信息授予对家合适的信用条款及限额。

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

1. 为高风险的交易对家或行业进行特别评估及深入研究，让公司能采取先发制人的风险缓解措施和行动，以避免潜在的信用损失事件发生；
2. 优化公司的交易对家管理政策，成功地提升公司对交易对家管理的有效性和效率。公司也进行了多次对家清理，缩紧高风险对家的信用条款和额度，提高了公司交易对家整体的信用质量；
3. 公司参照标普和穆迪于2020年发布的违约率数据对预计信用损失额计提所采用的违约率进行了更新。

我们应收账款的集中度风险状况如下：

根据国家

截至2021年12月31日，根据公司交易对家的注册地，新加坡公司及其子公司的信用敞口仍主要来自中国大陆（57.61%）和新加坡（36.72%），占总敞口的94.33%。

根据内部信用评级

截至2021年12月31日，内部信用评级方面，信用敞口主要来自于评级为B1（40.98%）、B2（30.76%）、A2（15.52%）和C1（6.38%）级别的贸易对家，占总应收款的93.64%。信用证应收款大约占了总应收款的13.06%。

截至2021年12月31日，公司对信用评级为A1，A2，B1和B2（包括信用证的敞口）类似于投资级别的对家占总敞口的88.32%。公司整体的对家应收款信用评级组合处于良好状态。

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

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

风险管理是新加坡公司业务战略和运营管理的核心部分。公司致力于积极增强风险意识，并不断提高风险管控能力，以确保公司能够有效执行其战略并实现其战略目标，持续为股东创造价值。

COMPLIANCE AND INTERNAL AUDIT
合规与内审

To achieve good business performance and sustain long-term growth in shareholder value, CAO is committed to responsible business practices and uphold high standards of accountability, oversight, integrity and ethics.

OPERATING RESPONSIBLY

Driven by the commitment of the Board of Directors (the "Board") and the CAO's management team, the compliance function falls under the Legal & Compliance Department. This ensures that responsible practices are integrated into the Group's businesses as a core principle. This includes strengthening the effectiveness of internal controls with suitably designed oversight measures and Standard Operating Procedures ("SOPs") to enhance the efficacy of governance and its financial and business operations to support the Group's business strategies.

Amid a dynamic business environment and changes in regulatory and compliance requirements, the Group continues to focus on improving the effectiveness and robustness of its internal controls, procedures and systems to prevent and detect irregularities.

CAO's established system of compliance oversight is in line with the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") framework. This ensures a systematic and integrated approach to evaluate and improve the Group's overall control framework, including regular review of SOPs covering delegation of authority and hedging business policies to further strengthen existing management controls in 2021.

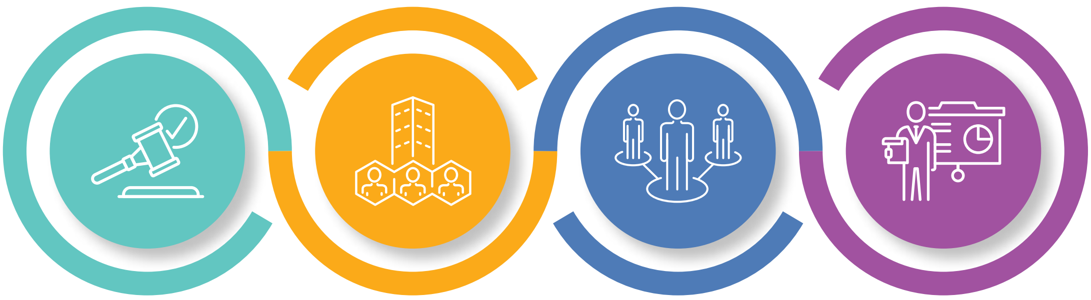
The Group regularly reviews and identifies compliance risks such as anti-trust and competition law, anti-corruption, trade sanctions, occupational safety, health and environmental regulations. The risks include data protection, insider trading and fraud, and seeks to comply with applicable local and international trade legislations and regulations in regions where CAO operates through enforcement of internal policies and directives.

To adhere to regulations on international trade sanctions, the Group leverages on risk intelligence tools to respond to changes in the regulatory landscape. This enables the Group to conduct screening of counterparties and ensure the vigilant monitoring of politically exposed persons including those categorised as heightened risk entities. Where assessment of trade sanction risks requires clarification, the Legal & Compliance Department works closely with the Risk Management Department to evaluate compliance requirements to integrate compliance actions with daily operations at the business level.

PROTECTING THE INTEGRITY OF OUR BUSINESS

CAO enforces a zero-tolerance policy on corruption or bribery of any kind. During the year, the Group has also further tightened the enforcement and thresholds of policies on procurement practices as well as

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



Registered zero incidents of corruption and bribery

零腐败和零贿赂事件

100% participation rate group wide for compliance and ethics-based training

公司员工的合规与道德相关培训参与率达100%

Initiated an updated Delegation of Authority Policy

更新受权审批管理及指令执行政策

Initiated an updated Hedging Business Policy

更新套期保值业务管理政策

COMPLIANCE AND INTERNAL AUDIT
合规与内审

revised guidelines on corporate travel and business entertainment including administration of brokerage companies to hedge our business and promote sustainable business engagement with the Group's stakeholders including employees, business partners, suppliers and shareholders. CAO firmly believes these measures support the Group's efforts against graft, facilitation payments and any form of gratification.

To safeguard the integrity of our business, the Group maintains a comprehensive ethics and compliance programme to equip our employees with the relevant knowledge and competency to apply regulatory and other compliance requirements in their work through mandatory web-based training courses. The Legal & Compliance Department introduces a range of compliance and ethics-based training topics including information security and cyber risk awareness, anti-bribery and anti-corruption and insider trading for all employees.

All our CAO global workforce participated in compliance-related and ethics-based training for 2021.

MAINTAINING VIGILANCE

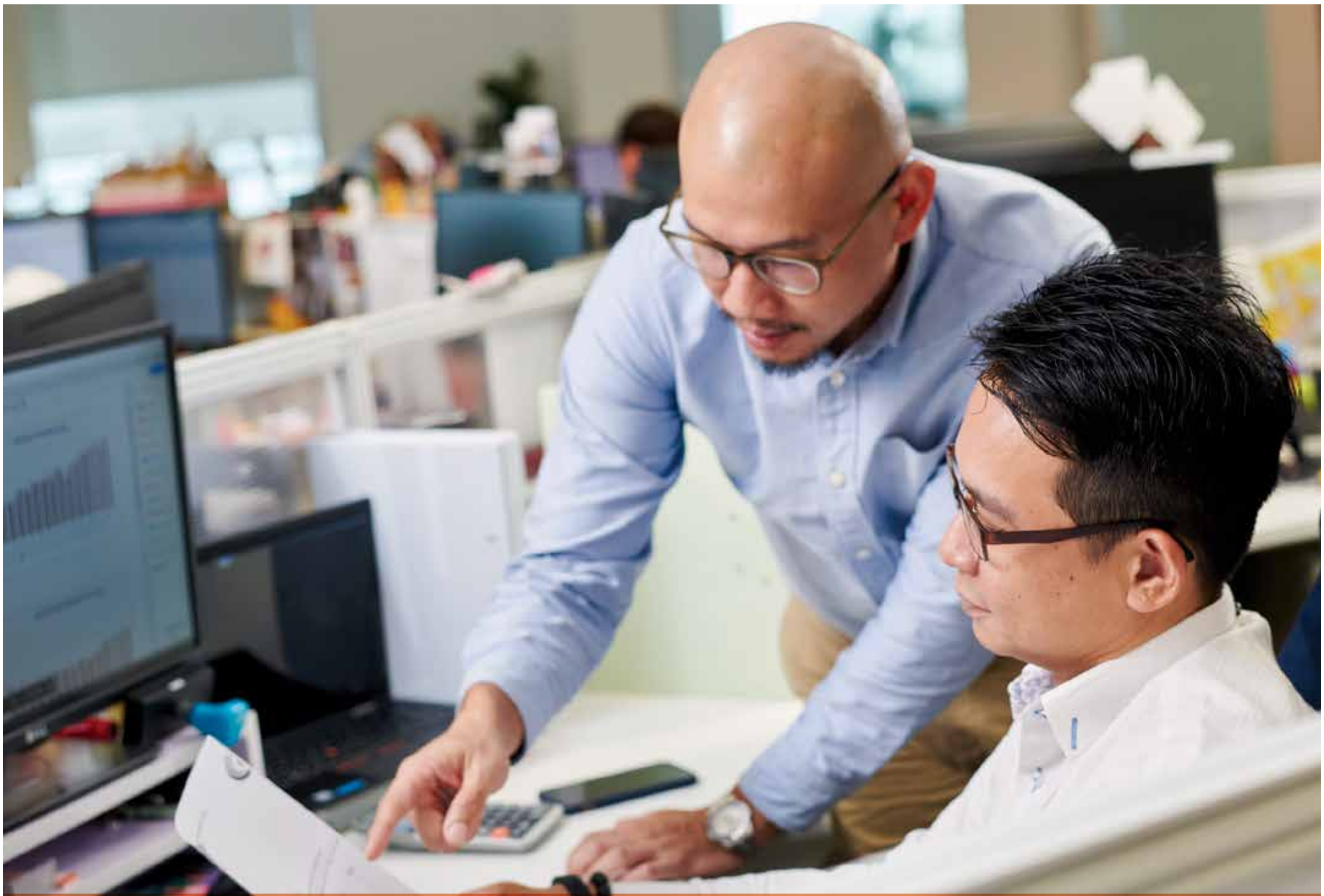
CAO believes vigilance and incident prevention is the best safeguard against potential business disruptions. Recognising the importance of ensuring the efficacy of the Group's resilience towards business disruptions from unplanned events, CAO has continued to validate its Business Continuity Plan ("BCP").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

Taking into consideration the potential strategic, operational, financial and reputational exposure to the Group in significant risk events, the Group conducts a BCP and DRP exercise annually to mobilise incident preparedness across the Group. 2021 was the second year that CAO had conducted such an exercise virtually owing to concerns over the spread of COVID-19 infections. Key personnel from front office to back-end and support functions were involved in a simulated crisis scenario with concurrent participation from CAO's subsidiaries worldwide. The exercise reinforced awareness and strengthened co-ordination across the Group's global presence and was successfully conducted with minimal downtime to support ongoing business applications.

Apart from its compliance role, the Legal & Compliance Department has oversight responsibility for the yearly internal audit work to evaluate the adequacy and effectiveness of control measures and governance processes of the Group. This engagement ensures that suitable control measures are in place to address significant risks in its global business environment.

CAO is committed to creating a safe culture of compliance for all employees
新加坡公司致力于为所有员工创建一个安全的合规文化

COMPLIANCE AND INTERNAL AUDIT
合规与内审



Employees are regularly trained on important compliance topics
员工定期接受重点合规培训

An annual internal audit review plan is submitted to the Audit Committee for approval, and later implemented by a team of qualified professionals from an international auditing firm. The plan assesses the Group's internal control systems including an independent annual review on the overall effectiveness of the Group's business practices. The internal audit report highlights significant audit findings or internal control inadequacies, that could possibly affect the Group's operational effectiveness and are submitted to the Audit Committee and the Board on a quarterly basis. Adoption of corrective measures by relevant departments are subsequently monitored for implementation on specified dates.

In line with CAO's continued commitment to accountability and integrity in its business practices, the Legal & Compliance Department continues to work closely with BDO LLP, CAO's outsourced internal auditor, to ensure that the Group's internal audit activities are aligned with the Institute of Internal Auditors Standards through the Quality Assurance and Improvement Programme assessment in 2021. An internal assessment exercise was conducted through a questionnaire to various stakeholders to get feedback on the viability and quality of CAO's outsourced internal audit activities which were communicated to the auditors for continuous improvement.

It is imperative for CAO to conduct its business in compliance with legislation and regulatory standards. CAO adopted a revised whistleblowing policy in 2021. This included clearer guidance on the Group's approach and stance on whistleblowing and how whistleblowers can raise serious concerns of allegations of wrongdoing, as well as more explicit indications of what might be considered reportable concerns.

Under this whistleblowing policy, whistleblowers may report any reportable concerns on any forms of misconduct affecting the Group, its customers, partners, suppliers and other stakeholders. This can be done without fear of reprisal, dismissal or discriminatory treatment, via the following dedicated email addresses: whistle_blowing@caosco.com or auditcommittee_whistleblowing@caosco.com. During the year, there were no reportable concerns raised through the whistleblowing channels.

COMPLIANCE AND INTERNAL AUDIT
合规与内审

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

践行负责任的经营管理

在董事会的指导及新加坡公司管理层的推进下，法律合规部下属合规团队负责确保公司业务的开展以践行负责任的商业行为作为核心经营原则，包括设立适当的监管措施和标准操作流程来强化内部控制的有效性，提升公司治理水平、财务业绩以及业务运营能力，以支持新加坡公司业务策略的落实。

在复杂多变的商业环境中，监管及合规要求不断变化，公司面临的挑战持续升级。新加坡公司通过强化内部控制，提升运营程序和系统的有效性和可靠性，以有效预防和发现任何违规行为。新加坡公司参照特雷德韦委员会赞助组织委员会的内控框架，制定了较为完善的合规监管体系，以系统化、一体化的方式来评估和改进其总体内控框架，其中包括定期审查授权审批管理和套期保值业务管理的标准操作流程，并于2021年进一步强化了公司的内控体系。新加坡公司定期审查并识别潜在的合规风险，范围涉及反垄断和竞争法、反腐败、贸易制裁、职业安全、健康和环境法规、数据保护条例、内幕交易和欺诈行为，通过强化内部政策和管理指令的执行，以确保公司的操作符合经营环境适用的当地和国际贸易法律法规。

为了遵守与国际贸易制裁的相关法规，新加坡公司借助风险管控信息系统以应对监管环境的变化，有效地对贸易对家开展风险排查，密切监控有政治风险的人员及高风险实体。在需要对贸易制裁风险评估进行澄清的情况下，法律合规部也会与风险管理团队紧密合作，一同开展合规性评估并着重将合规操作贯彻到日常业务与运营之中。

维护企业诚信

新加坡公司对任何形式的贪污和贿赂均保持零容忍态度，并于2021年在采购管理、差旅管理、业务招待管理和纸货经纪公司管理等领域进一步加强了制度管控，以促进公司与员工、业务伙伴、供应商和股东等利益相关方的可持续业务合作关系。新加坡公司坚信，这些措施有助于公司全面防范受贿、收取好处费等违法的利益输送行为。

在维护企业诚信方面，新加坡公司制定了一套完善的道德与合规管理方案，确保公司所有员工在完成强制性的线上培训课程后，能具备相关知识和技能以确保其工作的开展符合相关合规性要求。法律合规部也为公司员工组织了有关合规和商业道德的其他培训项目，其中包括提高信息安全和网络风险意识、反贿赂和反腐败防范和利益冲突意识。2021年，新加坡公司分布在全球各地的员工均参加了合规和商业道德培训，参与度达100%。

保持谨慎

新加坡公司坚信，时刻保持谨慎和实施完善的防范措施是防止出现业务中断的最佳保障。公司也意识到在危机时刻确保关键业务的正常运营，将负面影响降到最低对公司至关重要。因此，新加坡公司制定了包含信息系统灾难恢复计划（简称“DRP”）在内的业务持续性计划（简称“BCP”），并建立了相关的标准操作流程、制度指引和应急处理组织架构，以确保公司具备紧急上报响应程序和及时重启并复原关键业务部门和数据资源的能力。

鉴于重大风险事件对公司的战略、运营、财务和声誉造成的潜在影响，公司每年均会为全体员工安排一次BCP和DRP演习，借此加强公司员工应对紧急事件的能力。2021年，受新冠疫情的影响，在遵守社交距离要求的前提下，公司延续了前一年的做法以虚拟形式开展业务持续性模拟演习。除了前台至后台和支持部门的关键人员外，公司分布在全球各地的子公司员工也同时参与演习，这项演习旨在加强公司全球员工的应急意识和协作能力。在业务几乎不受到干扰的情况下，应急演练顺利完成。

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

内部审计计划在制定后将提交审计委员会批准，获批准的内部审计计划将由国际审计公司的合格专业人士开展。内部审计计划涵盖对公司内部控制系统的评估，并包括年度对公司业务经营整体有效性的独立审核。内审报告重点关注可能影响公司运营效率的重大问题和内部管控缺陷，并按季度提交审计委员会和董事会。相关业务部门在商定的期限内实施整改措施。

为了体现新加坡公司在业务实践中对责任和诚信的一贯承诺，法律合规部与公司外包内审德豪会计师事务所紧密合作，根据国际内部审计师协会标准，在2021年通过“质量保证和改进计划”提升公司内部审计质量。此改进计划以问卷形式向各相关方征求关于公司外包内审工作可行性与质量的反馈，并重点突出需要改进的事项。

新加坡公司坚持在合法合规的前提下开展业务，并更新了公司的举报政策，其中包括公司就举报措施与立场提供更明确的指引，举报者就任何违法违规行为的举报途径，以及更明确地指出可被视为应予举报的行为类型。根据修订后的举报政策，举报者可通过专属的电子邮件地址：whistle_blowing@caosco.com或auditcommittee_whistleblowing@caosco.com，举报任何会影响公司，其客户、供应商和其他利益相关方的违法违规事项，并无需担心遭到报复、解雇或歧视。本年度公司未通过上述举报渠道收到任何举报信息。

HUMAN CAPITAL MANAGEMENT
人才资源管理

In 2021, the emergence and rapid spread of new coronavirus mutant strains continued to test the resilience and determination of the Group and our employees. Spotting light at the end of the tunnel and with new hope brought about by Singapore's nationwide vaccination drive, our employees came together as one team, to overcome challenges in the new "post-pandemic normal", to ensure business continuity and operational stability while keeping in line with our overall "zero-COVID objective".

At the same time, we also strive to ensure the stable and smooth operation of CAO's businesses, to achieve good results amid a demanding operating environment.

KEY HIGHLIGHTS

CAO continuously seeks to improve its Human Resources (HR) management practices, service levels, and incentives by benchmarking itself against the best practices of other listed companies. Against the backdrop of the rapid rise in pandemic cases in 2021, CAO has enhanced and improved safety and protection protocols to ensure the well-being of our employees.

To improve operational efficiency, the Group launched a series of initiatives to review and reorganise workflows and departments in 2018. The current positions of each department were analysed, adjusted, and streamlined to ensure that each department was carrying out its responsibilities at optimal efficiency levels. Employees were subsequently provided clear outlines of their respective job scope, core duties, and targets. To further strengthen and integrate the HR management of our overseas subsidiaries (in Hong Kong, North America, and Europe), the Company issued the "Human Resource Management Guidelines for Subsidiaries." This policy incorporated key HR processes such as recruitment, performance management, remuneration, and workforce planning. It provided an overarching framework for CAO to guide and supervise HR functions within a defined regulatory scope and standardised processes across all members within the Group.

CAO places the well-being and safety of employees as our top priority. Since 2021, the Company has successively held 12 key HR conferences on pandemic prevention, released 18 guidelines in line with the Singapore government's policy. In 2021, 10 rounds of deep-cleansing and disinfection within the office premises had been executed. In addition, the Company completed 75 batches of procurement and distribution of pandemic care kits, including masks, ART kits, sanitisers, and disinfectant wipes in 2021. To encourage employees to protect themselves and their loved ones, the Company provides paid leave for employees to book and take their COVID-19 vaccinations. The total vaccination rate among employees in the Group has reached 98% (two doses), and a third of the employees have also completed their third COVID-19 booster vaccination.

CAO compiled and updated its Employee Handbook to cover the latest policies and guidelines of the Company, thereby enabling all employees to be familiar with the Company's HR policies and practices. The Employee Handbook included the Company overview, performance management and incentives, learning and development, remuneration and benefits, grievance handling and

CAFEU's team of diverse talents
欧洲子公司的多元化人才

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whistleblowing, code of ethics, labour relations, etc., enabling employees to better integrate with our corporate culture, adopt best practices to improve professionalism and comply with the HR policies of the Company.

To foster the spirit of unity and promote interaction among the employees, the Company organised an interactive online team bonding session at the end of 2021. The well-received event was launched with a speech by our CEO, highlighting his valuable perspectives on the outlook for the year ahead and addressing employee concerns and anxieties about remote working arrangements for a prolonged period. The event also refreshed our commitment to CAO's core values of "Excellence, Innovation, Diversity, and Integrity," with many interactive games and attractive prizes for participants! The event promoted and instilled our core values in every employee, as well as enhanced cohesiveness and confidence in the future growth of our Company.

To ensure greater transparency and accuracy, CAO further revised its performance measurement methodology in 2021 by optimising the appraisal structure, scoring principles, and rating rules for all Heads of Departments and general employees. The Company's appraisal system was seamlessly transferred from a paper-based version to online through enhancements via the Office Automation system. Further enhancements were also made to align the performance appraisal methodologies of our three overseas subsidiaries in Hong Kong, Europe, and North America. The performance management philosophy, rating structures, scoring system, and evaluation process were unified under a shared framework. Online training was conducted for all subsidiaries on remuneration and incentives across the Group. A Remuneration Policy was also drawn up to align and standardise key remuneration concepts, salary structures, remuneration principles, and standard implementation by benchmarking against market practices of outstanding companies in the sector. Performance management and incentives were also adjusted to promote a performance-driven culture with a performance-based incentive scheme to motivate and retain key talents.

REWARDING EMPLOYEES

Employees are invaluable assets and key to our success. CAO believes a competitive remuneration package is crucial in keeping employees motivated.

As such, CAO has widened its flexible benefits coverage to ensure greater hiring competitiveness. Employees can now use their flexible benefits for medical purposes, wellness, travel, professional membership fees, and equipment required for remote working. To ensure thorough coverage for employees, CAO has extended its insurance coverage to include dental treatments so employees can enjoy unlimited cashless dental treatments under the panel of clinics in our insurance package. CAO always strives to ensure that its employees are well-equipped to achieve their productivity and performance goals.

CORPORATE CULTURE AND CORE VALUES

Amidst the unfavourable international market environment brought by the COVID-19 pandemic, a corporate culture task force was established in 2021 to promote greater cohesion amongst employees under our core values, vision, and mission. The renewed corporate culture, which emphasises "Excellence, Innovation, Diversity, Integrity," provides the guiding principles for employees regarding work, communication, and interaction, encouraging employees from the ground up to contribute and shape our shared identity together. To further enhance diversity and inclusiveness, CAO also provides support for flexible working arrangements and workplace mental health. At the same time, CAO also provides seasonal gifts and greetings to employees for festive celebrations.

TALENT MANAGEMENT AND CAREER DEVELOPMENT

The Group supports the talent concept of "valuing talents, shaping the quality of talents, and developing talents" through a people-centered approach to foster and nurture desired capabilities and virtues.

CAO provides timely and fair promotion as well as inter-departmental transfer opportunities to employees who are competent and aligned with the Company's culture. The transparent and unimpeded development channels enable employees to understand and better chart their career paths. The performance appraisal policy emphasises the importance of "having abilities and virtues" as key talent evaluation criteria. The Company formulated a remuneration policy and enhanced welfare, which further recognised the value and contribution of our employees. By developing employees who are professional, dedicated, united, and act with integrity, the Company hopes to meet their demands, nurture their potentials and desires to succeed to contribute to the Company's sustainable development.

CAO develops and grows together with its employees through job skills-related training and internal knowledge sharing sessions. Through these initiatives, the employees are empowered to be competent, committed, and professional. In 2021, the Group completed 674 training sessions, accumulating 2,700 training hours or an average of 22 training hours per employee.

