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

构建新发展格局
推动可持续发展

BUILDING NEW STRENGTHS, FORGING SUSTAINABLE GROWTH

2022年年度报告 | ANNUAL REPORT 2022

BUILDING NEW STRENGTHS, FORGING SUSTAINABLE GROWTH

构建新发展格局 推动可持续发展

Emerging from the pandemic stronger, we will continue to enhance our operations to navigate a sustainable path forward, supported by a strong governance framework based on effective risk management and responsible business practices. We will build on our existing jet fuel and other oil products trading and supply network and explore strategic investment opportunities, positioning the Group for a resilient future.

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FINANCIAL HIGHLIGHTS
业绩亮点

Total Supply and Trading Volume
总业务量

20.3
million metric tonnes 百万吨

Revenue
收入

US$ 16.5
billion 十亿美元

Return on Equity*
净资产回报率

3.72%

Net Profit*
净利润

US$ 33.5
million 百万美元

Return on Assets
资产回报率

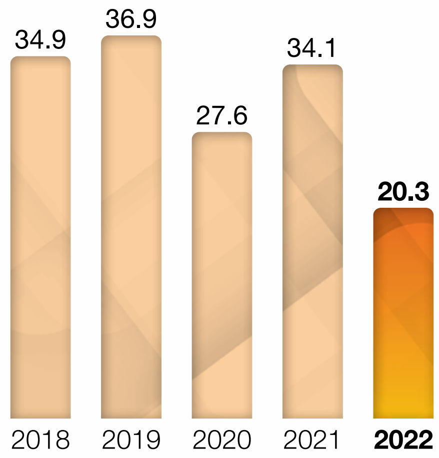
2.50%

Net Asset Value/Share*
每股净资产值

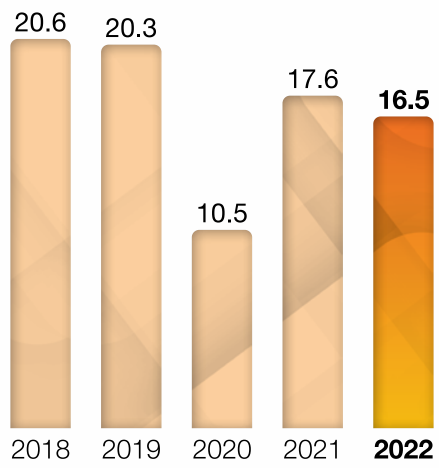
US 104.97¢
美分

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

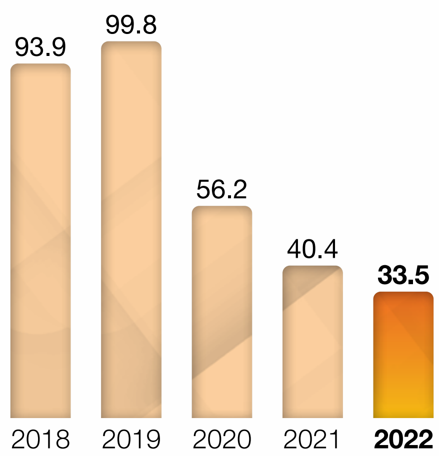
Total Supply and Trading Volume
(million metric tonnes)
总业务量 (百万吨)



Revenue
(US$ billion)
收入 (十亿美元)



Net Profit*
(US$ million)
净利润 (百万美元)



CAO AT A GLANCE
公司简介

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

Headquartered in Singapore and with a strong presence in China, CAO possesses a well-entrenched global oil supply and trading network, contributing actively to the advancement of efficient and sustainable global aviation. Leveraging on its core competencies, CAO and its wholly owned subsidiaries (collectively, the "Group"), 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, as well as in carbon credits trading in line with its ongoing efforts to offset carbon emissions from trading and ship chartering activities, to provide added sustainable value for its customers.

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. Its 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"), Shenzhen Zhenghe Petrochemicals Co. Ltd ("Shenzhen Zhenghe"), Oilhub Korea Yeosu Co., Ltd ("OKYC"), Aircraft Fuel Supply B.V. ("AFS") and its indirect subsidiary, CNAF Hong Kong Refuelling Limited ("CNAF HKR"). These companies cover a broad spectrum of businesses which are central 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 airports in China. BP Investments Asia Limited, a subsidiary of oil major, BP Plc, is a strategic investor of CAO, and holds 20.17% of the total issued shares of CAO (excluding treasury shares).

OUR BUSINESSES

Jet Fuel Supply & Trading

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 as well as 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.

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 ongoing efforts to drive its sustainability objectives, CAO is also actively expanding its product offerings to include sustainable aviation fuel ("SAF").

Investments in Oil-related Assets

Strengthening strategic partnerships through investments in oil-related assets synergistic to the Group's core businesses, CAO remains committed in delivering sustainable growth and long-term value for its shareholders. 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)
- Shenzhen Zhenghe Petrochemicals Co. Ltd
  (formerly known as 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
  (through its wholly owned subsidiary, CAOHK, CAO holds 68% equity stake)
- Aircraft Fuel Supply B.V.
  (CAFEU holds 12.5% equity stake)

CAO AT A GLANCE
公司简介

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,新加坡公司拥有一个庞大且稳固的全球航油供应和贸易网络,为推进高效与可持续发展的全球航空业做出了积极贡献。新加坡公司及其全资子公司(统称"新加坡公司"),即中国航油(香港)有限公司(简称"香港公司")、北美航油有限公司(简称"北美公司")和中国航油(欧洲)有限公司(简称"欧洲公司")充分发挥其核心竞争力,向位于亚太、北美、欧洲和中东的航空公司供应航油。与此同时,新加坡公司也积极开展航油和其它油品的国际贸易。为了进一步抵消公司在贸易和船舶租赁活动中的碳排放量,公司也积极开展碳权交易,致力于为顾客创造可持续价值。

主要投资

新加坡公司投资与其供应和贸易活动有协同性的油品相关资产,包括储罐、管线、机场加注设施等,以拓展全球一体化供应与贸易链。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")、深圳正和石化有限公司(简称"正和石化")、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")以及间接控股子公司中国航油香港供油有限公司(简称"香港供油公司")。这些公司的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。

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

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,如可持续航空燃料。

油品相关实业投资

新加坡公司通过投资收购与其核心业务具协同性的相关实业资产,全面强化战略伙伴关系,在实现可持续增长的同时,也为股东创造长期价值。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%)
- 深圳正和石化有限公司
(原名为"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
(新加坡公司通过全资子公司香港公司持股68%)
- 阿姆斯特丹机场航油供应公司
(欧洲公司持股12.5%)

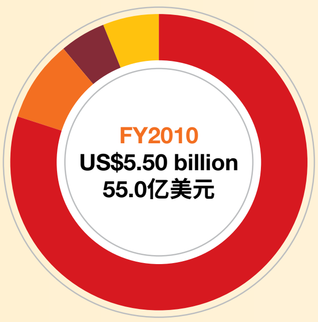
INTERNATIONAL REACH
国际触角

CAO Headquarter & Subsidiaries
新加坡公司总部及其子公司

Supply & Trading Network
供应与贸易网络