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FAIR EMPLOYMENT PRACTICES

Adhering to the Tripartite Guidelines for Fair Employment Practices (TAFEP) and Fair Consideration Framework (FCF), CAO provides equal employment opportunities to candidates of all ethnic backgrounds, selects and matches candidates in a fair and open manner based on their abilities. Utilising a standardised and transparent recruitment tracking tool ensures a fair and thorough selection of all candidates. At the end of 2021, 53% of CAO employees were Singapore citizens, 26% were Singapore permanent residents, and the remaining 21% were foreign employees.

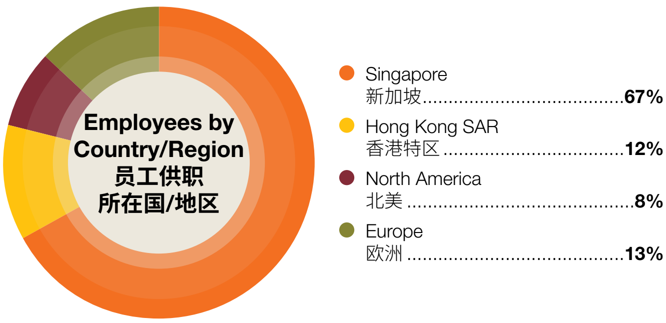
Through fair employment practices and continuous improvement of our performance and rewards system, CAO has grown and optimised its global workforce demographics and mix. By the end of 2021, the total headcount for CAO and its subsidiaries was 121, a 4% increase over 2020.

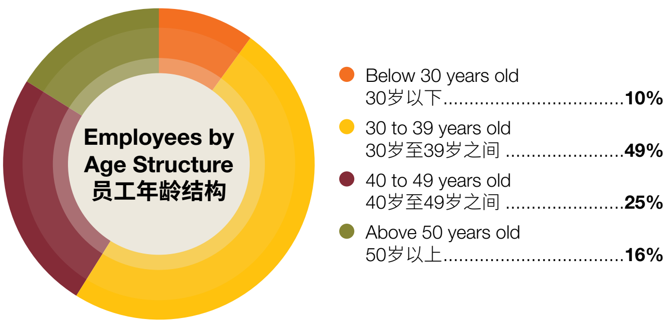
EMPLOYEE DEMOGRAPHICS

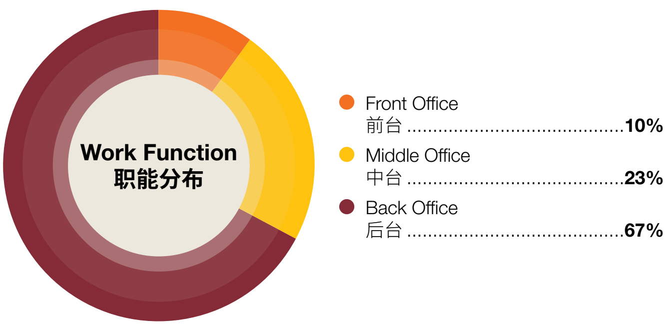
In terms of educational background, approximately 5.8% of the Company's global workforce have at least a diploma, while 46.3% have a degree and 47.9% have a master's degree or above.

In terms of the age structure, 10% of the Group's employees were under 30 years old; 49% were aged 30 to 39; 25% were aged 40 to 49; 16% were 50 and older, among which 38% were senior executives under 50 years old. In terms of gender diversity, the global workforce was 46% male and 54% female.

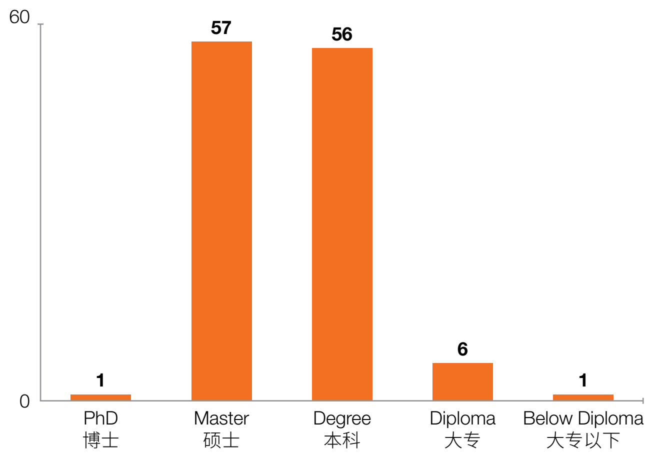
In terms of work function, the number of front-office employees accounted for 10%, the number of middle-office employees accounted for 23%, and the number of back-office employees accounted for 67%. CAO has eight senior executives, of whom 25% are female.



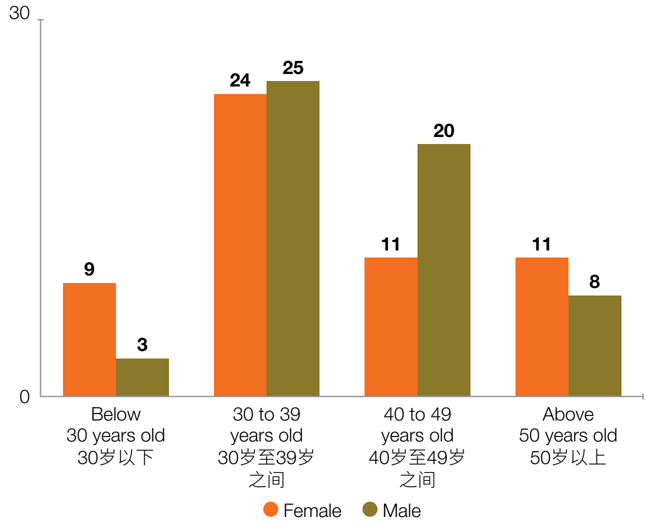




Educational Background Structure
学历结构



Age Group by Gender
按性别划分的年龄组别



HUMAN CAPITAL MANAGEMENT
人才资源管理

Learning and professional development opportunities are provided to all employees to empower them to achieve their goals
新加坡公司为所有员工提供学习和专业发展机会，以协助他们实现目标

WORKPLACE SAFETY

The Group is committed to creating and providing a safe, healthy, fair environment for all employees. Since the revision and implementation of the Safety, Health and Environment (SHE) Policy in July 2020 based on the Workplace Safety and Health Act (WSHA) and Work Injury Compensation Act, the Company has maintained its zero work injury and COVID-related cases track record in 2021.

CODE OF ETHICS/CONDUCT

Since the revision and implementation of the CAO Personal Data Protection (PDP) Policy in July 2020, the Company has established a PDP task force comprising employees from our Human Resource Department, Legal and Compliance Department, Finance Department, and Admin Office. The task force members have participated in professional training to improve compliance awareness, to supervise the PDP policy and practices strictly, and to communicate the policy to employees in various scenarios such as the onboarding process, the orientation, and updating of the employee handbook, in compliance with applicable laws and regulations in the collection, use, disclosure, transmission or processing of personal data. As a result, there were no complaints in 2021 about any leakages or improper use/handling of personal data.

HUMAN CAPITAL MANAGEMENT
人才资源管理

2021年，冠病变异毒株的传播肆虐仍继续考验新加坡公司和全体员工的应变能力和抗疫决心。随着疫苗接种带来的曙光和希望，新加坡公司全员上下一心、共克时艰，调整适应“疫情后常态”并坚持以“员工零染疫”为目标迈进。与此同时，我们也极力确保公司业务运营正常、平稳，在充满挑战的经营环境中实现了良好业绩。

人力资源管理工作亮点

新加坡公司通过对标其它上市公司的最佳人力资源管理实践，不断提升公司人力资源的管理、服务水平并优化激励措施。在2021年海外疫情严峻的形势下，公司通过强化和完善其安全和防疫措施，以维护员工健康安全。

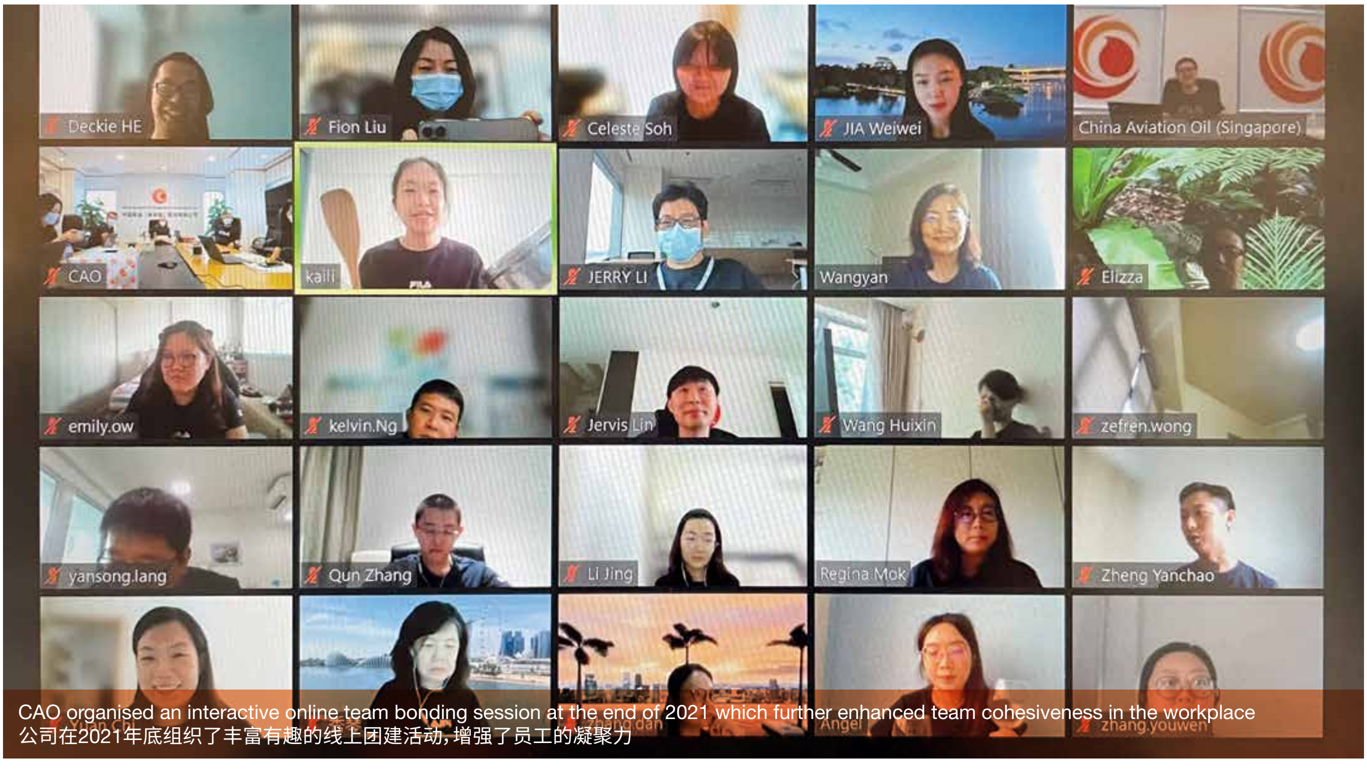
在人力资源管理方面，公司为进一步提升运营效率，在2018年开展了“定岗定编定员”工作，旨在重新梳理和编制各部门的工作职责和流程。公司对各部门的现行岗位进行了工作分析、调整和优化，以确保每个部门均以最佳的效率履行其职责。在完成了公司的定岗定编工作后，员工均能在明确的工作范围内履行其核心工作职责和目标。为了进一步加强对海外子公司人事政策的统筹管理，公司也出台了《控股子公司人事管理办法》，将香港公司、北美公司和欧洲公司有关招聘、考核、薪酬、工作编制等关键人力资源流程纳入到新加坡公司的统一管理框架，实现新加坡公司对子公司界面清晰、全责明确、过程规范的管理模式。

在人力资源服务方面，公司继续将确保员工的健康和安全视为首要任务。结合新加坡当地的疫情形势和政府政策，公司在2021年先后召开了12次防疫工作会议，发布了18项制度性文件，出台了10项防疫措施，采购了75批次防疫物资（包括口罩、快速检测仪和消毒液），以及进行了10次专业消毒。此外，公司也推出员工接种休假福利，积极鼓励员工接种疫苗。新加坡公司海外四地员工的疫苗两针接种率达到98%，三分之一的员工完成了三针疫苗接种。

为了让员工全面了解公司人事管理的各项政策，人力资源团队对《员工手册》进行了修编，其内容涵盖公司概况、考核激励、培训发展、薪酬福利、举报申诉、职业道德、劳动关系等人力资源方面的最新政策，为员工融入公司文化、提升从业素养、保持职业操守和遵守人事政策提供了行动指南。

为了促进员工之间的互动和团结精神，公司在2021年底组织了丰富有趣的线上团建活动，广受好评。首席执行官和大家分享了他对未来一年的前景展望，有效缓解员工长期居家工作的焦虑。团建活动对公司“卓越、创新、多元、诚信”的核心价值观进行了宣贯，增强了员工的凝聚力和对公司未来发展的信心。

在人力资源激励方面，公司进一步修订《新加坡公司绩效考核管理办法》，优化公司对部门主管、员工的考核结构、分数权重和评级规则，以提升绩效考核流程的透明度和准确性。与此同时，公司通过开发内部自动化平台的绩效模块实现了公司全员、全流程线上考核。新加坡总部对位于香港、欧洲和北美三个子公司的绩效考核制度进行了优化，统一各公司考核的基本思路、评价维度、分数结构和基本流程，形成海外各公司统一的奖金激励机制。为确保工作的顺利开展，总部还对子公司开展了薪酬激励培训。公司在2021年中出台《新加坡公司薪酬管理办法》，参照、



CAO organised an interactive online team bonding session at the end of 2021 which further enhanced team cohesiveness in the workplace
公司在2021年底组织了丰富有趣的线上团建活动，增强了员工的凝聚力

HUMAN CAPITAL MANAGEMENT
人才资源管理

对标行业内优秀企业实践，规范新加坡公司的薪酬理念、薪资结构、管理方式和兑现机制，将奖金制度和绩效考核制度有机结合，实现以绩效考核为基本依据、以量化计算为基本方法的人才激励机制。

奖励员工

员工是公司的宝贵资产，是公司取得成功的关键。公司始终认为，有竞争力的薪酬待遇是激发员工保持高度积极性的关键。

为了在就业市场上保持竞争力，公司扩大了灵活福利的覆盖范围。员工现在可以将他们的灵活福利用于医疗、保健、旅行、专业会员费用以及远程办公所需的设备。为了确保员工的医疗保险覆盖范围更广，公司将保险覆盖范围扩大到牙科，员工现在可以在合作牙科诊所享受无限额的牙科治疗。公司一直努力确保员工处于最佳状态，以便于员工达到所设定的目标，创造卓越成绩。

企业文化与核心价值观

为了有效应对疫情影响，保持在不利国际市场环境中的员工凝聚力和战斗力，公司在2021年成立了企业文化工作小组，通过全体员工的集思广益、群策群力，重塑了以“卓越、创新、多元、诚信”为核心价值观的文化内核，并且推出了新的文化标识文案。为了进一步增强员工多样性和包容性，公司也通过多元渠道和平台为员工灵活办公、职场心理健康提供支持，同时为员工准备节日礼品、送上节日祝福。

人才管理与职业发展

新加坡公司践行“尊重人才价值、塑造人才品质、致力人才成长”的人才理念，实践以人为本的关爱导向和德才兼备的育人导向。

新加坡公司对胜任岗位工作、认同公司文化的员工给予及时、公平的晋升或岗位调动。畅通的员工发展通道，更是有助于员工认识和规划个人的职业路径。公司在2021年更新了绩效考核办法，对人才的评价秉持“德才兼备”，除了重视人才的业务能力和岗位技能，也注重人才的综合素质和道德品质。同时，公司制定薪酬管理办法，更新公司的福利政策，以完善的绩效体系、薪资体系、福利体系彰显人才的价值和贡献，满足人才的诉求和希望，激发人才的潜能和建功愿望，通过培养专业、敬业、团结、正直的员工助力公司持续性发展。

新加坡公司与员工同发展、共成长，通过岗位技能培训、公司内部知识分享等方式使员工具备专业称职的工作技能、忠诚守信的职业操守、严谨务实的工作作风。2021全年，新加坡公司及子公司员工培训达674人次，总时长超过2700小时，人均培训时长超过22小时。

公平雇佣实践

新加坡公司秉持以能定岗、人职匹配、公平公正和不拘一格的人才理念，严格遵守《公平就业实践三方指引》和《公平考量框架》，为来自不同国家、种族和背景的候选人提供平等的就业机会。公司建立了招聘跟踪台账，优化了招聘工作的标准化流程和透明度。截至2021年底，新加坡公司员工中，新加坡公民占53%，新加坡永久居民占26%，其余21%为外籍员工。

通过公平雇佣实践和不断完善的绩效、薪酬体系，公司全球员工人数进一步增加、员工结构进一步优化。截至2021年底，公司及子公司员工总数为121人，较2020年增长4%。

员工统计

在员工学历方面，公司全球员工大专及以下学历占5.8%，本科学历占46.3%，硕士及以上学历则占47.9%。

年龄结构上，公司全球员工30岁以下的员工占10%，30至39岁的员工占49%，40至49岁的员工占25%，50岁及以上的员工为16%，其中，50岁以下的高管人员占38%。公司全球员工男女占比为男性46%，女性54%。

职能结构方面，公司全球员工前台人数占比10%；中台人数占比23%；后台人数占比67%。公司高管人员为8人，其中，女性占25%。

工作场所安全

新加坡公司致力于为所有员工创造和提供一个安全、健康、公平、有序的工作环境。自2020年7月公司根据《工作场所安全与卫生法令》和《工伤赔偿法令》修订并实施《安全、健康与环境政策及指导方针》以来，2021年继续保持了零工伤、零染疫记录。

道德/行为准则

新加坡公司自2020年7月修订、实施《中国航油个人资料保护政策》以来，建立了由法律合规部、人力资源部、财务部以及行政办公室人员组成的个人资料保护小组。小组成员参加了专业培训以提高合规意识和个人资料保护能力，对公司的个人资料保护制度和操作进行严格监督，在入职流程、入职培训、员工手册等多种场景向员工讲解公司个人资料保护政策。2021年，在个人资料收集、使用、披露、传输或处理上均符合适用的法律法规，未发生任何有关个人资料泄露或使用/处理不当的投诉。

COMMUNITY ENGAGEMENT
投身社会公益

COMMUNITY ENGAGEMENT

CAO adheres to the highest standards of corporate citizenship and is guided by its corporate values of conducting business activities with integrity whilst enabling excellence, diversity and innovation in our operations. In line with the Group's "sustainable development" philosophy, the Group's corporate social responsibility ("CSR") efforts focus mainly on impact on the communities and the environment, supporting environmental and economic development in our social and charitable initiatives for the communities and societies where we operate.

IMPACT ON THE COMMUNITIES

Over the past year, CAO has supported the needs of local communities despite the COVID-19 pandemic.

Partnering Beyond Social Services' pre-school facility – Healthy Start Child Development Centre ("HSCDC") since 2010, CAO has been actively offering assistance and giving access to quality social and pre-school educational opportunities to the less privileged children from Singapore's Bukit Merah and Redhill neighbourhood in the last decade.

As the COVID-19 pandemic continues to impact communities where we operate, the Group actively supported the HSCDC pre-schoolers and their families, providing food necessities, school supplies as well as personal preventive equipment (including over S$6,000 worth of antigen rapid test ("ART") kits) as Singapore heads towards a new normal where testing for COVID-19 becomes part of the safe management measures introduced to safeguard the local society at large.

CAO is dedicated to helping children from less privileged families
新加坡公司致力于资助来自弱势家庭的孩童

IMPACT ON THE ENVIRONMENT

Beyond the ongoing global impact of COVID-19, CAO is also adapting to the changing needs of a world facing climate change. The Group is dedicating our resources and leading our employees to help manage and minimise our impact on the environment in communities where we live and work.

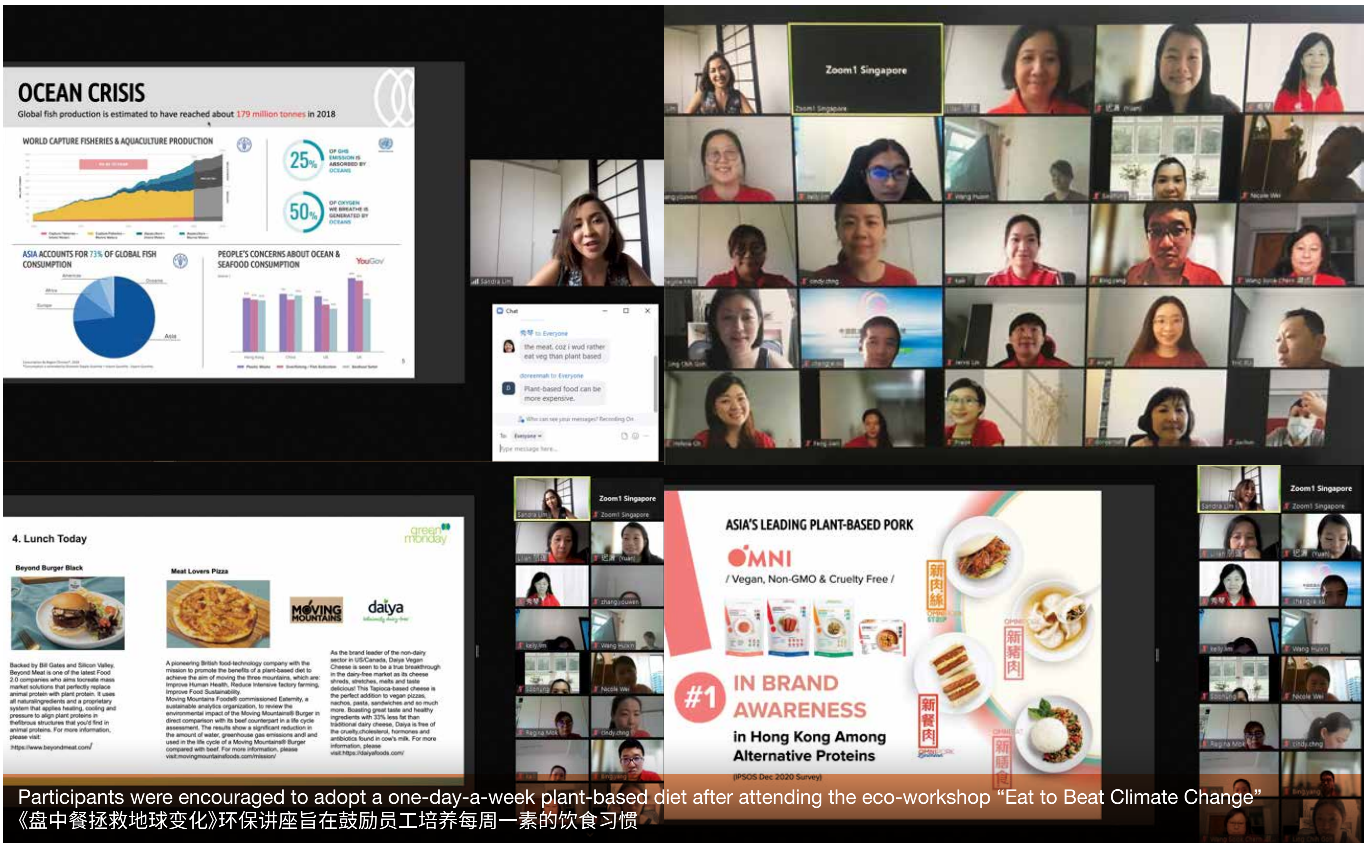
In 2021, the Group continued to engage and support locally-organised initiatives that contribute towards environmental sustainability. During the year, CAO leveraged on digital capabilities to enable employees in Singapore to participate in an eco-workshop addressing food footprint. Partnering Hong Kong-based social enterprise Green Monday, the eco-workshop "Eat to Beat Climate Change" featured a presentation on living responsibly and sustainably with 29 CAO employees in attendance to learn about food footprint reduction and other greenhouse gas emissions.

Tapping on the Group's resources and legacy of work with partnering organisations, the Group's employees at CAFEU in the United Kingdom had volunteered with the China Chamber of Commerce in the UK to participate at the annual Lord Mayor's Parade in London to help promote awareness of climate change challenges. As part of the Group's sustainability commitment, CAFEU employees had also participated in the China-Britain Business Council's "Targeting Net Zero: The Role of UK-China Business" report launch in Glasgow in November 2021 as the Group steps up its focus on and response to climate change.

OPERATING LOCALLY, ACTING GLOBALLY

Even as the world continues to combat the COVID-19 pandemic, CAO remains committed to using our resources and capabilities in social responsibility initiatives to create sustainable value for our host communities in regions where we operate.

COMMUNITY ENGAGEMENT
投身社会公益



Participants were encouraged to adopt a one-day-a-week plant-based diet after attending the eco-workshop "Eat to Beat Climate Change"
《盘中餐拯救地球变化》环保讲座旨在鼓励员工培养每周一素的饮食习惯

投身社会公益

新加坡公司以其核心价值观为导航，秉持企业社会责任，诚信开展商业活动，同时致力于将卓越、多元和创新精神融入企业运营中。公司践行可持续发展理念，通过组织社区和慈善活动促进运营所在地的环境和经济发展。

为社区做贡献

过去一年，尽管疫情形势持续严峻，公司仍尽所能为当地社区提供帮助。

新加坡公司自2010年起开始与彼岸社会服务的学前儿童分支机构——健康起点儿童发展中心（简称"健康起点中心"）合作，从过去10年以来一直为来自新加坡红山一带的弱势儿童提供援助，帮助他们获得高质量的社会和学前教育机会。

面对疫情持续对社区带来的重大影响，新加坡公司积极投入人力物力，为健康起点中心的学前儿童和他们的家人提供急需的食品、学习用品以及个人防疫物资，其中包括总价值超过6,000新元的抗原快速检测仪。随着新加坡逐步进入疫情新常态，定期检测也成了关键的防疫措施之一，而公司此举更是为这些低收入家庭雪中送炭。

致力于环境保护

为了能更好地应对气候变化，新加坡公司也在不断提升自身适应气候变化的能力，同时致力于激励全体员工一起积极管理并减少对居住和工作环境的负面影响。

新加坡公司在2021年继续通过组织和支持当地活动，促进环境的可持续发展。公司与香港社会企业绿客盟合作，通过线上方式为新加坡总部员工举办了一场名为《盘中餐拯救地球变化》的环保讲座，探讨如何通过改变饮食方式来减少自身的碳足迹和其他温室气体排放，进而养成可持续的生活方式，共有29名员工参加了这项活动。

除此之外，英国子公司CAFEU也与中英商会合作，参与到年度伦敦市长就职大巡游的志愿活动中，借此提升民众对气候变化的认知。秉持对可持续发展的使命感，CAFEU员工还参加了由英中贸易协会于2021年11月在格拉斯哥举办的《瞄准零碳：英中贸易的角色》发布会，进一步加强公司对气候变化的关注和应对能力。

植根本地、放眼全球

尽管疫情继续为全球带来诸多挑战，但新加坡公司依旧致力于开展社会责任活动，持续为其运营所在地的社区创造价值。

CORPORATE GOVERNANCE AT A GLANCE

Express Disclosure Requirements – Principles and Provisions of the 2018 Code	How has the Company complied?
General	
Description of the corporate governance practices of the Company with reference to both the Principles and Provisions, and how the Company's practices conform with the Principles. Variations from Provisions are acceptable to the extent that the Company explicitly states and explains its practices are consistent with the aim and philosophy of the Principle in question	Yes. Refer to page 101
Provision 1.2	
The induction, training and development provided to new and existing Directors	Refer to page 105
Provision 1.3	
Matters that require Board approval	Refer to page 102
Provision 1.4	
Names of the members of the Board Committees, the terms of reference of the Board Committees, any delegation of the Board's authority to make decisions and a summary of each Board Committee's activities	Refer to pages 108 to 115
Provision 1.5	
The number of meetings of the Board and Board Committees held in the year as well as attendance of every Board member at these meetings	Refer to page 104
Provision 2.4	
The board diversity policy and progress made towards implementing the board diversity policy	Refer to page 103
Provision 4.3	
Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates	Refer to pages 108 to 109
Provision 4.4	
Where the Board considers a Director to be independent in spite of the existence of a relationship which may affect his or her independence, the nature of the Director's relationship and the reasons for considering him or her as independent should be disclosed	None
Provision 4.5	
The listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, the Nominating Committee's and Board's reasoned assessment of the ability of the Director to diligently discharge his or her duties are disclosed	Refer to pages 20 to 28 and pages 206 to 215
Provision 5.2	
How the assessments of the Board, its Board Committees and each Director have been conducted, including the identity of any external facilitator or its connection, if any, with the Company or any of its Directors	Refer to page 110

CORPORATE GOVERNANCE AT A GLANCE

Express Disclosure Requirements – Principles and Provisions of the 2018 Code	How has the Company complied?
Provision 6.4	
The Company discloses the engagement of any remuneration consultants and their independence	Refer to page 111
Provision 8	
Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration, and the relationship between the remuneration, performance and value creation	Refer to pages 111 to 113
Provision 8.1	
The Company discloses the policy and criteria for setting remuneration, as well as names, amounts and breakdowns of remuneration of: (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel	Refer to pages 112 to 113
Provision 8.2	
Names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000. The disclosure states clearly the employee's relationship with the relevant Director or the CEO or substantial shareholder	None. Refer to page 113
Provision 8.3	
The Company discloses all forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to Directors and key management personnel of the Company, and also discloses details of employee share schemes	Refer to page 113
Provision 9.2	
Whether the Board has received assurance from (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems	Refer to page 118
Provision 11.3	
Directors' attendance at general meetings of the shareholders held during the financial year	Refer to pages 121 to 122
Provision 12.1	
The steps taken to solicit and understand the views of the shareholders	Refer to pages 120 to 121
Provision 13.2	
The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period	Refer to pages 120 to 121

STATEMENT OF CORPORATE GOVERNANCE

In 2021, the constantly evolving COVID-19 situation had continued to exacerbate global economic and geopolitical uncertainties and the fast-changing business landscape had continued to present challenges to the Board of Directors (the "**Board**") and Management of China Aviation Oil (Singapore) Corporation Ltd ("**CAO**" or the "**Company**"). Nonetheless, the Board and Management of the Company remained firmly committed to ensuring the highest standards of corporate governance as a means of enhancing corporate performance and accountability. To demonstrate its commitment towards excellence in corporate governance, the Company had embraced the Company's operating philosophy of "Compliance as Top Priority（合规第一）, Risk Management of Utmost Importance（风控至上）" and our management philosophy of "Transparency（透明化）, Standardisation（规范化） and Refinement（精细化）". We strive to surpass the requirements of openness, integrity and accountability prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the Code of Corporate Governance 2018 (the "**2018 Code**"). Good corporate governance has become a fundamental part of our corporate culture and business practices of the CAO group of companies (the "**CAO Group**") and in ensuring the continued strong performance of our businesses and maintaining investor confidence which underpin the sustainable, long-term growth of our businesses and shareholder value.

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

We confirm that throughout the financial year ended 31 December 2021 and at the date of issue of this Statement of Corporate Governance, the Company is in substantial compliance with the provisions of, and applied the principles set out in the 2018 Code.

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

This report primarily describes the Company's corporate governance practices for the financial year ended 31 December 2021 with specific reference to the 2018 Code and details how we apply the principles and comply with the provisions of the 2018 Code.

STATEMENT OF CORPORATE GOVERNANCE

(A) BOARD MATTERS

The Board's Conduct of its Affairs

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

- provides entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- sets the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders of the Company are understood and met;
- establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of the interests of shareholders of the Company and the Company's assets;
- ensures compliance with all applicable laws, regulations, policies, directives, guidelines and internal codes of conduct by the Company, its subsidiaries and associated companies over which the Company has control and their respective management;
- ensures accurate, adequate and timely reporting to, and communication with the shareholders of the Company;
- considers sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;
- identifies the key stakeholder groups and recognises that their perceptions affect the Company's reputation; and
- reviews Management performance.

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

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

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

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

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

STATEMENT OF CORPORATE GOVERNANCE

Composition of the Board: At the date of issue of this Statement of Corporate Governance, the Board comprises eight (8) Non-Executive Directors and the Chief Executive Officer/Executive Director (the "**CEO/ED**"). All Independent Directors as well as those nominated by the two (2) major shareholders, namely China National Aviation Fuel Group Limited ("**CNAF**") and BP Investments Asia Limited ("**BP**"), were appointed on the strength of their expertise, experience and stature.

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

The Board recognises and embraces the importance of Board diversity which aims to cultivate a broad spectrum of demographic attributes and personal characteristics in the boardroom, leveraging on differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background to ensure that the Company retains its competitive advantage.

The Board has put in place Internal Policy Guidelines on Board Diversity to provide guidance to the Nominating Committee in reviewing and assessing the appropriate mix of diversity, skills, experience and expertise required on the Board and the Board Committees of the Company, and the extent to which the required skills and core competencies are represented on the Board. In carrying out its responsibilities in accordance with the said Internal Policy Guidelines on Board Diversity, the Nominating Committee will take into account the Company's diversity objectives as well as the need to maintain flexibility to effectively address Board renewal and succession planning at Board level and to ensure that the Company continues to attract and retain highly qualified individuals to serve on the Board and Board Committees.

The Board believes that a heterogeneous Board will enable the Company to successfully meet the continual challenges and complexities of businesses and having a diverse set of competencies as a primary resource, will contribute to the achievement of the strategic and commercial objectives of the CAO Group which will include: (i) enhancing corporate reputation through signalling positively to the internal and external stakeholders that the CAO Group emphasises diverse constituencies; (ii) driving better business performance and results; (iii) making corporate governance more effective; (iv) encouraging a wider range of ideas and options and ensuring high quality and responsible decision-making capability; and (v) ensuring sustainable growth and development of the CAO Group.

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

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

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

STATEMENT OF CORPORATE GOVERNANCE

Meetings of the Board and Board Committees: Notwithstanding the adoption of half-yearly reporting of financial results of the Company from the financial year ended 31 December 2020, the Board continued to meet on a quarterly basis. The Board met four (4) times in 2021. At the scheduled Board meetings for the financial year 2021, the Board: (i) reviewed and approved the release of the half-year and full-year results; (ii) discussed reports by Management relating to major corporate activities; (iii) approved the annual budget; and (iv) reviewed the performance of the CAO Group's businesses. When Directors cannot be physically present, telephonic attendance and conference via audio-visual communication at Board and Board committee meetings are allowed under the Company's Constitution. The number of meetings of the Board and Board Committees held in 2021 as well as the attendances of each Board member at these meetings are disclosed below:

Name of Director	Board Meetings	Board Committee Meetings				Independent Directors' Meeting
		Audit	Nominating	Remuneration	Risk Management	
Gong Feng	4	N.A.	N.A.	N.A.	N.A.	N.A.
Teo Ser Luck	4	4	1	N.A.	4	1
Wang Yanjun	4	N.A.	N.A.	N.A.	N.A.	N.A.
Li Yongji (1)	2	2	N.A.	N.A.	2	N.A.
Zhang Yuchen (2)	4	1	1	2	2	N.A.
Li Runsheng (3)	3	3	N.A.	2	N.A.	N.A.
Hee Theng Fong	4	4	N.A.	3	4	1
Conrad Frederick James Clifford (4)	2	N.A.	0	1	2	0
Bella Young Pit Lai (5)	2	1	N.A.	1	1	N.A.
Eugene Leong Jhi Ghin (6)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Richard Yang Minghui (7)	2	2	N.A.	2	N.A.	N.A.
Shi Lei (8)	1	N.A.	0	0	0	N.A.
Fu Xingran (9)	1	1	1	1	N.A.	1
Jeffrey Goh Mau Seong (10)	–	N.A.	–	–	–	–
Number of Meetings Held	4	4	1	3	4	1

Notes:

(1) Mr Li Yongji, a CNAF-nominee Director, resigned as a Non-Executive, Non-Independent Director on 1 September 2021. He concurrently relinquished his office as Vice Chairman of the Audit Committee, Vice Chairman of the Risk Management Committee and as a member of the Nominating Committee.

(2) Mr Zhang Yuchen, a CNAF-nominee Director and a Non-Executive, Non-Independent Director was appointed as the Vice Chairman of the Audit Committee and the Vice Chairman of the Risk Management Committee in place of Mr Li Yongji on 1 September 2021. He concurrently relinquished his office as the Vice Chairman of the Remuneration Committee and as the Vice Chairman of the Nominating Committee. He remained as a member of the Nominating Committee.

(3) Mr Li Runsheng resigned as a Non-Executive, Independent Director on 30 September 2021. He concurrently relinquished his office as the Chairman of Nominating Committee and as a member of the Audit Committee and the Remuneration Committee.

(4) Mr Conrad Frederick James Clifford was appointed as a Non-Executive, Independent Director on 19 February 2021 in place of Mr Eugene Leong Jhi Ghin. He was concurrently appointed as the Chairman of the Remuneration Committee and a member of the Nominating Committee and the Risk Management Committee. Mr Clifford resigned as a Non-Executive, Independent Director on 31 December 2021. He concurrently relinquished his office as the Chairman of Remuneration Committee and as a member of the Nominating Committee and the Risk Management Committee.

(5) Ms Bella Young Pit Lai, a BP-nominee Director, resigned as a Non-Executive, Non-Independent Director on 31 May 2021. She concurrently relinquished her office as a member of the Audit Committee, the Risk Management Committee, the Nominating Committee and the Remuneration Committee.

(6) Mr Eugene Leong Jhi Ghin, a BP-nominee Director, resigned as a Non-Executive, Non-Independent Director on 19 February 2021. He concurrently relinquished his office as the Chairman of the Risk Management Committee and as a member of the Audit Committee.

(7) Dr Richard Yang Minghui, a BP-nominee Director, was appointed as a Non-Executive, Non-Independent Director on 31 May 2021 in place of Ms Bella Young Pit Lai. He was concurrently appointed as a member of the Audit Committee and the Remuneration Committee.

(8) Mr Shi Lei, a CNAF-nominee Director, was appointed as a Non-Executive, Non-Independent Director on 1 September 2021. He was concurrently appointed as the Vice Chairman of the Nominating Committee, Vice Chairman of the Remuneration Committee and as a member of the Risk Management Committee.

(9) Dr Fu Xingran was appointed as a Non-Executive, Independent Director on 30 September 2021 in place of Mr Li Runsheng. He was concurrently appointed as the Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee.

(10) Dr Jeffrey Goh Mau Seong was appointed as a Non-Executive, Independent Director on 31 December 2021 in place of Mr Conrad Frederick James Clifford. He was concurrently appointed as the Chairman of the Remuneration Committee and as a member of the Nominating Committee and the Risk Management Committee.

STATEMENT OF CORPORATE GOVERNANCE

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

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

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

Despite the ongoing coronavirus situation in 2021, comprehensive director familiarisation sessions for newly appointed Directors who joined the Board in 2021 were arranged whenever practicable. The purpose of the familiarisation sessions would be to familiarise them with the business activities, strategic direction, policies and corporate governance practices of the CAO Group. Areas covered included the Corporate Strategy and Investments, Oil Trading and Aviation Marketing Businesses of the CAO Group, Risk Management Framework, Policies and Practices, overview of the financial performance of the CAO Group, Investor Relations Activities, Compliance and Internal Audit function, Directors' Duties and Continuing Listing Obligations and Governance Structure, Policy and Practices of the CAO Group. These sessions also provided opportunities for these newly appointed Directors to get acquainted with senior management, and also foster better rapport and communications with Management.

For any Director who has no prior experience as a director of a listed company, arrangements will be made for him or her to attend the Listed Entity Director ("**LED**") Programme conducted by the Singapore Institute of Directors ("**SID**") within a year of his or her appointment. Accordingly, the Company had arranged for Mr Gong Feng, Mr Shi Lei, Mr Zhang Yuchen, Mr Conrad Frederick James Clifford, Dr Richard Yang Minghui and Dr Fu Xingran to attend the LED Programme conducted by SID, within one year of their respective date of appointment as a Director of CAO.

Continuing Professional Development of Directors: In line with CAO's Policy on Director Orientation and Professional Development adopted by the Board, continuing professional development programmes were organised for Directors to ensure that all Directors are updated on important market developments in the industry relevant to the business of the CAO Group and issues which may have a significant impact on the businesses, financial and operational matters of the CAO Group. These programmes are conducted by external advisers, experts or senior management and these included a Board Information Session on "Carbon Market Insights" conducted by Ernst & Young LLP Singapore. The Company also provides the Board with updates on developments in laws and regulations or changes in regulatory requirements and financial reporting standards, which are relevant to or may affect the CAO Group's businesses. The Directors have been periodically updated on various aspects of the CAO Group's operations through briefings, informal discussions and meetings with Management. As part of the Company's continuing professional education for Directors, the Company circulates to the Board articles, reports and news releases issued by the SGX-ST which are relevant to the CAO Group's businesses. Also, wherever applicable, meetings are arranged for the Directors to meet with relevant experts on issues which impact the CAO Group's operating environment. In addition, the Directors are encouraged to attend appropriate relevant external programmes such as those conducted by the SID or seminars organised by the SGX-ST or other professional institutions, at the Company's expense. The Directors may also, at any time, request further information or meetings with Management on the CAO Group's operations. The Company has also made arrangements for Directors to conveniently access selected courses from the Thomson Reuters e-learning portal. These courses included: (1) "Information Security and Cyber Risk Awareness"; (2) "Cyber Resilience"; and (3) "Introduction to Corporate Social Responsibility and ESG Investing".

STATEMENT OF CORPORATE GOVERNANCE

Directors' Disclosure of Interests: The Board has established the Board of Directors Conflict of Interest Policy (the "**Board Conflict of Interest Policy**") which is adjunct to the Company's overarching commitment to high levels of integrity and transparency. The Board Conflict of Interest Policy provides guidance and assistance to the Board in identifying and disclosing actual and potential conflicts of interest, and to help ensure the avoidance of any conflicts of interest where necessary.

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

Any Director who has an interest that may present a conflict between (a) his or her obligation with the Company and his or her personal business or other interests; and/or (b) the interests of the appointing major shareholder and the interests of the Company on which he or she serves, will either recuse himself or herself from participating in the deliberations and voting on the matter or declare his or her interest and abstain from decision-making.

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

Board Composition and Guidance

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

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

The Nominating Committee carried out the review on the independence of the Non-Executive Directors in September 2021 by taking into consideration the Directors' Test of Independence Policy and the information collected from each Director through the completion by each Director of a confirmation of independence checklist. The Director is required to declare any circumstances in which he may be considered non-independent. The Nominating Committee will then review the confirmation of independence checklist by applying the Directors' Test of Independence before affirming the independence of a Director.

In the Form of Director's Declaration for 2021, Mr Teo Ser Luck, Mr Hee Theng Fong, Dr Fu Xingran and Dr Jeffrey Goh Mau Seong had each confirmed that there were neither any circumstances that could have materially interfered with his exercise of unfettered and independent judgment nor were there any occurrence of any circumstances where the interests of CAO might not be best served by the interests of the major shareholders of CAO. All have demonstrated their independence in character and judgement in discharging their duties and responsibilities as Directors of the Company and their ability to act in the best interests of the Company. This is evident from the minutes of the proceedings of the Board and Board Committees where they had expressed individual viewpoints and objectively scrutinised and sought clarifications from the Management, employees, external auditors and internal auditors of CAO as they considered necessary.

STATEMENT OF CORPORATE GOVERNANCE

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

The composition of the Board is reviewed annually by the Nominating Committee. The Nominating Committee is satisfied that the Board comprises Directors who as a group possess the necessary calibre, experience and core competencies for effective decision- making. Individual directors' profiles can be found in "Board of Directors" section of the Annual Report.

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

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

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

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

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

The list of responsibilities of the Chairman and the CEO/ED is available for inspection at the Company's registered office.

Regular Meetings of Independent Directors: In accordance with the CAO Corporate Governance Policy, the Independent Directors of CAO meet at least once a year, without the presence of the other Directors, to discuss any matters relevant to the CAO Group, such as its investment criteria, risk management and internal controls, risk appetite and risk tolerance, performance of management, Board communication and performance, and strategic issues. The Independent Directors of CAO met in November 2021 at a meeting chaired by the Lead Independent Director without the presence of the other Directors and the Management.

STATEMENT OF CORPORATE GOVERNANCE

Board Membership

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

Nominating Committee

Fu Xingran (1)	Chairman
Shi Lei (2)	Vice Chairman
Teo Ser Luck	Member
Zhang Yuchen (3)	Member
Jeffrey Goh Mau Seong (4)	Member

Note:
(1) Dr Fu Xingran was appointed as Chairman on 30 September 2021 in place of Mr Li Runsheng.
(2) Mr Shi Lei was appointed as Vice Chairman on 1 September 2021 in place of Mr Zhang Yuchen.
(3) Mr Zhang Yuchen stepped down as Vice Chairman but remained as a member on 1 September 2021.
(4) Dr Jeffrey Goh Mau Seong was appointed as a member on 31 December 2021 in place of Mr Conrad F.J. Clifford.

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

The Nominating Committee held one (1) meeting in 2021 where it met to discuss and review (i) the independence of Non-Executive Directors; (ii) Board Performance Evaluation; and (iii) the Nominating Committee Annual Self-Assessment Findings. The Nominating Committee had also reviewed and approved several other matters under its remit via email circulation.

The responsibilities of the Nominating Committee include:

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

Board Nomination Process for the Selection and Appointment of New Independent Directors: The Nominating Committee will generally apply the Internal Guidelines for Selection and Appointment of Independent Directors of CAO (the "**Internal Guidelines**") for the process of identifying, evaluating and selecting suitable candidates for appointments as new Independent Directors of the Company. In considering the overall balance of the Board's composition, the Nominating Committee will give due consideration to the selection and evaluation criteria set out in the Internal Guidelines, having regard to the normally accepted nomination criteria which include but not limited to (i) the appropriate background, experience, industry knowledge or ability to acquire that knowledge, professional skills and qualifications; (ii) demonstrated, willingness to devote the required time, including being available to attend meetings of the Board and Board Committees; and (iii) high levels of personal and professional integrity as well as business ethics.

In the case of selection and appointment of CNAF-Nominee Directors and BP-Nominee Directors, the Nominating Committee will not apply the Internal Guidelines. However, with regard to the nominations received from either CNAF or BP for the appointment and/or replacement of their respective nominee Directors, the Nominating Committee may apply the relevant evaluation criteria in the Internal Guidelines when assessing their suitability in complementing the core competencies of the Board at that time.

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In the course of the year, Dr Richard Yang Minghui, a BP-nominee Director was appointed as a Non-Executive, Non-Independent Director of the Company in place of Ms Bella Young Pit Lai in May 2021 and Mr Shi Lei, a CNAF-nominee Director, was appointed as a Non-Executive, Non-Independent Director of the Company in place of Mr Li Yongji in September 2021. Prior to the respective appointments of Dr Richard Yang Minghui and Mr Shi Lei, Nominating Committee had considered the relevant evaluation criteria in the Internal Guidelines when assessing the suitability of Dr Richard Yang Minghui and Mr Shi Lei in complementing the core competencies of the Board. Following consideration and assessment, the Nominating Committee submitted its recommendations to the Board for approval of the respective appointments of Dr Richard Yang Minghui and Mr Shi Lei as Non-Executive, Non-Independent Directors of the Company. The Board had considered the recommendations of the Nominating Committee and the backgrounds, qualifications and experiences of Dr Richard Yang Minghui and Mr Shi Lei respectively and approved the respective appointments of Dr Richard Yang Minghui as a Non-Executive, Non-Independent BP-nominee Director of the Company and Mr Shi Lei as a Non-Executive, Non-Independent CNAF-nominee Director of the Company.

During the course of the year, the Nominating Committee commenced the search for prospective candidates identified from a number of sources which included referrals from directors' contacts, industry partners and candidates identified through the Board Appointment Services of the SID. The members of the Nominating Committee/Independent Directors conducted interviews with identified candidates to assess and ascertain their suitability for appointment as Independent Directors of the Company to fill the casual vacancies in the Board following the resignation of Mr Li Runsheng and Mr Conrad F.J. Clifford in September 2021 and December 2021 respectively. Following careful consideration and assessment, Dr Fu Xingran and Dr Jeffrey Goh Mau Seong were shortlisted as candidates for appointment as Independent Directors of the Company. The Nominating Committee had considered the relevant evaluation criteria in the Internal Guidelines when assessing their suitability in complementing the core competencies of the Board. Following consideration and assessment, the Nominating Committee submitted its recommendations to the Board for approval of the appointment of Dr Fu Xingran as an Independent Director of the Company on 30 September 2021 in place of Mr Li Runsheng who stepped down as an Independent Director in support of board renewal following his tenure as an Independent Director of the Company of more than six (6) years. Similarly, following consideration and assessment, the Nominating Committee submitted its recommendations to the Board for approval of the appointment of Dr Jeffrey Goh Mau Seong as an Independent Director of the Company on 31 December 2021 in place of Mr Conrad F.J. Clifford who stepped down as an Independent Director due to his heavy principal commitments following his overseas posting to the Head Office of International Air Transport Association in Geneva. The Board had considered the recommendations of the Nominating Committee and the background, qualifications and experiences of each of Dr Fu Xingran and Dr Jeffrey Goh Mau Seong. After having confirmed the independence of each of Dr Fu Xingran and Dr Jeffrey Goh Mau Seong, the Board approved the appointment Dr Fu Xingran as an Independent Director of the Company on 30 September 2021 and the appointment of Dr Jeffrey Goh Mau Seong as an Independent Director of the Company on 31 December 2021.

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

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

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

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

Retirement by Rotation and Re-election of Directors: Pursuant to Regulation 94 of the Company's Constitution, one-third of the members of the Board of Directors shall retire by rotation at every annual general meeting of the Company (the "**AGM**") and these Directors may offer themselves for re-election, if eligible. For the 28th AGM to be held on 27 April 2022, Mr Teo Ser Luck and Mr Hee Theng Fong are due for retirement by rotation and would be eligible for re-election.

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In accordance with Regulation 100 of the Company's Constitution, Dr Richard Yang Minghui and Mr Shi Lei who were appointed as Non-Executive, Non-Independent Directors of the Company on 31 May 2021 and 1 September 2021 respectively, and Dr Fu Xingran and Dr Jeffrey Goh Mau Seong, who were appointed as Non-Executive, Independent Directors of the Company on 30 September 2021 and 31 December 2021 respectively, will each hold office as Directors until the next annual general meeting of the Company and will be eligible for re-election under Regulation 100 at the 28th AGM.

Board Performance: The Nominating Committee evaluated the performance of each Director and the effectiveness of the Board as a whole. The Board has, through the Nominating Committee, implemented a formal process annually for assessing the effectiveness of the Board as a whole, each of its Board Committees and individual Directors (the "**Overall Board/ Board Committees' Performance Evaluation**"). The Overall Board/Board Committees' Performance Evaluation entailed the completion by each member of the Nominating Committee of a Board assessment and effectiveness questionnaire (the "**Board Evaluation Questionnaire**").

The elements of the Board Evaluation Questionnaire included questions on (i) the Board's composition; (ii) Board's access to information prior to Board meetings and on an ongoing basis to enable them to properly discharge their duties and responsibilities as Directors; (iii) the expertise and experience of each member of the Board; (iv) the conduct of proceedings of meetings, participation and contributions to the Board both inside and outside of Board meetings; (v) the assessment of the performance benchmark for assessing the performance of the Board as a whole and in ensuring the continued return for shareholders; and (vi) the standard of conduct in preventing conflicts of interest and the disclosure of personal interests and abstention from voting where appropriate.

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

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

A general summary of the assessment ratings on each of the elements of the Board Evaluation Questionnaire by each member of the Nominating Committee will be collated by the Company Secretary for the Nominating Committee's deliberation and consensus at its Nominating Committee Meeting held in November 2021.

During the year, each of the Board committees also conducted an annual self-evaluation to assess its effectiveness as a whole and explored ways to further enhance its effectiveness.

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

Access to Information

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

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

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

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

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

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

The Board also has ready access to external professionals for consultations.

(B) REMUNERATION MATTERS

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

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

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

Remuneration Committee

Jeffrey Goh Mau Seong (1)	Chairman
Shi Lei (2)	Vice Chairman
Fu Xingran (3)	Member
Hee Theng Fong	Member
Richard Yang Minghui (4)	Member

Note:

(1) Dr Jeffrey Goh Mau Seong was appointed as Chairman on 31 December 2021 in place of Mr Conrad F.J. Clifford.
(2) Mr Shi Lei was appointed as Vice Chairman on 1 September 2021 in place of Mr Zhang Yuchen.
(3) Dr Fu Xingran was appointed as a member on 30 September 2021 in place of Mr Li Runsheng.
(4) Dr Richard Yang Minghui was appointed as a member on 31 May 2021 in place of Ms Bella Young Pit Lai.

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

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

Broadly, remuneration for the CEO/ED and five (5) KMPs for the financial year ended 31 December 2021 is based on the Company's performance as well as individual performances, and the remuneration for Non-Executive, Independent Directors in the form of fees is based on responsibilities and memberships in the Board and its committees.

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

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

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

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

The remuneration of Directors payable for the financial year ended 31 December 2021 is set out below:

Name of Director	Fee (S$)	Basic/ Fixed Salary and Allowance (S$)	Variable/ Performance Bonus (S$)	Others (S$)	Long-Term Incentives (S$)	Total (S$)
Executive Director						
Wang Yanjun (1) (CEO/ED)	0	232,620	90,986	46,732	0	370,338
Non-Executive Directors						
Gong Feng + (Chairman)	0	N.A.	N.A.	N.A.	N.A.	0
Teo Ser Luck (Lead Independent Director)	138,000	N.A.	N.A.	N.A.	N.A.	138,000
Li Yongji +	0	N.A.	N.A.	N.A.	N.A.	0
Zhang Yuchen +	0	N.A.	N.A.	N.A.	N.A.	0
Li Runsheng	74,794.52	N.A.	N.A.	N.A.	N.A.	74,794.52
Hee Theng Fong	108,000	N.A.	N.A.	N.A.	N.A.	108,000
Conrad Frederick James Clifford (2)	86,575.34	N.A.	N.A.	N.A.	N.A.	86,575.34
Bella Young Pit Lai +	0	N.A.	N.A.	N.A.	N.A.	0
Eugene Leong Jhi Ghin +	0	N.A.	N.A.	N.A.	N.A.	0
Richard Yang Minghui +	0	N.A.	N.A.	N.A.	N.A.	0
Shi Lei +	0	N.A.	N.A.	N.A.	N.A.	N.A.
Fu Xingran (3)	25,205.47	N.A.	N.A.	N.A.	N.A.	25,205.47
Jeffrey Goh Mau Seong (4)	0	N.A.	N.A.	N.A.	N.A.	0

Notes:

(1) The total remuneration of Mr Wang Yanjun shown above includes the 2020 variable bonus paid during the financial year 2021 and excludes the 2021 variable bonus payable during the financial year 2022.
(2) Mr Conrad F. J. Clifford was appointed as a Non-Executive, Independent Director on 19 February 2021. He was concurrently appointed as Chairman of the Remuneration Committee in place of Mr Hee Theng Fong who stepped down as the Chairman of the Remuneration Committee and was appointed as the Chairman of the Risk Management Committee.
(3) Dr Fu Xingran was appointed a Non-Executive, Independent Director on 30 September 2021 in place of Mr Li Runsheng who resigned on the same date. He was concurrently appointed as the Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee.
(4) Dr Jeffrey Goh Mau Seong, was appointed as a Non-Executive, Independent Director on 31 December 2021 in place of Mr Clifford who resigned on the same date. Dr Goh was concurrently appointed as Chairman of the Remuneration Committee and a member of the Nominating Committee and the Risk Management Committee.
\+ Non-Executive, Non-Independent Directors of the Company do not receive Directors' fees.

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Remuneration Bands	Name of Key Management Personnel	Base/Fixed Salary (%)	Variable Bonus (%)	Allowances & Other Benefits (%)	Long-Term Incentives (%)	Total (%)
S$500,001 – S$750,000	Elizza Ding	75.0	22.3	2.7	0.0	100.0
S$250,000 – S$500,000	Xu Guohong	65.0	23.5	11.5	0.0	100.0
	Doreen Nah	73.5	23.0	3.5	0.0	100.0
	Koh Jia Mian	71.5	21.0	7.5	0.0	100.0
Below S$250,000	Guo Feng	69.7	12.5	17.7	0.0	100.0
Total Remuneration of Five (5) Key Management Personnel (1)	**S$1,787,858**					

(1) The remuneration disclosed for the KMP includes the 2020 variable bonus paid during the financial year 2021 and excludes the 2021 variable bonus payable during the financial year 2022.

There are no employees in the CAO Group who are immediate family members of the Chairman or any of the Directors during the financial year ended 31 December 2021. “Immediate family member” means the spouse, child, adopted child, stepchild, brother, sister, and parent.

The remuneration of the CAO Group’s five (5) KMP takes into consideration the pay and employment conditions in the same industry and is performance-related.

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

Basic/fixed salary – The basic salary (exclusive of statutory employer contributions to Central Provident Fund) for the CEO/ED and each KMP were approved by the Remuneration Committee and endorsed by the Board, taking into account the performance of the individual for the financial year 2021, the inflation price index and information from independent sources on the pay scale for similar jobs in a selected group of comparable organisations.

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

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

(C) ACCOUNTABILITY AND AUDIT

Accountability:

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

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

The Board had adopted a Financial Audit Management Measures (the "**Financial Audit Management Measures**") which had been drafted in accordance with the requirements of the Singapore Companies Act 1967, the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, the Listing Manual of SGX-ST, 2018 Code and Corporate Governance Policy of CAO. The Financial Audit Management Measures will serve to further strengthen financial supervision, regulate the annual audit of financial statements, improve the quality of accounting information as well as enhance the level of financial management of the CAO Group. In line with the prevailing regulatory requirements of the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China, which has jurisdiction over CNAF, which is a state-owned enterprise of the People's Republic of China, and over the Company as CNAF's subsidiary, the same audit firm may undertake the financial audit of the CAO Group for not more than five (5) consecutive financial years. For audit firm with good audit quality track record, the Company may request for extension of engagement of the same audit firm and obtain approval from the Audit Committee and the Board, but the number of years of consecutive financial audits shall not exceed eight (8) financial years. The audit firm extending its year of consecutive audits beyond five (5) financial years will be required to change the engagement partner and the signing certified public accountant from the sixth year onwards.

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

During the financial year 2021, the Board, through the Audit Committee, Deloitte & Touche LLP ("**Deloitte**") and internal auditors, BDO LLP ("**BDO**"), scrutinised Management's conduct of the Company's and the CAO Group's business processes and financials. Each area of the Company and the CAO Group was audited on an ongoing basis to ensure that the Company and the CAO Group maintain good corporate practices and governance and financial integrity.

RISK MANAGEMENT AND INTERNAL CONTROLS

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

As at the date of this report, the Risk Management Committee comprises five (5) members, all of whom are Non-Executive Directors:

Risk Management Committee

Hee Theng Fong	Chairman
Zhang Yuchen (1)	Vice Chairman
Teo Ser Luck	Member
Shi Lei (2)	Member
Jeffrey Goh Mau Seong (3)	Member

Note:

(1) Mr Zhang Yuchen was appointed as Vice Chairman on 1 September 2021 in place of Mr Li Yongji who stepped down as Vice Chairman on the same date.
(2) Mr Shi Lei was appointed as a member on 1 September 2021.
(3) Dr Jeffrey Goh Mau Seong was appointed as a member on 31 December 2021 in place of Mr Conrad F.J. Clifford who resigned as a Director on the same date.

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

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

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

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

The Risk Management Committee had delegated the day-to-day management of the risks of the Company and the CAO Group to the Company Risk Meeting, which operates within the delegated authority set by the Risk Management Committee from time to time. The Company Risk Meeting comprises the Head of Risk Management, senior Management and relevant functional heads (i.e. from Trading, Operations, Finance and Legal & Compliance), and meets at least once a year as well as on an ad hoc basis when required. The Chairman of the Company Risk Meeting, who is the Head of Risk Management, directly reports to the Chief Financial Officer ("**CFO**") but also has an independent direct reporting line to the Risk Management Committee.

The Risk Management Report is found on page 78 of the Annual Report.

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

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

STATEMENT OF CORPORATE GOVERNANCE

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

As part of the CAO Group's efforts to ensure all employees of the CAO Group stay relevant and informed of the dynamic business environment and uphold core ethics and values that are essential to the long-term success of the CAO Group, the Legal & Compliance Department arranged for all employees of the CAO Group to participate in the mandatory e-learning course modules relating to (1) Anti-Bribery and Anti-Corruption: Managing Third Parties; (2) Conflicts of Interest-Game-Based Assessment; (3) Information Security and Cyber Risk Awareness; (4) Anti-Money Laundering and Counter-Terrorist Financing; (5) Fraud Prevention; and (6) Insider Trading-Game-Based Assessment via the Thomson Reuters' online learning portal. In addition, the Legal & Compliance Department conducted two (2) in-house training sessions namely, (1) Law and Jurisdiction Clauses and General Dispute Management Arising from Contracts; and (2) Trade Sanctions.

In August 2021, the Company conducted a virtual business continuity plan cum IT disaster recovery plan exercise ("**BCP/IT Disaster Recovery Exercise**") via Zoom involving participants from cross-functional departments of the CAO Group. The objective of the BCP/IT Disaster Recovery Exercise was to assess the Company's business continuity resilience of its key business processes (i.e. front-office to back-end support) through a simulated scenario.

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

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

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

In line with the Singapore Standards on Auditing issued in July 2015, the Company's external auditors, Deloitte, will disclose key audit matters in the auditor's reports on the financial statements which include matters that were of most significance in the audit of the financial statements for the financial year ended 31 December 2021 (the "**Key Audit Matters**").

STATEMENT OF CORPORATE GOVERNANCE

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

Significant Matters	Audit Committee's commentary on its review of the Key Audit Matters and decisions made
Revenue recognition	
Recognition of revenue and purchases have been identified as a risk primarily due to: • complexity in the timing of recognition for trades with deliveries occurring on or around year end as a result of the extent of the CAO Group's distribution network and varying shipping terms with customers; and • risk of potential deliberate misstatement of the CAO Group's trading positions by failing to report the trades entered or failing to record the trades accurately or on a timely basis. The details of the CAO Group's revenue are disclosed in Notes 3.14 and 20 to the financial statements.	The Audit Committee regularly discussed with management and the external auditors on the standard operating procedures and controls in place to ensure reasonableness regarding timeliness, completeness and accuracy of accounting records and reporting. The Audit Committee has considered the reasonableness of the internal controls and procedures on the CAO Group's operating effectiveness. The Audit Committee has also considered the audit procedures performed by the external auditors as well as their audit findings, and noted that no misstatements were uncovered by the external auditors.
Valuation of derivatives, trading inventories and open physical contracts	
The valuation of derivatives, trading inventories and open physical contracts requires significant management judgement in applying the appropriate valuation methodology and incorporating of any contract specific terms including the use of valid and appropriate price index. The valuation techniques and the inputs used in the fair value measurements of the financial instruments are disclosed in Notes 26 and 28 to the financial statements.	The Audit Committee received regular briefings on the CAO Group's internal controls and compliance. The internal auditors also conducted a review of the Company's system of internal controls and no significant observations were noted. The Audit Committee has considered the reasonableness of the controls in place over the valuation of derivatives, trading inventories and open physical contracts as well as the internal auditors' audit findings. It evaluated and was satisfied that the valuation methodology and inputs used in the valuation were reasonable.

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

In accordance with Provision 10.2 of the 2018 Code, the Audit Committee reviewed the written assurance ("**Letter of Assurance**") from the CEO/ED and CFO on the financial records and the financial statements of the Company for the financial year ended 31 December 2021. The Letter of Assurance provides reasonable assurance to the Board that (1) the financial records of CAO for the financial year ended 31 December 2021 have been properly maintained; (2) the financial statements and the accompanying notes comply with the Singapore Financial Reporting Standards (International) in all material respects; (3) the financial statements and accompanying notes provide a true and fair view of the financial position and performance of CAO and its subsidiaries; (4) the integrity of the financial statements are founded on a sound system of risk management and internal control; and (5) the risk management and internal control system is operating efficiently and effectively in all material respects.

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In accordance with Provision 9.2(a) of the 2018 Code, the Board received a Letter of Assurance from the CEO/ED and CFO confirming that the financial records have been properly maintained and the financial statements give a true and fair view of the CAO Group's operations and finances. In accordance with Provision 9.2 (b) of the 2018 Code, the Board also received a Letter of Assurance from the CEO/ED, other members of the Management team and the Head of Risk Management, that the CAO Group's risk management and internal control systems are adequate and effective as at 31 December 2021 to address financial, operational, compliance and information technology risks.

Based on the internal controls established and maintained by the CAO Group, work performed by the internal and external auditors, and reviews performed by management and various Board Committees, the Board, with the concurrence of the Audit Committee and the Risk Management Committee, is of the opinion that the CAO Group's internal controls and risk management systems are adequate and effective as at 31 December 2021 in addressing financial, operational, compliance and information technology risks to provide reasonable assurance for achieving the following objectives:

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

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

AUDIT COMMITTEE

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

Audit Committee

Teo Ser Luck	Chairman
Zhang Yuchen (1)	Vice Chairman
Hee Theng Fong	Member
Fu Xingran (2)	Member
Richard Yang Minghui (3)	Member

Note:
(1) Mr Zhang Yuchen was appointed as Vice Chairman of the Audit Committee on 1 September 2021 in place of Mr Li Yongji who resigned as a Director on the same date.
(2) Dr Fu Xingran was appointed as a member of the Audit Committee on 30 September 2021 in place of Mr Li Runsheng who resigned as a Director on the same date.
(3) Dr Richard Yang Minghui was appointed as a member of the Audit Committee on 31 May 2021 in place of Ms Bella Young Pit Lai who resigned as a Director on the same date.

Roles of the Audit Committee: The Audit Committee held four (4) meetings in 2021 where it met with external and internal auditors to review both the Company and the CAO Group's financials and audit reports. A key issue for discussion is the financial statements and announcements made by the Company to shareholders. The members of the Audit Committee, collectively, have expertise or experience in financial management and are qualified to discharge the Audit Committee's responsibilities.

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

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

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The Audit Committee reviewed the quarterly and annual financial statements for the financial year 2021 and the integrity of financial reporting of the Company, including the accounting principles, for recommendation to the Board for approval. The Audit Committee also reviewed and approved the plans of the internal auditor and external auditor to ensure that such plans adequately cover, in particular, significant internal controls of the Company relating to financial, operational and compliance-related matters. Significant issues are discussed at Audit Committee meetings.

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

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

The Audit Committee monitors all interested person transactions, including transactions under the general mandate on Interested Person Transactions approved by shareholders at the AGM held in April 2021, and conflict of interest situations including transactions, procedures or actions taken which may raise issues about the Management's integrity.

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

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

The Board had proposed to re-appoint Deloitte & Touche LLP as auditors of the Company for the financial year 2022.

The Company implemented the Revised CAO Whistleblowing Policy which included inter alia, clearer guidance relating to the Company's approach and stance on whistleblowing and the means by which whistleblowers can raise serious concerns of any allegations of wrongdoing as well as more explicit indication of the kinds of conduct which might be considered reportable concerns. Under the Revised CAO Whistleblowing Policy, whistleblowers may report any reportable concerns pertaining to any form of misconduct affecting the CAO Group, its customers, partners, suppliers and other stakeholders, via dedicated email addresses: whistle_blowing@caosco.com and auditcommittee_whistleblowing@caosco.com.

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

The Company had established and implemented the Crisis Management and Business Continuity Plan, Fraud Control Plan and an Enterprise Risk Management Framework and Process. The Crisis Management and Business Continuity Plan provides the CAO Group with a structured process for limiting the intensity or impact of negative threat or event to its employees, products, services, investments, financial stability and reputation.

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

The Enterprise Risk Management Framework and Process ensures that the Company has a structured approach and framework to regularly assess its enterprise-wide risks. Enterprise Risk Assessments are conducted on a regular basis to identify and deliver an inventory of key risks for the Company and to develop a list of key risk indicators that can help the Company monitor and mitigate its key risks.

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

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

Internal Audit

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

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

BDO had presented their internal audit plan 2021/2022 to the Audit Committee. The Audit Committee adopted the audit plan for 2021/2022.

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

(D) COMMUNICATION WITH SHAREHOLDERS

Investor Relations and Shareholder Communication

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

Over the years, the Company has won many accolades from the investment community for its proactive approach to shareholder communication and transparency. During the financial year 2021, whilst many award events were cancelled in view of the COVID-19 pandemic, the Company was again ranked by analysts covering the stock as a "Top Singapore Small Cap Jewels" in view of its strong fundamentals and standing in the Singapore equity market, following the Company's "Most Transparent Company" (Winner in Energy Category) by Securities Investors Association of Singapore, the "Best Risk Management" (Gold Award, Mid Cap Category) by Singapore Corporate Awards 2019 as well as named "Best Performing Stock" (Commerce Category) by The Edge Billion Dollar Club in prior years.

The Company, through the Investor Relations team and senior management, maintained active working relationships with domestic and international brokerage firms, investment banks and the media in 2021 despite the challenges posed by the Covid-19 pandemic, communicating via tele-conferencing and video-conferencing whilst working from home for most parts of an extremely challenging year.

STATEMENT OF CORPORATE GOVERNANCE

In order to: (i) cultivate wider investing public's familiarity with the CAO Group; (ii) increase global awareness and appreciation of CAO's business strategy, corporate developments, growth strategies and financial performance; and (iii) enhance the quantity and quality of analysts' research, CAO continued its outreach through expanded channels of communication with the international investment and financial community. Increased interactions were conducted through international virtual conferences, face-to-face video meetings, teleconferences, tele-earnings briefings and corporate access webcasts which were broadcast globally across international financial markets.

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

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

The Investor Relations Department publishes and maintains a list on the Company website showing names of analysts and firms providing coverage.

Channels of communication with retail investors were made through email correspondences and telephone calls as well as participation in investor virtual conferences. During the year, the Company also participated in several corporate profile seminars for both retail and institutional investors virtually, including investor education seminar organised by SGX-ST.

The Company also engages the media and investment community through news releases and earnings briefings after the announcement of the CAO Group's full year financial results.

To assist members of the Board to gain a current understanding of the views of institutional shareholders, the Board receives (i) a half-yearly investor relations and corporate communications report which cover a wide range of matters including a commentary on the perception of the Company and views expressed by the investment community, media reports, share price performance and analysis, share ownership analysis, highlights of recent investor relations activities; and (ii) a yearly peer companies analysis report which provides a detailed analysis and evaluation on the benchmarking exercise with identified peer companies to provide the Board with a better understanding of CAO's position within the industry as well as identify gaps and learning points.

In addition, the Board adopted the Internal Guidelines on Issuance of Profit Guidance or Profit Warning Announcements which purpose is to allow market expectations to adjust to the likelihood that the Company will either not be living up to an earlier profit guidance, and/or to avoid an earnings shock, negative impact on the share price, sell-off of the Company's shares and/or volatility of trading in the Company's shares, when the financial results are announced.

Conduct of Shareholder Meetings

All shareholders of the Company are treated fairly and equitably to facilitate the exercise of their ownership rights.

In view of the COVID-19 pandemic, the 27th Annual General Meeting (the "**AGM 2021**") was held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Temporary Measures**"). Shareholders of the Company participated in the AGM 2021 by attending the live audio-visual webcast or live audio-only stream, submitting questions in advance of the AGM 2021 and/or appointing the Chairman of the AGM 2021 as proxy to attend, speak and vote on their behalf at the AGM 2021. The Company addressed and responded to all substantial and relevant questions submitted by shareholders prior to, or at the AGM 2021. Minutes of the AGM 2021, which included the responses to substantial and relevant questions from shareholders addressed during the AGM 2021, were published on the external website of the Company.

STATEMENT OF CORPORATE GOVERNANCE

Due to the evolving COVID-19 situation in Singapore, the 28th Annual General Meeting (the "**AGM 2022**") to be held in April 2022 will continue to be held via electronic means pursuant to the Temporary Measures. Alternative arrangements relating to attendance at the AGM 2022 via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM 2022, addressing of substantial and relevant questions at the AGM 2022 and voting by appointing the Chairman of the meeting as proxy at the AGM 2022, are set out in the Company's announcement dated 31 March 2022.

Where there are items of special business to be transacted at the AGM, comprehensive explanatory notes will be sent together with the notice of the AGM.

A shareholder who is not a "relevant intermediary" may appoint up to two (2) proxies during his or her absence, to attend, speak and vote on his or her behalf at general meetings. Shareholders who are "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board ("**CPF**"), are allowed to appoint more than two (2) proxies to attend, speak and vote at general meetings. This will enable indirect investors including CPF investors and SRS Investors, to be appointed as proxies to participate at general meetings of the Company.

At each AGM, the CEO/ED or his designate delivers a presentation on the financial performance of the Company for the financial year under review. Directors and the Management are in attendance to address queries and concerns about the Company. The Company's external auditors and internal auditors also attend the AGM. Shareholders are informed of the voting procedures and rules governing the meeting.

The Company Secretary prepares minutes of shareholders' meetings, which incorporates substantial comments or queries from shareholders and responses from the Board and Management. These minutes can be accessed from the Company's external website.

Shareholders also have the opportunity to communicate their views and discuss with the Board and Management matters affecting the Company after the general meetings.

The Constitution of the Company can be accessed from the Company's external website.

Dividend Policy

The dividend policy of the Company (the "**CAO Dividend Policy**") sets out the guiding principles for dividend distribution by the Company (the "**Guiding Principles**"). The Guiding Principles included inter alia, maintaining a consistent baseline dividend payout ratio which constitutes thirty percent (30%) of the Company's annual consolidated net profits attributable to shareholders commencing from financial year 2016.

In approving or reviewing a dividend policy or making its recommendations on the timing, amount and form of any future dividends, the Board takes into consideration, among others:

(a) the expected future capital requirements and growth opportunities available to the CAO Group;
(b) net earnings of the CAO Group; and
(c) any regulatory approvals and/or where applicable, approvals required from third parties (e.g. banks and other financial institutions) as appropriate.

A summary of the CAO Dividend Policy can be accessed from the Company's external website.

STATEMENT OF CORPORATE GOVERNANCE

DEALINGS IN THE COMPANY'S SECURITIES

Following the Company's announcement in April 2020 that it would discontinue with quarterly reporting and would move to semi-annual reporting of its unaudited consolidated financial statements, the Company amended its existing "Guidelines for Dealings in Securities by Directors and Employees of China Aviation Oil (Singapore) Corporation Ltd and its subsidiaries (the "**Internal Guidelines**") to reflect the embargo period for dealing with the shares of Company would commence from "two weeks before the announcement of CAO's results for the first half of the financial year, or one month before the announcement of CAO's results for the second half and full financial year…" instead of "two weeks before announcement of CAO's results for each of the first three quarters of its financial year, or one month before the announcement of CAO's results for its full financial year…". In line with the recommended best practices on dealings in securities set out under Rule 1207(18) of the SGX-ST Listing Manual, the Company has issued a directive to all employees and directors not to deal in the Company's securities on short-term considerations and to abstain from dealing with the Company's securities for a period commencing two (2) weeks before the announcement of the results of the first half of the financial year and one (1) month before the announcement of the full year results and ending on the date of the announcement of the relevant results.

INTERESTED PERSON TRANSACTIONS

Shareholders have approved the renewal of the general mandate for interested person transactions of the CAO Group on 28 April 2021 (the "**IPT Mandate**"). The IPT Mandate sets out the levels and procedures to obtain approval for such transactions. Information regarding the IPT Mandate is available on the Company's website at www.caosco.com. All business units are required to be familiar with the IPT Mandate and report any such transactions to the Finance Department. The Finance Department keeps a register of the CAO Group's interested person transactions.

Information on interested person transactions for 2021 is found under "Supplementary Information" on page 204.

REVIEW OF SYSTEM OF INTERNAL CONTROLS

As part of the Company's ongoing process of ensuring effectiveness of its system of internal controls, the established system of internal controls of the Company would be subject to annual review by an independent external reviewer with appropriate experience in corporate governance and risk management processes.

A review of the Company's system of internal controls (the "**Review of System of Internal Controls**") was conducted for the financial year 2021 by BDO. Based on the findings from the Review of System of Internal Controls, the Company was generally in conformity with Committee of Sponsoring Organizations of the Treadway Commission (the "**COSO**") Internal Controls Integrated Framework. Risks identified (none of which were rated as high risk) are highlighted in the Risk Assessment section in its report. No other exceptions were noted with respect to internal controls and counter-measures reviewed in the scope of the engagement. BDO had recommended several areas of improvement so as to fully conform to the requirements under the COSO internal controls framework. Accordingly, Management had carefully considered these recommendations from BDO and had taken the necessary actions to implement the same as appropriate.

STATEMENT OF CORPORATE GOVERNANCE

Appendix

(1) Charter of Lead Independent Director

The Company shall have a Lead Independent Director who shall be an independent director as defined under the 2018 Code.

Purpose

In circumstances where the Chairman of the Board of Directors is not independent, the Board of Directors of the Company considers it to be useful and appropriate to designate a Lead Independent Director to coordinate the activities of the independent directors of the Company and performing such other duties and responsibilities as the Board may determine from time to time.

Duties and Responsibilities

In addition to the duties of Board members as set forth in the 2018 Code, the specific duties and responsibilities of the Lead Independent Director shall be as follows:

Function as Principal Liaison with the Chairman and Senior Management

- Act as the principal liaison between the Independent Directors of the Company and the Chairman of the Board, and between the Independent Directors of the Company and senior management.

Call Meetings of Independent Directors

- Has the authority to convene meetings, as appropriate, among the Independent Directors of the Company and to ensure that Independent Directors have adequate opportunities to meet and discuss issues in sessions of the Independent Directors without the presence or participation of management.

Preside at Meetings

- Preside at any meetings held among the Independent Directors of the Company.

Approve Appropriate Provision of Information to the Board and the Board Committees

- Review the quality, quantity and timeliness of the information submitted to the Board and Board Committees.
- Advise and assist the Chairman on the meeting agenda items.
- Advise the Chairman and facilitate Board's approval of the number and frequency of meetings of the Board and Board Committees (including any special meetings of the Board) as well as meeting schedules to ensure that there is sufficient time for discussion of all agenda items.

Initiate Actions to Address any Concerns on Corporate Compliance Matters

- Has authority to initiate actions, for and on behalf of the Independent Directors of the Company, to address any concerns on corporate compliance matters including the engaging of external advisers and consultants, even at the displeasure of the Management or majority shareholders of the Company.

Function as Principal Liaison in Shareholder Communication

- Respond directly to the shareholders of the Company, questions and comments that are directed to the Lead Independent Director or to the Independent Directors of the Company as a group, with such consultation with the Chairman of the Board and the other Non-Independent Directors, as the Lead Independent Director may deem appropriate.

FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

The Directors are pleased to submit their statement to the members together with the audited financial statements of China Aviation Oil (Singapore) Corporation Ltd (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2021.

In our opinion:

(a) the consolidated financial statements of the Group and the statement of financial position of the Company as set out on pages 133 to 203 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and the financial performance, changes in equity and cash flows of the Group for the financial year then ended on that date in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

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

Gong Feng	Chairman
Teo Ser Luck	Lead Independent Director
Wang Yanjun	Chief Executive Officer/Executive Director
Shi Lei	(Appointed on 1 September 2021)
Zhang Yuchen	
Hee Theng Fong	
Fu Xingran	(Appointed on 30 September 2021)
Jeffrey Goh Mau Seong	(Appointed on 31 December 2021)
Richard Yang Minghui	(Appointed on 31 May 2021)

* Li Yongji resigned as a Director of the Company on 1 September 2021.
* Li Runsheng resigned as a Director of the Company on 30 September 2021.
* Conrad F.J. Clifford resigned as a Director of the Company on 31 December 2021.
* Bella Young Pit Lai resigned as a Director of the Company on 31 May 2021.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, none of the directors who held office at the end of the financial year had interests in shares of the Company, or of related corporations either at the beginning or at the end of the financial year.

None of the directors who held office at the end of the financial year had interests in shares of the Company, or of related corporations between the end of the financial year and 21 January 2022.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

AUDIT COMMITTEE

At the date of this statement, the members of the Audit Committee are:

- Teo Ser Luck (Chairman), non-executive, independent director
- Zhang Yuchen (Vice-Chairman), non-executive, non-independent director
- Hee Theng Fong, non-executive, independent director
- Fu Xingran, non-executive, independent director
- Richard Yang Minghui, non-executive, non-independent director

* Li Yongji stepped down as a Vice Chairman of the Audit Committee on 1 September 2021 and Zhang Yuchen was appointed in his place.
* Bella Young Pit Lai stepped down as a member of the Audit Committee on 31 May 2021 and Richard Yang Minghui was appointed in her place.
* Li Runsheng stepped down as a member of the Audit Committee on 30 September 2021 and Fu Xingran was appointed in his place.

The Audit Committee performed its functions specified in Section 201B(5) of the Companies Act 1967, the SGX Listing Manual, the 2018 Code of Corporate Governance and the Corporate Governance Policy of the Company.

The Audit Committee has held four meetings since the last Annual General Meeting ("AGM"). In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors after holding an annual meeting with the auditors without the presence of the Company's management;

- half-yearly financial information and annual financial statements of the Group and the Company and the integrity of financial reporting of the Group and the Company (including the accounting policies) prior to their submission to the directors of the Company for approval;

- internal auditors' plans to ensure that the plans adequately cover, in particular, significant internal controls of the Group and the Company relating to the financial, operational, compliance, information technology controls and risk management systems;

- external auditors' plan to ensure that the plan adequately covers the audit of the statutory financial statements of the Group and the Company;

- the re-appointment of the external auditors of the Group; and

- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees. The external and internal auditors have unrestricted access to the Audit Committee.

Further details regarding the Audit Committee are disclosed in the Statement of Corporate Governance.

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

DIRECTORS' STATEMENT

INDEPENDENT AUDITORS

Deloitte & Touche LLP has expressed its willingness to accept re-appointment as the independent auditors of the Company.

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

On behalf of the Board of Directors

Teo Ser Luck
Lead Independent Director

Wang Yanjun
Chief Executive Officer/Executive Director

28 March 2022

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of China Aviation Oil (Singapore) Corporation Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 133 to 203.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters	How the matters were addressed in the audit
Revenue recognition	
Recognition of revenue and purchases have been identified as a risk primarily due to: • complexity in the timing of recognition for trades with deliveries occurring on or around year end as a result of the extent of the Group's distribution network and varying shipping terms with customers; and • risk of potential deliberate misstatement of the Group's trading positions by failing to report the trades entered or failing to record the trades accurately or on a timely basis. The details of the Group's revenue are disclosed in **Notes 3.14 and 20** to the financial statements.	Our audit approach included both controls testing and substantive procedures as follows: • We evaluated the design and tested the operating effectiveness of the Group's key controls over the recording of revenue and costs as well as the completeness and accuracy of recording trades; • On a sample basis, we ensured that the recording of the revenue and cost for deliveries occurring on or around year end are in accordance with the shipping terms; • On a sample basis, we obtained third party confirmations to confirm the validity and completeness of open trades as at year end; and • We profiled the manual journal entries posted to revenue accounts and reviewed supporting evidence to identify any unusual items.
Valuation of derivatives, trading inventories and open physical contracts	
The valuation of derivatives, trading inventories and open physical contracts requires significant management judgement in applying the appropriate valuation methodology and incorporating of any contract specific terms including the use of valid and appropriate price index. The valuation techniques and the inputs used in the fair value measurements of the financial instruments are disclosed in **Notes 26 and 28** to the financial statements.	Our audit approach included both controls testing and substantive procedures as follows: • We evaluated the design and tested the operating effectiveness of the Group's key controls over the valuation of derivatives, trading inventories and open physical contracts; • On a sample basis, we tested the valuation of derivatives, trading inventories and open physical contracts and evaluated the appropriateness of the valuation methodology and inputs used in the valuation; and • We reviewed the price index used in the valuation of derivatives, trading inventories and open physical contracts and noted that it is within reasonable range of our audit expectations.

INDEPENDENT AUDITOR'S REPORT

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

Information other than the financial statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Yang Chi Chih.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

28 March 2022

STATEMENTS OF FINANCIAL POSITION

Year ended 31 December 2021

	Note	Group 2021 US$'000	Group 2020 US$'000	Company 2021 US$'000	Company 2020 US$'000
Non-current assets					
Property, plant and equipment	4	3,826	4,384	3,631	4,173
Right-Of-Use assets	5	14,069	4,644	13,161	3,163
Intangible assets	6	399	481	132	214
Subsidiaries	7	–	–	21,191	20,830
Associates	8	283,681	304,577	283,681	304,577
Financial asset at fair value through other comprehensive income	9	5,500	5,500	–	–
Trade and other receivables	12	–	–	5,035	5,035
Deferred tax assets	10	446	1,252	446	1,248
		307,921	320,838	327,277	339,240
Current assets					
Inventories	11	42,926	91,375	14,120	75,063
Trade and other receivables	12	783,974	1,206,629	733,255	1,186,246
Cash and cash equivalents	13	400,837	269,107	369,394	247,472
		1,227,737	1,567,111	1,116,769	1,508,781
Total assets		1,535,658	1,887,949	1,444,046	1,848,021
Equity attributable to owners of the Company					
Share capital	14	215,573	215,573	215,573	215,573
Reserves	15	685,796	661,306	676,928	654,877
Total equity		901,369	876,879	892,501	870,450
Non-current liabilities					
Lease liabilities	18	7,661	512	7,306	198
Deferred tax liabilities	10	6,732	6,896	6,732	6,896
		14,393	7,408	14,038	7,094
Current liabilities					
Trade and other payables	16	604,797	988,874	531,259	967,283
Contract liabilities	17	7,626	10,326	137	137
Lease liabilities	18	6,689	4,231	6,111	3,057
Current tax liabilities		784	231	–	–
		619,896	1,003,662	537,507	970,477
Total liabilities		634,289	1,011,070	551,545	977,571
Total equity and liabilities		1,535,658	1,887,949	1,444,046	1,848,021

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2021

	Note	2021 US$'000	2020 US$'000
Revenue	20	17,636,657	10,516,955
Cost of sales		(17,605,960)	(10,471,083)
Gross profit		30,697	45,872
Other income	21	2,224	6,750
Administrative expenses		(11,370)	(13,643)
Other operating expenses		(1,257)	(1,658)
Reversal of (Allowance for) impairment loss on financial assets		2,280	(713)
Results from operating activities		22,574	36,608
Finance costs	22	(1,695)	(1,158)
Share of profit of associates (net of tax)	8	23,550	24,789
Profit before tax		44,429	60,239
Tax expense	23	(4,079)	(4,046)
Profit for the year	21	40,350	56,193
Attributable to:			
Owners of the Company		40,350	56,193
Earnings per share:			
Basic earnings per share (cents)	24	4.69	6.53
Diluted earnings per share (cents)	24	4.69	6.53

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2021

	2021 US$'000	2020 US$'000
Profit for the year	40,350	56,193
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Translation differences relating to financial statements of foreign associates	896	14,553
Other comprehensive income for the year, net of tax	896	14,553
Total comprehensive income for the year	41,246	70,746
Attributable to:		
Owners of the Company	41,246	70,746

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

	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 2020		215,573	(990)	36,564	(5,482)	589,294	834,959
Total comprehensive income for the year:							
Profit for the year		–	–	–	–	56,193	56,193
Other comprehensive income:							
Items that are or may be reclassified subsequently to profit or loss:							
Translation differences relating to financial statements of foreign associates		–	14,553	–	–	–	14,553
Total other comprehensive income		–	14,553	–	–	–	14,553
Total comprehensive income for the year		–	14,553	–	–	56,193	70,746
Contributions by and distributions to owners:							
Share of associates' accumulated profits transferred to statutory reserve	15	–	–	522	–	(522)	–
Dividends to equity holders	15	–	–	–	–	(28,826)	(28,826)
Total transactions with owners		–	–	522	–	(29,348)	(28,826)
At 31 December 2020		215,573	13,563	37,086	(5,482)	616,139	876,879

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Year ended 31 December 2021

	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 2021		215,573	13,563	37,086	(5,482)	616,139	876,879
Total comprehensive income for the year:							
Profit for the year		–	–	–	–	40,350	40,350
Other comprehensive income:							
Items that are or may be reclassified subsequently to profit or loss:							
Translation differences relating to financial statements of foreign associates		–	896	–	–	–	896
Total other comprehensive income		–	896	–	–	–	896
Total comprehensive income for the year		–	896	–	–	40,350	41,246
Contributions by and distributions to owners:							
Share of associates' accumulated profits transferred to statutory reserve	15	–	–	77	–	(77)	–
Dividends to equity holders	15	–	–	–	–	(16,756)	(16,756)
Total transactions with owners		–	–	77	–	(16,833)	(16,756)
At 31 December 2021		215,573	14,459	37,163	(5,482)	639,656	901,369

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2021

	Note	2021 US$'000	2020 US$'000
Cash flows from operating activities			
Profit for the year		40,350	56,193
Adjustments for:			
Depreciation of property, plant and equipment		754	751
Depreciation of right-of-use assets		8,628	11,092
Amortisation of intangible assets		154	197
Impairment on goodwill		–	914
Gain on disposal of property, plant and equipment		–	(4)
Loss on property, plant and equipment written off		33	–
(Reversal of) Allowance for impairment loss on doubtful debts			
– trade receivables		(2,280)	713
Fair value (gain) loss on derivative instruments		(9,370)	18,971
Share of profit of associates (net of tax)		(23,550)	(24,789)
Tax expense		4,079	4,046
Interest income		(1,564)	(4,604)
Interest expense		28	90
Lease interest expense		153	277
Unrealised exchange differences		72	(114)
Operating cash flows before movements in working capital		17,487	63,733
Change in inventories		48,449	(32,699)
Change in trade and other receivables		415,340	(188,613)
Change in trade and other payables		(367,940)	(6,367)
Cash generated from (used in) operations		113,336	(163,946)
Tax paid		(336)	(2,246)
Net cash from (used in) operating activities		113,000	(166,192)
Cash flows from investing activities			
Interest received		1,573	4,597
Acquisition of property, plant and equipment		(229)	(232)
Acquisition of intangible assets		(72)	(56)
Proceeds from disposal of property, plant and equipment		–	6
Dividends from associates (net of withholding tax paid)		42,913	92,398
Net cash from investing activities		44,185	96,713
Cash flows from financing activities			
Interest paid		(28)	(90)
Interest paid on lease liabilities		(153)	(277)
Repayment of lease liabilities		(8,446)	(11,115)
Proceeds from loans and borrowings		787,116	217,626
Repayment of loans and borrowings		(787,116)	(217,626)
Dividends paid		(16,756)	(28,826)
Net cash used in financing activities		(25,383)	(40,308)
Net increase (decrease) in cash and cash equivalents		131,802	(109,787)
Cash and cash equivalents at 1 January		269,107	378,780
Effect of exchange rate fluctuations on cash held		(72)	114
Cash and cash equivalents at 31 December	13	400,837	269,107

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 March 2022.

1 DOMICILE AND ACTIVITIES

China Aviation Oil (Singapore) Corporation Ltd (the "Company") is a company incorporated in the Republic of Singapore. The address of the Company's registered office, which is also its principal place of business is 8 Temasek Boulevard, #31-02 Suntec Tower Three, Singapore 038988.

The financial statements of the Group as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The principal activities of the Group are those relating to trading and supply of jet fuel and trading of other petroleum products, and investment holding.

The immediate and ultimate holding Company during the financial year was China National Aviation Fuel Group Limited ("CNAF"), a Company incorporated in the People's Republic of China ("PRC").

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

2.2 Basis of accounting

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (continued)

2.3 Adoption of new and revised Standards

On 1 January 2021, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years.

2.4 New and revised SFRS(I) in issue but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements relevant to the Group and Company were issued but not effective:

Effective for annual periods beginning on or after 1 January 2022

- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I) Standards 2018-2020

Effective for annual periods beginning on or after 1 January 2023

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

All amendments generally require prospective application.

Management anticipates that the adoption of the above SFRS(I)s and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

2.5 Functional and presentation currency

These financial statements are presented in United States (US) dollars, which is the Company's functional currency. All financial information presented in US dollars has been rounded to the nearest thousand, unless otherwise stated.

2.6 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

3.2 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition-date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Business combinations (continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal Groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

3.3 Associates

An associate is an entity over which the Group and the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's and the Company's share of the profit or loss and other comprehensive income of the associate. When the Group's and the Company's share of losses of an associate exceeds the Group's and the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's and the Company's net investment in the associate), the Group and the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group and the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's and the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's and the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Associates (continued)

The requirements of SFRS(I) 1-36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The Group and the Company discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group and the Company retains an interest in the former associate and the retained interest is a financial asset, the Group and the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group and the Company accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group and the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

The Group and the Company continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group and the Company reduces its ownership interest in an associate but the Group and the Company continues to use the equity method, the Group and the Company reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3.4 Foreign currency

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in United States dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Foreign currency (continued)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3.5 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Property, plant and equipment (continued)

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold properties	25 years
Motor vehicles	8 years
Furniture and fittings	8 years
Office equipment	4 to 8 years
Renovations	5 years
Computers	4 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, and adjusted if appropriate.

Fully depreciated assets still in use are retained in the financial statements.

3.6 Right-Of-Use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investees.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

Software	3 years
Customer contracts	1 year

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.8 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

Amortised cost and effective interest method (continued)

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the “other income” line item.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to accumulated profits.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 26.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other income" line item;

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other income" line item; and

- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade receivables, other receivables, trade amounts due from related corporations, subsidiaries and associates, contract assets and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECLs for trade receivables, trade amounts due from related corporations, subsidiaries and associates, and contract assets. The expected credit losses on these financial assets are estimated using a simplified approach based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports and financial analysts, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely the commodities market in jet fuel and petroleum products.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments from outside parties are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Significant increase in credit risk (continued)

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (1) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, (2) held for trading, or (3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities (continued)

Financial liabilities at FVTPL (continued)

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated profits upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in Note 26.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and

- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities (continued)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other income" line item for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

3.9 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Leases (continued)

The Group as lessee (continued)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3.10 Impairment

Associates

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Impairment (continued)

Non-financial assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to Groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amounts of any goodwill allocated to the CGU (Group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (Group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.11 Inventories

Inventories held for trading purposes are measured at fair value less costs to sell and any changes in fair value less costs to sell are recognised in profit or loss in the period of change.

Inventories held by subsidiaries and associates, for sale to customers, are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.12 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.14 Revenue

The Group recognises revenue from the sale of physical oil commodity products including middle distillates and other oil products.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product to a customer.

Sale of physical commodity products

For sale of physical oil commodity products, revenue is recognised when control of the goods is transferred to the customer, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Under the Group's standard contract terms, customers do not have a right of return.

Trading of oil commodity derivatives

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately under revenue.

Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Finance costs

Finance costs comprise bank charges, interest expenses on loans, lease liabilities and borrowings. Interest expenses are recognised in profit or loss using the effective interest method.

3.16 Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed as at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.19 Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and fixed deposits with banks but exclude restricted bank balances. These are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties (Right-of-use asset) US$'000	Motor vehicles US$'000	Furniture and fittings US$'000	Office equipment US$'000	Renovations US$'000	Computers US$'000	Total US$'000
Group							
Cost							
At 1 January 2020	9,205	591	135	826	1,125	1,677	13,559
Additions	–	13	106	1	–	112	232
Adjustment	–	12	17	57	3	(10)	79
Written off	–	(35)	–	–	–	–	(35)
At 31 December 2020	9,205	581	258	884	1,128	1,779	13,835
Additions	–	8	10	4	7	200	229
Written off	–	(232)	–	(134)	–	(482)	(848)
At 31 December 2021	9,205	357	268	754	1,135	1,497	13,216
Accumulated depreciation							
At 1 January 2020	5,532	298	62	530	923	1,309	8,654
Depreciation for the year	449	51	14	73	36	128	751
Adjustment	–	–	18	102	2	(43)	79
Written off	–	(33)	–	–	–	–	(33)
At 31 December 2020	5,981	316	94	705	961	1,394	9,451
Depreciation for the year	449	52	34	51	36	132	754
Written off	–	(221)	–	(127)	–	(467)	(815)
At 31 December 2021	6,430	147	128	629	997	1,059	9,390
Carrying amounts							
At 31 December 2020	3,224	265	164	179	167	385	4,384
At 31 December 2021	2,775	210	140	125	138	438	3,826

NOTES TO THE FINANCIAL STATEMENTS

4 PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold properties (Right-of-use asset) US$'000	Motor vehicles US$'000	Furniture and fittings US$'000	Office equipment US$'000	Renovations US$'000	Computers US$'000	Total US$'000
Company							
Cost							
At 1 January 2020	9,205	468	27	808	1,106	1,524	13,138
Additions	–	–	106	–	–	103	209
At 31 December 2020	9,205	468	133	808	1,106	1,627	13,347
Additions	–	–	–	–	–	180	180
Written off	–	(232)	–	(134)	–	(482)	(848)
At 31 December 2021	9,205	236	133	674	1,106	1,325	12,679
Accumulated depreciation							
At 1 January 2020	5,532	228	20	618	917	1,176	8,491
Depreciation for the year	449	27	2	67	32	106	683
At 31 December 2020	5,981	255	22	685	949	1,282	9,174
Depreciation for the year	449	28	21	43	31	117	689
Written off	–	(221)	–	(127)	–	(467)	(815)
At 31 December 2021	6,430	62	43	601	980	932	9,048
Carrying amounts							
At 31 December 2020	3,224	213	111	123	157	345	4,173
At 31 December 2021	2,775	174	90	73	126	393	3,631

The followings are properties held by the Group and Company:

Location	Description/ Uses of property	Land area/Built-up area (square meters)	Leasehold term
8 Temasek Boulevard #31-01 Suntec Tower Three Singapore 038988	Office	324	99 years from 1 March 1989
8 Temasek Boulevard #31-02 Suntec Tower Three Singapore 038988	Office	440	99 years from 1 March 1989

NOTES TO THE FINANCIAL STATEMENTS

5 RIGHT-OF-USE ASSETS

The Group leases several assets including storage facilities, apartments for expatriates, office spaces and equipment. The average lease term is 2 years.

	Storage facilities US$'000	Property US$'000	Office spaces(i) US$'000	Office equipment US$'000	Total US$'000
Group					
Cost					
At 1 January 2020	23,673	290	1,434	194	25,591
Additions	–	129	855	–	984
At 31 December 2020	23,673	419	2,289	194	26,575
Additions	17,220	170	672	–	18,062
Reassessment	5	–	10	–	15
At 31 December 2021	40,898	589	2,971	194	44,652
Accumulated depreciation					
At 1 January 2020	10,060	137	572	70	10,839
Depreciation for the year	10,223	143	655	71	11,092
At 31 December 2020	20,283	280	1,227	141	21,931
Depreciation for the year	7,537	152	886	53	8,628
Reassessment	14	–	10	–	24
At 31 December 2021	27,834	432	2,123	194	30,583
Carrying amounts					
At 31 December 2020	3,390	139	1,062	53	4,644
At 31 December 2021	13,064	157	848	–	14,069
Company					
Cost					
At 1 January 2020	20,989	290	1,170	194	22,643
Additions	–	129	386	–	515
At 31 December 2020	20,989	419	1,556	194	23,158
Additions	17,220	98	–	–	17,318
At 31 December 2021	38,209	517	1,556	194	40,476
Accumulated depreciation					
At 1 January 2020	9,329	137	413	70	9,949
Depreciation for the year	9,328	143	504	71	10,046
At 31 December 2020	18,657	280	917	141	19,995
Depreciation for the year	6,637	125	505	53	7,320
At 31 December 2021	25,294	405	1,422	194	27,315
Carrying amounts					
At 31 December 2020	2,332	139	639	53	3,163
At 31 December 2021	12,915	112	134	–	13,161

(i) The Group and the Company made upfront payment in full to secure the right-of-use of two leasehold properties. The leasehold properties, with net book value amounting to US$2,775,000 (31 December 2020: US$3,224,000) for the Group and the Company, is presented within property, plant and equipment (Note 4).

NOTES TO THE FINANCIAL STATEMENTS

6 INTANGIBLE ASSETS

	Goodwill on consolidation US$'000	Customer contracts US$'000	Software US$'000	Total US$'000
Group				
Cost				
At 1 January 2020	1,181	634	3,920	5,735
Additions	–	–	56	56
At 31 December 2020	1,181	634	3,976	5,791
Additions	–	–	72	72
Written off	–	–	(2)	(2)
At 31 December 2021	1,181	634	4,046	5,861
Accumulated amortisation				
At 1 January 2020	–	–	3,565	3,565
Amortisation for the year	–	–	197	197
At 31 December 2020	–	–	3,762	3,762
Amortisation for the year	–	–	154	154
Written off	–	–	(2)	(2)
At 31 December 2021	–	–	3,914	3,914
Impairment				
At 1 January 2020	–	634	–	634
Impairment loss	914	–	–	914
At 31 December 2020 and 2021	914	634	–	1,548
Carrying amounts				
At 31 December 2020	267	–	214	481
At 31 December 2021	267	–	132	399

The amortisation of software is included in "administrative expenses".

Impairment testing of goodwill

Goodwill on consolidation has been allocated to the Group's cash generating units ("CGUs") for impairment testing as follows:

	Group 2021 US$'000	Group 2020 US$'000
China Aviation Oil (Hong Kong) Company Limited ("CAOHK")	267	267

The recoverable amounts of the above CGUs were determined based on its value-in-use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGUs. In the current year, management assessed that the carrying amount of the CGUs were determined to be higher than its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

6 INTANGIBLE ASSETS (continued)

Key assumptions used in the estimation of value-in-use were as follows:

	2021		2020	
	CAOHK	NAFCO	CAOHK	NAFCO
	%	%	%	%
Discount rate (pre-tax)	8	*	8	8
Long-term growth rate	1	*	1	2
Forecasted earnings before interest, tax, depreciation and amortisation ("EBITDA") growth rate (average of next five years)	1	*	1	8

* Not required as goodwill relating to NAFCO had been fully impaired in prior year.

The discount rate used is estimated based on past experience and industry weighted average cost of capital.

The long-term growth rate has been determined based on the long-term compound annual growth rate estimated by management with reference to the nominal GDP growth rate for the countries in which the CGU is based.

The forecasted EBITDA growth rates are estimated based on management's past experience of managing the CGUs and their expectations of the CGUs forecasted performances.

	Software US$'000
Company	
Cost	
At 1 January 2020	3,920
Additions	56
At 31 December 2020	3,976
Additions	72
Written off	(2)
At 31 December 2021	4,046
Accumulated amortisation	
At 1 January 2020	3,565
Amortisation for the year	197
At 31 December 2020	3,762
Amortisation for the year	154
Written off	(2)
At 31 December 2021	3,914
Carrying amounts	
At 31 December 2020	214
At 31 December 2021	132

NOTES TO THE FINANCIAL STATEMENTS

7 SUBSIDIARIES

	Company 2021 US$'000	Company 2020 US$'000
At 1 January	20,830	28,578
Additions	2,622	3,100
Disposal	–	(3,000)
Impairment	(2,261)	(7,848)
At 31 December	21,191	20,830

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activity	Company Proportion of ownership interest and voting rights held 2021 %	2020 %
China Aviation Oil (Hong Kong) Company Limited ("CAOHK")*	Hong Kong SAR	Supply of jet fuel	100	100
North American Fuel Corporation ("NAFCO")	United States of America	Trading and supply of jet fuel	100	100
China Aviation Fuel (Europe) Limited ("CAFEU")	United Kingdom	Trading and supply of jet fuel	100	100

* Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

The Company issued additional financial guarantees to a bank and its trading counterparties on behalf of its subsidiaries. The fair value of the additional financial guarantees issued amounted to US$2,622,000 (31 December 2020: US$3,100,000) and is accounted for as additional investment in the subsidiaries.

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under these guarantees.

The subsidiaries are not considered significant subsidiaries of the Group. For this purpose, a subsidiary is considered significant, as defined under the Singapore Exchange Limited Listing Manual, if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profit accounts for 20% or more of the Group's consolidated pre-tax profit.

During the year, the Company carried out a review of the recoverable amount of its investment in subsidiaries. The review led to the recognition of an impairment loss of US$2,261,000 (2020: US$7,848,000) that has been recognised in profit or loss of the Company. The Company estimated the fair value of the subsidiaries through their net asset.

The financial guarantees were given by the Company to a bank on behalf of its subsidiaries for banking facilities amounting to US$55,000,000 (31 December 2020: US$75,000,000). It is a continuing financial guarantee issued to the bank.

NOTES TO THE FINANCIAL STATEMENTS

8 ASSOCIATES

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Investments in associates	283,681	304,577	283,681	304,577

Associates

The Group has one (2020: one) associate that is material and four (2020: four) other associates that are individually immaterial to the Group. All are equity accounted. Details of the material associate of the Group and the Company are as follows:

	Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("SPIA")#
Nature of business	Exclusive supplier of jet fuel at Shanghai Pudong International Airport
Principal place of business/Country of incorporation	People's Republic of China
Ownership interest/Voting rights held	33% (2020: 33%)

Audited by Ruihua Certified Public Accountants (Special General Partner), Shanghai Branch, a member of the Chinese Institute of Certified Public Accountants, for statutory audit purpose. Audited by an overseas member firm of Deloitte Touche Tohmatsu Limited for consolidation purpose.

The following summarises the financial information of the Group's material associate based on its respective financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit and other comprehensive income of the remaining individually immaterial associates.

NOTES TO THE FINANCIAL STATEMENTS

8 ASSOCIATES (continued)

	SPIA US$'000	Immaterial associates US$'000	Total US$'000
31 December 2021			
Revenue	1,635,015	61,222	1,696,237
Profit from continuing operations/Total comprehensive income	70,285	4,735	75,020
Non-current assets	51,494	401,837	453,331
Current assets	687,790	57,650	745,440
Non-current liabilities	–	(206,991)	(206,991)
Current liabilities	(224,085)	(9,490)	(233,575)
Net assets	515,199	243,006	758,205
Group's interest in net assets of investee at beginning of the year	184,558	81,200	265,758
Group's fair value adjustment at beginning of the year	–	16,126	16,126
Group's share of total comprehensive income	23,194	356	23,550
Group's share of profit from continuing operations	23,194	1,597	24,791
Group's share of fair value adjustment	–	(1,241)	(1,241)
Dividend declared during the year	(42,903)	(2,439)	(45,342)
Translation differences for the year	4,666	(3,770)	896
Goodwill	21,709	984	22,693
Carrying amount of interest in investee at end of the year	191,224	92,457	283,681
Carrying amount of fair value adjustment at end of the year	–	14,885	14,885
31 December 2020			
Revenue	1,190,848	93,693	1,284,541
Profit from continuing operations/Total comprehensive income	59,967	21,131	81,098
Non-current assets	54,660	450,781	505,441
Current assets	635,798	68,992	704,790
Non-current liabilities	–	(223,208)	(223,208)
Current liabilities	(129,194)	(35,196)	(164,390)
Net assets	561,264	261,369	822,633
Group's interest in net assets of investee at beginning of the year	246,474	75,506	321,980
Group's fair value adjustment at beginning of the year	–	17,367	17,367
Group's share of total comprehensive income	19,789	5,000	24,789
Group's share of profit from continuing operations	19,789	6,241	26,030
Group's share of fair value adjustment	–	(1,241)	(1,241)
Dividend declared during the year	(91,435)	(5,370)	(96,805)
Translation differences for the year	9,730	4,823	14,553
Goodwill	21,709	984	22,693
Carrying amount of interest in investee at end of the year	206,267	98,310	304,577
Carrying amount of fair value adjustment at end of the year	–	16,126	16,126

NOTES TO THE FINANCIAL STATEMENTS

8 ASSOCIATES (continued)

During the year, dividends declared by associates amounting to US$45,342,000 (31 December 2020: US$96,805,000) were received during the financial year.

Details of immaterial associates of the Group are as follows:

Name of associate	Country of incorporation	Ownership 2021 %	Ownership 2020 %
China Aviation Oil Xinyuan Petrochemicals Co. Ltd ("Xinyuan")	People's Republic of China	39	39
Oilhub Korea Yeosu Co., Ltd. ("OKYC")	Republic of Korea	26	26
CNAF Hong Kong Refuelling Limited ("CNAF HKR")#	Hong Kong SAR	39	39
China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL")	People's Republic of China	49	49

This associate is held by the subsidiary of the Company.

9 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group 2021 US$'000	Group 2020 US$'000
Investment in equity instrument designated as at FVTOCI		
– unquoted equity shares	5,500	5,500

Investment in equity instrument

The investment in unquoted equity instrument represents investment in a company that is incorporated in the Netherlands which holds the concession from the Schiphol Airport Authority to manage the storage and distribution of jet fuels on behalf of its shareholders to airlines at Amsterdam Airport Schiphol.

This investment is not held for trading. Instead, it is held for medium to long-term strategic purposes. Accordingly, management has elected to designate this investment in equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in this investment's fair value in profit or loss would not be consistent with the Group's strategy of holding this investment for long-term purposes and realising its performance potential in the long run.

No investment in equity instrument measured at FVTOCI has been disposed of during the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS

10 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Deferred tax assets				
Tax losses carry-forward	–	649	–	645
Accelerated tax depreciation	446	603	446	603
	446	1,252	446	1,248
Deferred tax liabilities				
Investments in associates	(6,732)	(6,896)	(6,732)	(6,896)

Movements in temporary differences during the year are as follows:

	At 1 January 2020 US$'000	Recognised in profit or loss US$'000	At 31 December 2020 US$'000	Recognised in profit or loss US$'000	At 31 December 2021 US$'000
Group					
Tax losses carry-forward	2,929	(2,280)	649	(649)	–
Accelerated tax depreciation	673	(70)	603	(157)	446
Investments in associates	(11,695)	4,799	(6,896)	164	(6,732)
	(8,093)	2,449	(5,644)	(642)	(6,286)
Company					
Tax losses carry-forward	2,925	(2,280)	645	(645)	–
Accelerated tax depreciation	673	(70)	603	(157)	446
Investments in associates	(11,695)	4,799	(6,896)	164	(6,732)
	(8,097)	2,449	(5,648)	(638)	(6,286)

11 INVENTORIES

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Trading inventories at fair value less costs to sell	33,561	75,063	14,120	75,063
Inventories at the lower of cost and net realisable value	9,365	16,312	–	–
	42,926	91,375	14,120	75,063

The inventories recognised in cost of sales amounted to US$17,522,852,000 (31 December 2020: US$10,419,498,000) for the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Trade receivables	350,938	982,900	289,853	955,000
Other receivables	36,739	30,872	25,022	23,112
Amounts due from:				
– subsidiaries (trade)	–	–	32,603	48,112
– related corporations (trade)	188,834	69,131	135,635	36,121
– related corporations of a corporate shareholder (trade)	26,018	–	23,914	–
– associates (trade)	118,572	23,603	118,572	12,912
– holding company (non-trade)	2	2	2	2
– subsidiaries (non-trade)	–	–	96,032	37,841
– associate (non-trade)	2,000	–	–	–
	335,426	92,736	406,758	134,988
Loan to subsidiaries	–	–	5,035	5,035
	723,103	1,106,508	726,668	1,118,135
Allowance for impairment loss on doubtful debts – trade receivables	(5,852)	(8,132)	(5,508)	(7,915)
Loans and receivables	717,251	1,098,376	721,160	1,110,220
Derivative financial assets – oil commodity derivatives	18,247	27,873	17,130	27,216
	735,498	1,126,249	738,290	1,137,436
Prepayments	48,476	80,380	–	53,845
	783,974	1,206,629	738,290	1,191,281
Current	783,974	1,206,629	733,255	1,186,246
Non-current	–	–	5,035	5,035
	783,974	1,206,629	738,290	1,191,281

Trade receivables

Transactions with subsidiaries and related corporations are priced on terms agreed between parties. Outstanding balances with subsidiaries and related corporations are unsecured.

Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables for customers that have defaulted and declared bankruptcy.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. There were no trade receivables written off during the current reporting period (2020: None).

NOTES TO THE FINANCIAL STATEMENTS

12 TRADE AND OTHER RECEIVABLES (continued)

The following table details the risk profile of trade and other receivables from contracts with customers based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

31 December 2021	Expected credit loss rate*		Estimated total gross carrying amount at default(i)		Lifetime ECL(i)	
	Group %	Company %	Group US$'000	Company US$'000	Group US$'000	Company US$'000
Customer ratings						
Grade A1	0.027	0.027	45,768	161,975	–	–
Grade A2	0.096	0.096	78,392	76,288	77	74
Grade B1	0.205	0.205	207,142	174,099	425	356
Grade B2	0.369	0.369	328,681	303,824	848	762
Grade C1	1.041	1.041	32,222	3,422	84	36
Grade C2	1.635	1.635	17,565	–	48	–
Grade D1	3.313	3.313	2,775	–	26	–
Grade D2	4.996	4.996	6,419	2,926	210	146
Grade F	56.296	56.296	5	–	–	–
Total			718,969	722,534	1,718	1,374

31 December 2020	Expected credit loss rate*		Estimated total gross carrying amount at default(i)		Lifetime ECL(i)	
	Group %	Company %	Group US$'000	Company US$'000	Group US$'000	Company US$'000
Grade A1	0.034	0.034	31,284	114,239	–	–
Grade A2	0.119	0.119	36,695	36,160	44	43
Grade B1	0.255	0.255	370,668	343,973	938	877
Grade B2	0.425	0.425	612,495	590,188	2,561	2,475
Grade C1	0.935	0.935	10,375	2,743	33	21
Grade C2	1.369	1.369	38,417	26,698	399	365
Grade D1	2.950	2.950	554	–	13	–
Grade D2	4.174	4.174	1,872	–	9	–
Grade F	74.248	74.248	14	–	1	–
Total			1,102,374	1,114,001	3,998	3,781

(i) The estimated total gross carrying amount at default and lifetime ECL have excluded the individually credit-impaired customers of US$4,134,000 for the years ended 31 December 2021 and 31 December 2020 of the Group and Company.

* Expected credit loss rate includes debtors without credit insurance.

NOTES TO THE FINANCIAL STATEMENTS

12 TRADE AND OTHER RECEIVABLES (continued)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL – not credit-impaired Individually assessed		Lifetime ECL – credit-impaired		Total	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Group						
At beginning of financial year	3,998	3,166	4,134	4,253	8,132	7,419
Change in loss allowance	(2,280)	832	–	(119)	(2,280)	713
At end of financial year	1,718	3,998	4,134	4,134	5,852	8,132
Company						
At beginning of financial year	3,781	2,618	4,134	4,253	7,915	6,871
Change in loss allowance	(2,407)	1,163	–	(119)	(2,407)	1,044
At end of financial year	1,374	3,781	4,134	4,134	5,508	7,915

The following tables explain how significant changes in the gross carrying amount of the trade receivables contributed to changes in the loss allowance. Changes in the loss allowance are primarily attributable to the origination of new trade receivables net of those settled during the reporting periods.

	Group Increase (Decrease) in lifetime ECL		Company Increase (Decrease) in lifetime ECL	
	Not credit-impaired US$'000	Credit-impaired US$'000	Not credit-impaired US$'000	Credit-impaired US$'000
31 December 2021				
Probable default by the customer	(2,280)	–	(2,407)	–
31 December 2020				
Customer declared bankruptcy	–	(119)	–	(119)
Probable default by the customer	832	–	1,163	–

The Group's and the Company's exposure to credit and currency risks, and impairment loss related to trade and other receivables, are disclosed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

12 TRADE AND OTHER RECEIVABLES (continued)

Other receivables, trade amounts due from related corporations, amounts due from subsidiaries (trade and non-trade) and amounts due from associates (trade and non-trade)

For the purpose of impairment assessment, the other receivables, trade amounts due from certain related corporations, amounts due from subsidiaries (trade and non-trade) and amounts due from associates (trade and non-trade) are considered to have low credit risk as there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the financial position of the debtors, related corporations, subsidiaries and associates, adjusted for factors that are specific to the debtors, related corporations, subsidiaries and associates and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of the other receivables, related corporations, subsidiaries and associates as well as the loss upon default. Management determines the other receivables, trade amounts due from certain related corporations, amounts due from subsidiaries (trade and non-trade) and amounts due from associates (trade and non-trade) are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

13 CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Cash at bank				
– Interest-bearing	13,250	11,098	13,176	11,098
– Non-interest bearing	4,981	19,586	2,338	6,404
Interest-bearing fixed deposits with financial institutions	382,606	238,423	353,880	229,970
Cash and cash equivalents in the statement of cash flows	400,837	269,107	369,394	247,472

As at 31 December 2021, interest-bearing fixed deposits of US$364,004,000 (31 December 2020: US$231,970,000) were placed with a related corporation, China National Aviation Fuel Finance Co., Ltd. The related corporation is a financial institution approved by the China Banking Regulatory Commission and is based in People's Republic of China.

NOTES TO THE FINANCIAL STATEMENTS

13 CASH AND CASH EQUIVALENTS (continued)

The weighted average effective interest rates per annum relating to interest-bearing deposits with banks and financial institutions at the reporting date are as disclosed below (interest rates reprice at intervals of one, three or six months):

	2021 Interest rate %	2021 Carrying amount US$'000	2020 Interest rate %	2020 Carrying amount US$'000
Group				
Cash at bank	0.1	13,250	0.2	11,098
US$ fixed deposits	0.1	351,206	0.4	238,423
RMB fixed deposit	1.9	31,400	–	–
		395,856		249,521
Company				
Cash at bank	0.1	13,176	0.2	11,098
US$ fixed deposits	0.2	322,480	0.4	229,970
RMB fixed deposit	1.9	31,400	–	–
		367,056		241,068

The Group's and the Company's exposure to foreign currency and interest rate risks are disclosed in Note 19.

14 SHARE CAPITAL

	Company	
	2021 Number of shares ('000)	2020 Number of shares ('000)
Fully paid ordinary shares, with no par value:		
In issue at 31 December	866,184	866,184

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

All rights attached to the ordinary shares are suspended for the Company's own shares bought back and held by the Group. Such rights are reinstated when these shares are reissued.

NOTES TO THE FINANCIAL STATEMENTS

14 SHARE CAPITAL (continued)

Capital management

The Company defines capital as share capital and reserves. The consolidated share capital and reserves amount to US$901,369,000 (31 December 2020: US$876,879,000). The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board also monitors the level of dividends declared to ordinary shareholders.

From time to time, the Group may purchase its own shares in the market; the timing of these purchases depends on market prices. The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the shares is determined by the Directors or such authorised personnel as appointed by the Board of Directors for the purposes of effecting purchases or acquisitions of shares by the Company under the Share Purchase Mandate.

There were no changes in the Group's approach to capital management during the year.

15 RESERVES

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Foreign currency translation reserve[(a)]	14,459	13,563	14,475	13,579
Statutory reserves[(b)]	37,163	37,086	37,163	37,086
Reserve for own shares[(c)]	(5,482)	(5,482)	(5,482)	(5,482)
Accumulated profits	639,656	616,139	630,772	609,694
	685,796	661,306	676,928	654,877

(a) The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

(b) The associates of the Group ("PRC Associates") established in the People's Republic of China ("PRC") follow the accounting principles and relevant financial regulations of the PRC applicable to enterprises established in the PRC (PRC GAAP) in the preparation of the accounting records and its financial statements. Under the relevant PRC regulations, the PRC Associates transferred a portion of their accumulated profits to statutory reserve for the following purposes:

Statutory reserves

Pursuant to accounting regulations for foreign-invested PRC enterprises and the PRC Company Law, the associates are required to appropriate 10% of the profit arrived at in accordance with PRC GAAP for each year to a statutory reserve. The profit arrived at must be used to set off against any accumulated losses. The appropriation to statutory reserve, after offsetting against any accumulated losses, must be made before the distribution of dividends to shareholders. The appropriation is required until the statutory reserve reaches 50% of the registered capital. This statutory reserve is not distributable in the form of cash dividends. During the current and immediate preceding financial year, SPIA did not appropriate any profit to the statutory reserve as the statutory reserve of SPIA has reached 50% of its registered capital. The movement in statutory reserve in the current year is contributed by TSN-PEKCL and Xinyuan.

(c) The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2021, the Group held 6,000,000 (31 December 2020: 6,000,000) of the Company's shares.

NOTES TO THE FINANCIAL STATEMENTS

15 RESERVES (continued)

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

	Group and Company	
	2021 US$'000	2020 US$'000
Final exempt dividends paid in respect of the previous financial year of S$0.0258 (2020: S$0.047) per share	16,756	28,826

(e) After the respective reporting date, the Directors have proposed a final (one-tier tax exempt) ordinary dividend of S$0.019 (2020: S$0.0258) per share, amounting to US$12,078,000 (2020: US$16,828,000). The dividends have not been provided for.

16 TRADE AND OTHER PAYABLES

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Trade payables	509,605	888,671	472,023	853,893
Other payables and accruals	33,692	38,897	31,977	36,845
Amounts due to:				
– holding company (non-trade)	10,124	10,121	–	–
– subsidiary (trade)	–	–	1,819	35,070
– related corporation (trade)	3,680	554	3,138	–
– related corporation of a corporate shareholder (trade)	24,636	8,584	–	–
– associate (trade)	9	–	–	–
Derivative financial liabilities:				
– oil commodity derivatives	23,051	42,047	22,302	41,475
	604,797	988,874	531,259	967,283

Amounts due to immediate and ultimate holding company, subsidiaries and related corporations are unsecured, interest-free and repayable on demand.

The Group's and the Company's exposures to foreign currency and liquidity risks are disclosed in Note 19.

17 CONTRACT LIABILITIES

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Current	7,626	10,326	137	137

Revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. When the customer initially purchases the goods, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer.

NOTES TO THE FINANCIAL STATEMENTS

18 LEASE LIABILITIES

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Analysed as				
Non-current	7,661	512	7,306	198
Current	6,689	4,231	6,111	3,057
	14,350	4,743	13,417	3,255
Maturity analysis of lease liabilities based on undiscounted gross cash flows:				
Year 1	6,846	4,193	6,208	3,083
Year 2	6,091	519	5,895	199
Year 3	1,455	56	1,455	–
	14,392	4,768	13,558	3,282

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's finance function.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows, as cash flows from financing activities.

The cash flows represent the repayment of lease liabilities in the consolidated statement of cash flows.

	Group	
	2021 US$'000	2020 US$'000
1 January	4,743	14,889
Financing cash flow	(8,599)	(11,392)
New leases	18,062	984
Other changes	144	262
31 December	14,350	4,743

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

Financial assets

	2021		2020	
	Group US$'000	Company US$'000	Group US$'000	Company US$'000
Amortised cost				
Trade and other receivables	717,251	721,160	1,098,376	1,110,220
Cash and cash equivalents	400,837	369,394	269,107	247,472
	1,118,088	1,090,554	1,367,483	1,357,692
Fair value through profit or loss				
Derivative financial assets	18,247	17,130	27,873	27,216
Fair value through other comprehensive income				
Equity instrument	5,500	–	5,500	–

Financial liabilities

	2021		2020	
	Group US$'000	Company US$'000	Group US$'000	Company US$'000
Amortised cost				
Trade and other payables	581,746	508,957	946,827	925,808
Fair value through profit or loss				
Derivative financial liabilities	23,051	22,302	42,047	41,475

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Trade and other receivables	717,251	1,098,376	721,160	1,110,220
Cash and cash equivalents	400,837	269,107	369,394	247,472
Derivative financial assets	18,247	27,873	17,130	27,216
	1,136,335	1,395,356	1,107,684	1,384,908

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Impairment losses

The ageing of trade and other receivables (excluding derivative financial assets and prepayments) at the reporting date is:

	2021		2020	
	Gross US$'000	Impairment losses US$'000	Gross US$'000	Impairment losses US$'000
Group				
Not past due	691,482	(1,627)	1,102,374	(3,998)
1 to 30 days	27,487	(91)	–	–
31 to 90 days	–	–	–	–
Over 90 days	4,134	(4,134)	4,134	(4,134)
	723,103	(5,852)	1,106,508	(8,132)
Company				
Not past due	698,017	(1,284)	1,071,586	(3,781)
1 to 30 days	24,517	(90)	–	–
31 to 90 days	–	–	18,375	–
Over 90 days	4,134	(4,134)	28,174	(4,134)
	726,668	(5,508)	1,118,135	(7,915)

The Group's and the Company's loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses and individually assessed credit impaired.

The movements in the allowance for impairment loss in respect of trade and other receivables during the year are as follows:

	2021 US$'000	2020 US$'000
Group		
At 1 January	8,132	7,419
(Reversal of) Allowance for impairment loss – net	(2,280)	713
At 31 December	5,852	8,132
Company		
At 1 January	7,915	6,871
(Reversal of) Allowance for impairment loss – net	(2,407)	1,044
At 31 December	5,508	7,915

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Liquidity risk

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting arrangements:

	Cash flows	
	Contractual cash flows US$'000	Within 1 year US$'000
Group		
31 December 2021		
Non-derivative financial liabilities		
Trade and other payables(i)	(581,746)	(581,746)
Oil commodity derivatives		
Gross outflows(ii)		
– Oil physical derivative instruments purchase contracts	(1,061,185)	(1,061,185)
Net outflows		
– Oil paper derivative instruments	(4,152)	(4,152)
	(1,647,083)	(1,647,083)
31 December 2020		
Non-derivative financial liabilities		
Trade and other payables(i)	(946,827)	(946,827)
Oil commodity derivatives		
Gross outflows(ii)		
– Oil physical derivative instruments purchase contracts	(953,074)	(953,074)
Net outflows		
– Oil paper derivative instruments	(15,080)	(15,080)
	(1,914,981)	(1,914,981)

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

	Cash flows	
	Contractual cash flows US$'000	Within 1 year US$'000
Company		
31 December 2021		
Non-derivative financial liabilities		
Trade and other payables[(i)]	(508,957)	(508,957)
Oil commodity derivatives		
Gross outflows[(ii)]		
– Oil physical derivative instruments purchase contracts	(1,054,641)	(1,054,641)
Net outflows		
– Oil paper derivative instruments	(3,287)	(3,287)
	(1,566,885)	(1,566,885)
31 December 2020		
Non-derivative financial liabilities		
Trade and other payables[(i)]	(925,808)	(925,808)
Oil commodity derivatives		
Gross outflows[(ii)]		
– Oil physical derivative instruments purchase contracts	(944,054)	(944,054)
Net outflows		
– Oil paper derivative instruments	(14,411)	(14,411)
	(1,884,273)	(1,884,273)

(i) Excludes derivative financial liabilities, advance receipts and intra-Group financial guarantees.
(ii) The gross outflows represent the undiscounted cash outflows of the outstanding oil physical derivative instruments.

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Currency risk

Exposure to currency risk

The Group's and Company's exposures to foreign currency risk were as follows based on notional amounts:

	Singapore dollar US$'000	Renminbi US$'000	Hong Kong dollar US$'000	Euro US$'000	British pound US$'000
Group					
31 December 2021					
Trade and other receivables	315	99	274	1,906	65
Cash and cash equivalents	397	31,489	52	2,396	158
Trade and other payables	(6,905)	(266)	(2,278)	(74)	(135)
	(6,193)	31,322	(1,952)	4,228	88
31 December 2020					
Trade and other receivables	248	77	191	1,413	61
Cash and cash equivalents	697	1,818	241	1,228	48
Trade and other payables	(7,119)	(175)	(187)	(39)	(151)
	(6,174)	1,720	245	2,602	(42)

	Singapore dollar US$'000	Renminbi US$'000
Company		
31 December 2021		
Trade and other receivables	315	–
Cash and cash equivalents	397	31,489
Trade and other payables	(6,905)	(151)
	(6,193)	31,338
31 December 2020		
Trade and other receivables	248	–
Cash and cash equivalents	697	1,811
Trade and other payables	(7,119)	(160)
	(6,174)	1,651

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

Sensitivity analysis

At the reporting date, a 10% strengthening of the US dollar against the following currencies would increase/(decrease) profit/(loss) before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Profit/(Loss) before tax		Company Profit/(Loss) before tax	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Singapore dollar	563	561	563	561
Renminbi	(2,847)	(156)	(2,849)	(150)
Hong Kong dollar	177	(22)	–	–
Euro	(384)	(237)	–	–
British pound	(8)	4	–	–

A 10% weakening of the US dollar against the above currencies would have an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Financial assets	395,856	249,521	367,056	241,068

Interest rate sensitivity analysis

Management does not expect a change in interest rate will have significant impact to the Group's and Company's profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Fair values

Fair values versus carrying amounts

At the reporting date, the carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost approximate their fair values because of the short period to maturity.

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group				
31 December 2021				
Financial asset at FVTOCI*	–	–	5,500	5,500
Derivative financial assets	–	18,247	–	18,247
Derivative financial liabilities	–	(23,051)	–	(23,051)
	–	(4,804)	5,500	(696)
31 December 2020				
Financial asset at FVTOCI*	–	–	5,500	5,500
Derivative financial assets	–	27,873	–	27,873
Derivative financial liabilities	–	(42,047)	–	(42,047)
	–	(14,174)	5,500	(8,674)
Company				
31 December 2021				
Derivative financial assets	–	17,130	–	17,130
Derivative financial liabilities	–	(22,302)	–	(22,302)
	–	(5,172)	–	(5,172)
31 December 2020				
Derivative financial assets	–	27,216	–	27,216
Derivative financial liabilities	–	(41,475)	–	(41,475)
	–	(14,259)	–	(14,259)

* There was no movement to the Level 3 fair value measurement of the financial asset during the financial year.

The valuation techniques and the inputs used in the fair value measurements of the financial instruments are disclosed in Notes 26 and 28.

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting agreement or similar agreement.

The Group's paper derivative transactions are all transacted on an exchange.

In certain circumstances – for example, when a credit event such as a default occurs, the right of set-off are set aside and the amounts settled gross unless the non-defaulting party chooses to continue the set-off arrangement. As such, the above master netting agreements do not meet the criteria for offsetting in the statement of financial position.

	Gross amounts of recognised financial instruments included in the statement of financial position US$'000	Related amounts that are not offset US$'000	Net amounts US$'000
Group			
31 December 2021			
Financial assets			
Oil physical derivative instruments	17,488	–	17,488
Oil paper derivative instruments	3,645	(2,886)	759
Total	21,133	(2,886)	18,247
Financial liabilities			
Oil physical derivative instruments	21,784	–	21,784
Oil paper derivative instruments	4,153	(2,886)	1,267
Total	25,937	(2,886)	23,051
31 December 2020			
Financial assets			
Oil physical derivative instruments	27,686	–	27,686
Oil paper derivative instruments	2,571	(369)	2,202
Total	30,257	(369)	29,888
Financial liabilities			
Oil physical derivative instruments	29,445	–	29,445
Oil paper derivative instruments	15,080	(369)	14,711
Total	44,525	(369)	44,156

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Offsetting financial assets and financial liabilities (continued)

The Group and the Company entered into master netting agreements for certain sale and purchase contracts with the counterparties:

	Group and Company 2021 US$'000	Group and Company 2020 US$'000
Trade and other receivables	–	229,359
Trade and other payables	–	(227,225)
Net amount presented in the statement of financial position	–	2,134

	Gross amounts of recognised financial instruments included in the statement of financial position US$'000	Related amounts that are not offset US$'000	Net amounts US$'000
Company			
31 December 2021			
Financial assets			
Oil physical derivative instruments	15,751	–	15,751
Oil paper derivative instruments	3,545	(2,166)	1,379
Total	19,296	(2,166)	17,130
Financial liabilities			
Oil physical derivative instruments	21,181	–	21,181
Oil paper derivative instruments	3,287	(2,166)	1,121
Total	24,468	(2,166)	22,302
31 December 2020			
Financial assets			
Oil physical derivative instruments	25,014	–	25,014
Oil paper derivative instruments	2,571	(369)	2,202
Total	27,585	(369)	27,216
Financial liabilities			
Oil physical derivative instruments	27,527	–	27,527
Oil paper derivative instruments	14,412	(369)	14,043
Total	41,939	(369)	41,570

NOTES TO THE FINANCIAL STATEMENTS

20 REVENUE

The Group derives its revenue from the transfer of goods at a point in time in the following major lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 25).

A disaggregation of the Group's revenue for the financial year is as follows:

	Group	
	2021 US$'000	2020 US$'000
Revenue from middle distillates	8,115,774	5,629,604
Revenue from other oil products	9,520,883	4,887,351
	17,636,657	10,516,955

The revenue from middle distillates and other oil products are recognised at a point in time.

Included in revenue is net loss of US$66,283,000 (2020: loss of US$22,370,000) recognised in relation to derivative financial instruments. The Group holds derivative financial instruments to hedge the changes in oil commodity prices. The gain or loss on remeasurement of these instruments at fair value is recognised in the consolidated statement of profit or loss as revenue.

21 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

	Group	
	2021 US$'000	2020 US$'000
Other income		
Interest income	1,564	4,604
Foreign exchange gain – net	351	1,144
Others	309	1,002
	2,224	6,750
Audit fees paid and payable to:		
– auditor of the Company	(312)	(326)
– other auditors	(116)	(84)
Non-audit fees paid and payable to auditor of the Company	(24)	(18)
Reversal of (Allowance for) impairment loss on doubtful debts – net	2,280	(713)
Depreciation of property, plant and equipment	(754)	(751)
Depreciation of right-of-use assets	(8,628)	(11,092)
Amortisation of intangible assets	(154)	(197)
Impairment of goodwill	–	(914)
Expense relating to short-term leases	(15,041)	(15,695)
Expense relating to leases of low value assets	(5)	(5)
Staff costs	(12,247)	(10,389)
Contributions to defined contribution plans, included in staff costs	(1,142)	(1,091)

NOTES TO THE FINANCIAL STATEMENTS

22 FINANCE COSTS

	Group	
	2021 US$'000	2020 US$'000
Bank charges	1,514	791
Interest expenses	28	90
Interest expenses on lease liabilities	153	277
	1,695	1,158

23 TAX EXPENSE

	Group	
	2021 US$'000	2020 US$'000
Current tax expense		
Current year	717	244
Deferred tax expense		
Utilisation of previously unused tax losses	649	2,280
Utilisation of previously unused tax assets	157	70
	806	2,350
Withholding tax expense	2,556	1,452
Total tax expense	4,079	4,046
Reconciliation of effective tax rate		
Profit before tax	44,429	60,239
Tax using Singapore tax rate of 17% (2020: 17%)	7,554	10,241
Effects of tax rates in foreign jurisdictions	(16)	(475)
Tax exempt income	(228)	(1,771)
Tax effects of revenue at concessionary tax rate	(1,255)	(5,444)
Effects of results of associates presented net of tax	(4,004)	(4,214)
Effect of (income not taxable) expenses not deductible	(1,334)	1,907
Effect of utilisation of previously unused tax losses	649	2,280
Utilisation of previously unused tax assets	157	70
Withholding tax expense	2,556	1,452
	4,079	4,046

The Company was granted concessionary rate of tax for a period of 5 years from 1 August 2015 to 31 July 2020. The concessionary tax rate had been extended for a period of 5 years till 31 July 2025. Income derived from qualifying trading transactions of approved products by the Company is taxed at the concessionary rate instead of the normal statutory rate of 17%. This incentive is granted subject to the achievement of certain business volume and other terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS

24 EARNINGS PER SHARE

Basic earnings per share

At the reporting date, the calculation of basic earnings per share was based as follows:

Profit attributable to ordinary shareholders

	2021 US$'000	2020 US$'000
Basic and diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	40,350	56,193

Weighted average number of ordinary shares

	2021 Number of shares ('000)	2020 Number of shares ('000)
Issued ordinary shares at 31 December*	860,184	860,184

* Excludes 6,000,000 ordinary shares held as treasury shares.

25 OPERATING SEGMENTS

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. For each of the strategic business units, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Middle distillates: Jet fuel and gas oil supply and trading.
- Other oil products: Fuel oil, crude oil and gasoline supply and trading.
- Investments in oil-related assets: Investments in oil-related assets through the Group's holdings in associates.

NOTES TO THE FINANCIAL STATEMENTS

25 OPERATING SEGMENTS (continued)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Middle distillates US$'000	Other oil products US$'000	Investment in oil-related assets US$'000	Total US$'000
2021				
Revenue	8,115,774	9,520,883	–	17,636,657
Gross profit	26,261	4,436	–	30,697
Other administrative/operating expenses	(7,142)	(1,206)	–	(8,348)
Depreciation and amortisation	(1,710)	(289)	–	(1,999)
Foreign exchange gain	300	51	–	351
Interest income	1,338	226	–	1,564
Other income	264	45	–	309
Finance costs	(536)	(1,159)	–	(1,695)
Share of profits of associates (net of tax)	–	–	23,550	23,550
Tax expense	(1,452)	(163)	(2,464)	(4,079)
Reportable segment profit after tax	17,323	1,941	21,086	40,350
Reportable segment total assets	1,047,295	198,736	289,181	1,535,212
2020				
Revenue	5,629,604	4,887,351	–	10,516,955
Gross profit	44,570	1,302	–	45,872
Other administrative/operating expenses	(13,215)	118	(200)	(13,297)
Depreciation and amortisation	(2,717)	–	–	(2,717)
Foreign exchange gain	1,144	–	–	1,144
Interest income	4,604	–	–	4,604
Other income	1,002	–	–	1,002
Finance costs	(547)	(611)	–	(1,158)
Share of profits of associates (net of tax)	–	–	24,789	24,789
Tax expense	(3,202)	(40)	(804)	(4,046)
Reportable segment profit after tax	31,639	769	23,785	56,193
Reportable segment total assets	1,008,641	567,979	310,077	1,886,697

NOTES TO THE FINANCIAL STATEMENTS

25 OPERATING SEGMENTS (continued)

Geographical segments

The People's Republic of China is a major market for trading in jet fuel and petroleum products. The Group also operates in other regions including Singapore.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the revenue transacted. Segment assets are based on the geographical location of the assets.

Geographical information	Revenue US$'000	Non-current assets* US$'000
2021		
People's Republic of China	8,973,953	236,300
Republic of Korea	288,589	47,381
United States of America	723,457	385
Hong Kong SAR	1,185,962	436
Malaysia	451,532	–
Japan	276,923	–
Australia	533,401	–
Singapore	1,945,759	16,924
Philippines	328,231	–
Netherlands	549,426	6,049
Myanmar	517,922	–
Germany	241,639	–
India	213,405	–
Bangladesh	166,611	–
France	126,309	–
Other countries	1,113,538	–
	17,636,657	307,475
2020		
People's Republic of China	5,826,804	251,199
Republic of Korea	309,639	53,377
United States of America	479,567	432
Hong Kong SAR	507,734	418
Malaysia	352,898	–
Japan	199,355	–
Australia	430,137	–
Singapore	866,228	7,550
Philippines	396,477	–
Netherlands	184,217	6,610
Myanmar	166,026	–
Germany	86,937	–
India	47,884	–
Vietnam	116,034	–
Other countries	547,018	–
	10,516,955	319,586

* Excludes deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

25 OPERATING SEGMENTS (continued)

Major customers

Revenue from six customers (2020: three customers) for the supply and trading of jet fuel and other oil products amounting to approximately US$7,762,167,000 (2020: US$2,855,296,000), represents 44% (2020: 27%) of the Group's total revenue.

26 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- interest rate risk
- foreign currency risk
- commodity price risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk. Additional quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment which all employees understand their roles and obligations.

The Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group and the Company manage these risks by monitoring credit-worthiness and limiting the aggregate risk to any individual counterparty. The Group and the Company have purchased credit insurance for certain customers during the year.

The Group develops and maintains its credit risk ratings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with certain trade receivables is reduced because they are secured by credit insurance and letters of credit. There has not been any significant changes in the quality of the credit enhancement.

The Group's current credit risk rating framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery.	Amount is written off

The assessment of the credit quality and exposure to credit risk of the Group and Company's trade and other receivables have been disclosed in Note 12.

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

The tables below detail the credit quality of the Group's trade and other receivables, as well as maximum exposure to credit risk:

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US$'000	Loss allowance US$'000	Net carrying amount US$'000
31 December 2021						
Trade receivables	12	(i)	Lifetime ECL (simplified approach)	350,938	(4,959)	345,979
Other receivables	12	Performing	12-month ECL	36,739	–	36,739
Amount due from holding company (non-trade)	12	Performing	12-month ECL	2	–	2
Amount due from related corporations (trade)	12	(i)	Lifetime ECL (simplified approach)	188,834	(625)	188,209
Amount due from related corporations of a corporate shareholder (trade)	12	(i)	Lifetime ECL (simplified approach)	26,018	(25)	25,993
Amount due from associates (trade)	12	(i)	Lifetime ECL (simplified approach)	118,572	(243)	118,329
Amount due from associate (non-trade)	12	Performing	12-month ECL	2,000	–	2,000
					(5,852)	
31 December 2020						
Trade receivables	12	(i)	Lifetime ECL (simplified approach)	982,900	(7,816)	975,084
Other receivables	12	Performing	12-month ECL	30,872	–	30,872
Amount due from holding company (non-trade)	12	Performing	12-month ECL	2	–	2
Amount due from related corporations (trade)	12	(i)	Lifetime ECL (simplified approach)	69,131	(256)	68,875
Amount due from associates (trade)	12	(i)	Lifetime ECL (simplified approach)	23,603	(60)	23,543
					(8,132)	

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US$'000	Loss allowance US$'000	Net carrying amount US$'000
31 December 2021						
Trade receivables	12	(i)	Lifetime ECL (simplified approach)	289,853	(4,759)	288,094
Other receivables	12	Performing	12-month ECL	25,022	–	25,022
Amount due from subsidiaries (trade)	12	(i)	Lifetime ECL (simplified approach)	32,603	–	32,603
Amount due from subsidiaries (non-trade)	12	Performing	12-month ECL	96,032	–	96,032
Amount due from holding company (non-trade)	12	Performing	12-month ECL	2	–	2
Amount due from related corporations (trade)	12	(i)	Lifetime ECL (simplified approach)	135,635	(483)	135,152
Amount due from related corporations of a corporate shareholder (trade)	12	(i)	Lifetime ECL (simplified approach)	23,914	(23)	23,891
Amount due from associates (trade)	12	(i)	Lifetime ECL (simplified approach)	118,572	(243)	118,329
Loan to subsidiaries	12	Performing	12-month ECL	5,035	–	5,035
					(5,508)	
31 December 2020						
Trade receivables	12	(i)	Lifetime ECL (simplified approach)	955,000	(7,744)	947,256
Other receivables	12	Performing	12-month ECL	23,112	–	23,112
Amount due from subsidiaries (trade)	12	(i)	Lifetime ECL (simplified approach)	48,112	–	48,112
Amount due from related corporations (trade)	12	(i)	Lifetime ECL (simplified approach)	36,121	(138)	35,983
Amount due from subsidiaries (non-trade)	12	Performing	12-month ECL	37,841	–	37,841
Amount due from holding company (non-trade)	12	Performing	12-month ECL	2	–	2
Amount due from associates (trade)	12	(i)	Lifetime ECL (simplified approach)	12,912	(33)	12,879
Loan to subsidiaries	12	Performing	12-month ECL	5,035	–	5,035
					(7,915)	

(i) For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 12 includes further details on the loss allowance for these trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Trade receivables

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. This allowance is a specific loss component that relates to individually significant exposures. The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. The banks and financial institutions are assigned high credit ratings by international credit-rating agencies and considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

At 31 December 2021, there was no significant concentration of credit risk except for amounts receivable due from 3 (31 December 2020: 2) major customers amounting to US$291,874,000 (31 December 2020: US$411,691,000) which accounted for 43% (2020: 38%) of the Group's gross trade receivables.

At 31 December 2021, the Company has a significant concentration of credit risk with subsidiaries and related corporations which accounted for 28% (2020: 8%) of the Company's gross trade receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Guarantees

There is no exposure to the Company in respect of the intra-Group financial guarantee (see Notes 7 and 16) at the end of the reporting period as it is remote that the subsidiaries default on the utilised facilities extended by the bank and trading counterparties.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group manages its liquidity risk by maintaining adequate lines of credit.

Interest rate risk

It is the Group's policy to obtain the most favourable interest rates available without increasing its foreign currency exposure. Surplus funds are placed with reputable banks to earn interest income.

As the Group's interest bearing financial assets are short term in nature, any future variations in interest rates will not have a material impact on the results of the Group.

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT (continued)

Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this foreign currency risk are primarily the Singapore dollar, the Chinese renminbi, Hong Kong dollar, Euro and British pound.

The Group monitors its foreign currency exposures on an on-going basis and ensures that the net exposure is kept to an acceptable level. The Group did not actively hedge its foreign currency exposure in 2021. In 2020, the Group entered into a foreign currency forward contract to hedge its foreign currency exposure for dividends declared.

The Group is also exposed to currency translation risk on its net investments in foreign operations. Such exposures are reviewed and monitored on a regular basis.

Commodity price risk

The Group manages its costs of purchase and sales of oil commodities, using commodity paper derivative instruments. Management manages its commodity price risk using a suite of risk management tools which include marginal value at risk limits and hypothetical stress-tests of various scenarios. These risk management tools were designed by management, reviewed by the Risk Management Committee, and approved by the Board of Directors.

The Group enters into commodity paper derivative instruments, in which it agrees to exchange the difference between the fixed and floating prices, calculated by reference to an agreed-upon principal quantity, with its counterparties. The commodity paper derivative instruments entered into commit the Group to settle these instruments at various settlement dates.

Sensitivity analysis

Based on the Group's open positions at end of year, a change of 10% in oil forward price at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as the financial year ended 31 December 2020.

	Profit or loss	
	10% increase US$'000	10% decrease US$'000
2021		
Oil physical and paper derivative instruments	(4,339)	4,339
2020		
Oil physical and paper derivative instruments	(5,815)	5,815

The Group considers holding oil inventory as part of their overall trading strategy. An increase of 10% in the fair value of oil inventory would have increased profit or loss by US$1,401,000 (2020: US$7,491,000). A 10% weakening of the fair value of oil inventory would have an equal but opposite effect on profit or loss.

The above sensitivity analysis is hypothetical and should not be predictive of the Group's future performance as the physical inventory volume and derivative positions change daily and are not static.

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL RISK MANAGEMENT (continued)

Estimation of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and the Company.

Derivative financial instruments

The fair values of oil physical and paper derivative instruments were determined based on price indices after adjusting for contract specific factors.

Financial asset at FVTOCI

The fair value of the financial asset was determined based on the income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee.

Revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries ranging from 0.2% to 0.4% per annum. A slight increase in the revenue growth rate used in isolation would result in a significant increase in the fair value.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

27 RELATED PARTIES

Key management personnel compensation

Key management personnel compensation comprises:

	Group	
	2021 US$'000	2020 US$'000
Directors' fees	366	262
Directors' remuneration	276	262
Key executive officers' remuneration	1,333	1,278
	1,975	1,802

The key management personnel compensation for the financial years ended 31 December 2021 and 2020 were made up of short-term employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

27 RELATED PARTIES (continued)

The immediate and ultimate holding Company, CNAF, is a state-owned enterprise established in the PRC. In accordance with SFRS(I) 1-24 *Related Party Disclosures*, government-related entities and their subsidiaries, apart from entities under CNAF, which the PRC government has control, joint control or significant influence over are also considered as related parties of the Group. For the purpose of the related party transactions disclosures, the Group applies the exemption on disclosure of related parties transactions as allowed under SFRS(I) 1-24.

The Group assessed that these transactions with government-related entities were carried out based on market terms in the ordinary course of business. The Group's transactions with government-related entities include sales and purchases of oil commodities, banking fees and operating lease expenses.

For the financial year ended 31 December 2021, the Group's sales and purchases of physical oil commodities with government-related entities account for approximately 49% (2020: 36%) of the Group's total sales and 36% (2020: 37%) of the Group's total purchases. During the year, approximately 56% (2020: 31%) of the Group's banking fees and 7% (2020: 23%) of the Group's operating expenses were transacted with government-related entities.

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

	Group	
	2021 US$'000	2020 US$'000
Related parties under CNAF:		
Related corporations		
Sale of jet fuel	1,542,927	1,003,049
Purchase of jet fuel	(969,410)	(261,826)
Interest income	908	3,786
Related corporation of a corporate shareholder:		
Sale of fuel oil	35,847	28,848
Sale of jet fuel	52,826	8,012
Sale of gas oil	160,394	363,064
Purchase of jet fuel	(261,967)	(145,120)
Purchase of gas oil	(41,559)	–
Purchase of fuel oil	(572,276)	(369,529)
Associate:		
Sale of jet fuel	964,061	720,730
Purchase of jet fuel	(21,799)	(26,538)
Storage tank rental expense	(6,702)	(11,280)

NOTES TO THE FINANCIAL STATEMENTS

28 ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group believes the following critical accounting policies involved the most significant judgements and estimates used in the preparation of the financial statements.

Key source of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amounts of the Group's and the Company's trade receivables are disclosed in Note 12 to the financial statements.

Impairment assessment of investment in associates

The Group evaluates whether there are any indicators of impairment in the investment in associates at each reporting date. If there are indicators of impairment, management performs an evaluation of the investment's recoverable amount. The recoverable amount is based on the higher of value-in-use or fair value less cost to sell.

Value-in-use is estimated based on management's forecast of future cash flows discounted to present value using the pre-tax discount rate. The fair value less cost to sell requires an estimate of the market value of the investments. Significant estimates and assumptions are made in determining value-in-use and fair value less cost to sell.

The carrying amounts of the Group's and the Company's investment in associates are disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

28 ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES (continued)

Fair value of derivative financial instruments and open physical contracts

The Company holds derivative financial instruments and open physical contracts to hedge the changes in oil commodity prices. The Company has not applied hedge accounting to derivative financial instruments and open physical contracts that economically hedge the exposure of the changes in oil commodity prices. All outstanding derivative financial instruments and open physical contracts are recognised initially at fair value. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of profit or loss as revenue.

The fair value of the derivative financial instruments and open physical contracts are based on the price index, Platts, after adjusting for contract specific factors. The use of a different price index may impact the Company's estimate of the fair value of its derivative financial instruments and open physical contracts.

The carrying amounts of the Group's and the Company's derivative financial instruments and open physical contracts are disclosed in Notes 12 and 16 to the financial statements.

Critical judgement made in applying accounting policies

The management is of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates described above.

SUPPLEMENTARY INFORMATION

INTERESTED PERSON TRANSACTIONS

	Nature of Relationship	Aggregate value of interested person transactions excluding transactions conducted under shareholders mandate pursuant to Rule 920 of the SGX Listing Manual		Aggregate value of interested person transactions conducted under shareholders mandate pursuant to Rule 920 of the SGX Listing Manual	
		2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Sales to related corporations	Associates of Controlling Shareholder, China National Aviation Fuel Group Limited	–	–	1,381,767	1,049,826
Purchases from related corporations		–	–	770,505	407,839
Services rendered from related corporation		392	191	–	–
Supply chain services rendered from related corporation		–	–	2,136	8,627
Transportation revenue earned by associate from related corporations*		–	–	3,241	3,579
Principal deposited with related corporations		–	–	906,688	626,883
Interest income earned from principal deposited with related corporations		–	–	87	1,224
Loan to associate		812	1,219	–	–
Purchases from associate		–	–	69	45
Sales to related corporation of a corporate shareholder	Associates of Controlling Shareholder, BP Investments Asia Limited	–	–	203,214	407,674
Purchases from related corporation of a corporate shareholder		–	–	625,531	665,276
Services rendered from related corporation of a corporate shareholder		–	–	0	237
Supply chain services rendered from related corporation of a corporate shareholder		–	–	5,999	1,733

* Based on the shareholders' approval obtained at the Annual General Meeting of the Company held on 18 April 2017 for the jet fuel transportation services framework agreement entered into between China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL") and China National Aviation Fuel Corporation Ltd ("CNAFCL") relating to the provision of pipeline transportation services by TSN-PEKCL to CNAFCL

STATISTICS OF SHAREHOLDINGS

As at 11 March 2022

Number of Issued Shares	:	866,183,628
Number of Issued Shares (excluding Treasury Shares)	:	860,183,628 ordinary shares
Number/Percentage of Treasury Shares	:	6,000,000 (0.69%)
Number/Percentage of Subsidiary Holdings +	:	0 (0%)
Class of Shares	:	Ordinary Shares
Voting Rights (excluding Treasury Shares and Subsidiary Holdings)	:	1 vote per share

Based on information available to the Company as at 11 March 2022, 28.52% (1) of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual of SGX-ST is complied with.

Note: + Subsidiary Holdings is defined in the Listing Manual of SGX-ST to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.
(1) Percentage is calculated based on the total number of 860,183,628 issued shares excluding treasury shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	652	5.06	32,432	0.00
100 – 1,000	1,929	14.97	1,137,473	0.13
1,001 – 10,000	6,866	53.29	30,787,906	3.58
10,001 – 1,000,000	3,418	26.53	129,265,229	15.03
1,000,001 and above	19	0.15	698,960,588	81.26
Total	**12,884**	**100.00**	**860,183,628**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No.of Shares	%
1	China National Aviation Fuel Group Limited	441,332,912	51.31
2	BP Investments Asia Limited	173,476,942	20.17
3	Citibank Nominees Singapore Pte Ltd	20,012,819	2.33
4	DBS Nominees (Private) Limited	19,324,394	2.25
5	HSBC (Singapore) Nominees Pte Ltd	8,280,502	0.96
6	Raffles Nominees (Pte.) Limited	6,263,703	0.73
7	United Overseas Bank Nominees (Private) Limited	4,546,715	0.53
8	Lee Fook Choy	3,200,000	0.37
9	DBSN Services Pte. Ltd.	3,139,240	0.36
10	Phillip Securities Pte Ltd	2,738,233	0.32
11	Heng Siew Eng	2,702,400	0.31
12	OCBC Securities Private Limited	2,527,989	0.29
13	OCBC Nominees Singapore Private Limited	2,500,272	0.29
14	UOB Kay Hian Private Limited	2,006,396	0.23
15	Jack Investment Pte Ltd	2,005,100	0.23
16	iFast Financial Pte Ltd	1,394,124	0.16
17	Kang Hian Soon or Keh Siu Kim	1,240,000	0.14
18	Maybank Securities Pte. Ltd.	1,155,047	0.13
19	Lam Yew Chong	1,113,800	0.13
20	Waterworth Pte Ltd	1,000,000	0.12
	Total	**699,960,588**	**81.36**

SUBSTANTIAL ORDINARY SHAREHOLDERS

(As shown in the Register of Substantial Shareholders as at 11 March 2022)

		No. of Shares		
No.	Name	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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

As of 31 March 2022

Name of Director	Teo Ser Luck	Shi Lei
Date of appointment	24 April 2019	1 September 2021
Date of last re-appointment (if applicable)	4 June 2020	N.A.
Age	53	57
Country of principal residence	Singapore	China
The Board's comments on this re-election/appointment	After reviewing the recommendation of the Nominating Committee, and Mr Teo's qualifications and experience (as set out below), the Board has confirmed Mr Teo's independence and approved that Mr Teo stands for re-election as a non-executive and independent Director. Mr Teo will, upon re-election, continue to serve as Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and Risk Management Committee.	After reviewing the recommendation of the Nominating Committee and Mr Shi's qualifications and experience (as set out below), the Board has approved that Mr Shi stands for re-election as a non-executive and non-independent Director. Mr Shi will, upon re-election, continue to serve as Vice Chairman of the Nominating Committee, Vice Chairman of Remuneration Committee and a member of Risk Management Committee.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-executive and Lead Independent Director; Chairman of Audit Committee; Member of Nominating Committee and Risk Management Committee	Non-executive and Non-Independent Director; Vice Chairman of Nominating Committee; Vice Chairman of Remuneration Committee; Member of Risk Management Committee
Professional Qualifications	Degree in Accountancy, Nanyang Technological University, Singapore	Radio-Electronics, School of Electronics, Shandong University Master of Business Administration, Shandong University Qualified Senior Engineer

	Hee Theng Fong	Fu Xingran	Jeffrey Goh Mau Seong	Richard Yang Minghui
	24 April 2019	30 September 2021	31 December 2021	31 May 2021
	4 June 2020	N.A.	N.A.	N.A.
	67	44	53	52
	Singapore	China	Germany	China
	After reviewing the recommendation of the Nominating Committee and Mr Hee's qualifications and experience (as set out below), the Board has confirmed Mr Hee's independence and approved that Mr Hee stands for re-election as a non-executive and independent Director. Mr Hee will, upon re-election, continue to serve as Chairman of the Risk Management Committee and a member of the Audit Committee and Remuneration Committee.	After reviewing the recommendation of the Nominating Committee, and Dr Fu's qualifications and experience (as set out below), the Board has confirmed Dr Fu's independence and approved that Dr Fu stands for re-election as a non-executive and independent Director. Dr Fu will, upon re-election, continue to serve as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.	After reviewing the recommendation of the Nominating Committee and Dr Goh's qualifications and experience (as set out below), the Board has confirmed Dr Goh's independence and approved that Dr Goh stands for re-election as a non-executive and independent Director. Dr Goh will, upon re-election, continue to serve as Chairman of the Remuneration Committee and a member of the Nominating Committee and Risk Management Committee.	After reviewing the recommendation of the Nominating Committee, and Dr Yang's qualifications and experience (as set out below), the Board has approved that Dr Yang stands for re-election as a non-executive and non-independent Director. Dr Yang will, upon re-election, continue to serve as a member of the Audit Committee and Remuneration Committee.
	Non-executive	Non-executive	Non-executive	Non-executive
	Non-executive and Independent Director; Chairman of Risk Management Committee; Member of Audit Committee and Remuneration Committee	Non-executive and Independent Director; Chairman of Nominating Committee; Member of Audit Committee and Remuneration Committee	Non-executive and Independent Director; Chairman of Remuneration Committee; Member of Nominating Committee and Risk Management Committee	Non-executive and Non-Independent Director; Member of Audit Committee and Remuneration Committee
	L.L.B. (Honours), National University of Singapore Diploma in PRC Law, Suzhou University	Doctor of Philosophy in Financial Engineering, Heriot-Watt University	Doctor of Philosophy – Principles and Policies of Regulating Airline Competition, University of Sheffield, United Kingdom Bachelor of Laws, University of Hull, Hull, United Kingdom	PHD in Business Administration – West Coast University (USA) Master of Business Administration – Columbia South University (USA) Bachelor Degree in Mechanical Engineering – Huazhong University of Science & Technology (China)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

As of 31 March 2022

Name of Director	Teo Ser Luck	Shi Lei	
Working experience and occupation(s) during the past 10 years	2017 to Present: • Chairman of BRC Asia Limited • Chairman of Serial System Ltd • Independent Director of Straco Corporation Limited • Independent Director of Yanlord Land Group Limited • Lead Independent Director of MindChamps PreSchool Limited 2017 to 2020: • Lead Independent Director of United Engineers Ltd 2006 to 2020: • Singapore Member of Parliament 2006 to 2017: • Minister of State for Trade and Industry • Senior Parliamentary Secretary in the Ministry of Transport and Ministry of Community Development, Youth and Sports • Minister of State for Manpower • Mayor of the North East District	June 2019 to Present: • Assistant to General Manager of China National Aviation Fuel Group Limited and General Manager of Human Resources Department of China National Aviation Fuel Group Limited November 2016 to Present: • General Manager, Human Resource Department China National Aviation Fuel Group Limited April 2011 to November 2016: • General Manager of China National Aviation Fuel Corporation Ltd, Northwest Branch Company October 2009 to April 2011: • Deputy General Manager of China National Aviation Fuel Corporation Ltd, East China Branch Company	
Shareholding interest in the listed issuer and its subsidiaries	No	No	
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	
Conflict of interest (including any competing business)	No	No	
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7))	Yes	Yes	

	Hee Theng Fong	Fu Xingran	Jeffrey Goh Mau Seong	Richard Yang Minghui
	January 2014 to Present: • Harry Elias Partnership LLP (formerly known as Eversheds Harry Elias LLP) – Consultant May 2011 to June 2014: • RHTLaw Taylor Wessing LLP – Senior Partner June 2008 to April 2011: • Khattar Wong – Partner	July 2020 to Present: • General Manager, Beijing Rongyi Investment and Management Co., Ltd October 2019 to Present: • Deputy General Manager/ General Manager, Beijing Jingguochuang Funds Management Co., Ltd January 2019 to September 2019: • Deputy General Manager, Beijing Innovation Industry Investment Co., Ltd. June 2015 to December 2018: • Deputy General Manager, Beijing Tianshi Kaiyuan Equity Fund Management Co., Ltd. April 2010 to June 2015: • Deputy General Manager, Funds Investment Department, Beijing State-owned Capital Operation and Management Center	2017 to Present: • Chief Executive Officer of Star Alliance (Germany/ Singapore) 2013 to 2016: • Chief Operating Officer & General Counsel of Star Alliance (Germany) 2008 to 2012: • General Counsel & VP Corporate Services of Star Alliance (Germany)	March 2021 to Present: • General Manager (China Aviation Sector) – BP (China) Holding Company Limited October 2019 to October 2020: • Board Director, General Manager-ABC Company August 2016 to September 2019: • Part-time Consultant – Automobile Business December 2015 to July 2016: • Asia Senior Vice President and General Manager (China) – TPI Composites Group March 2015 to January 2016: • Vice President (Heavy Industries & Services) – SKF Sales Ltd April 2014 to March 2015: • Director (Strategic Industries) – SKF China Ltd May 2008 to April 2014: • General Manager – SKF (Shanghai) Automotive Bearings Co., Ltd
	No	No	No	No
	No	No	No	No
	No	No	No	No
	Yes	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

As of 31 March 2022

Name of Director	Teo Ser Luck	Shi Lei
Other Principal Commitments* including Directorships# * "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018		
Past (for the last 5 years)	• Lead Independent Director of United Engineers Limited	Nil
Present	**Listed Companies** • BRC Asia Limited (Chairman) • Serial System Ltd (Chairman) • Straco Corporation Limited (Independent Director) • Yanlord Land Group Limited (Independent Director) • MindChamps PreSchool Limited (Lead Independent Director) **Other Principal Commitments** • F4U Pte Ltd (Director) • 2YSL Pte Ltd (Director)	• Assistant to General Manager, China National Aviation Fuel Group Limited • General Manager, Human Resource Department, China National Aviation Fuel Group Limited **Other Principal Commitments** Nil

	Hee Theng Fong	Fu Xingran	Jeffrey Goh Mau Seong	Richard Yang Minghui
	• Independent Director of YHI International Limited • Independent Director of First Resources Limited • Independent Director of Datapulse Technology Limited • Independent Director of Delong Holdings Limited • Director of Business China • Director of Chinese Development Assistance Council (CDAC) • Director of Singapore Chinese Cultural Centre • Independent Director of Tye Soon Limited • Independent Director of APAC Realty Limited	• Deputy General Manager, Beijing Innovation Industry Investment Co., Ltd. • Deputy General Manager, Beijing Tianshi Kaiyuan Equity Fund Management Co., Ltd.	Nil	• General Manager (China Aviation Sector) – BP (China) Holding Company Limited • Board Director, General Manager – ABC Company • Part-time Consultant – Automobile Business
	Listed Companies • Straco Corporation Limited (Independent Director) • Zheneng Jinjiang Environment Holding Company Limited (Independent Director) • Yanlord Land Group Limited (Independent Director) • Haidilao International Holding Ltd (Independent Director) • Huazhu Group Limited (Independent Director) **Other Principal Commitments** • Consultant of Harry Elias Partnership LLP	• General Manager, Beijing Rongyi Investment and Management Co., Ltd • General Manager, Beijing Jingguochuang Funds Management Co., Ltd **Other Principal Commitments** • Director of Beijing Tianshi Kaiyuan Equity Fund Management Co., Ltd. • Director of Beijing Foreign Enterprise Human Resources Service Co., Ltd • Director of Beijing Ba Yue Gua Technology Co., Ltd • Director of Beijing Jingguochuang Funds Management Co., Ltd • Director of Beijing Jingcheng Zhitong Robot Technology Co., Ltd. • Director of Beijing Rongyi Investment and Management Co., Ltd	• Chief Executive Officer of Star Alliance (Germany/Singapore) • Director of Star Alliance (SG) Pte. Ltd. **Other Principal Commitments** Nil	• General Manager (China Aviation Sector) – BP (China) Holding Company **Other Principal Commitments** • Vice Chairman/Director of Shenzhen Cheng Yuan Aviation Oil Co., Ltd • Vice Chairman/Director of South China Bluesky Aviation Oil Co., Ltd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

As of 31 March 2022

Name of Director	Teo Ser Luck	Shi Lei
Information required Disclose the following matters concerning an appointment of director		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgement against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty, which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misinterpretation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

	Hee Theng Fong	Fu Xingran	Jeffrey Goh Mau Seong	Richard Yang Minghui
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No
	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

As of 31 March 2022

Name of Director	Teo Ser Luck	Shi Lei	
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust?	No	No	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	

Hee Theng Fong	Fu Xingran	Jeffrey Goh Mau Seong	Richard Yang Minghui
No	No	No	No
No No No No	No No No No	No No No No	No No No No
No	No	No	No

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

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

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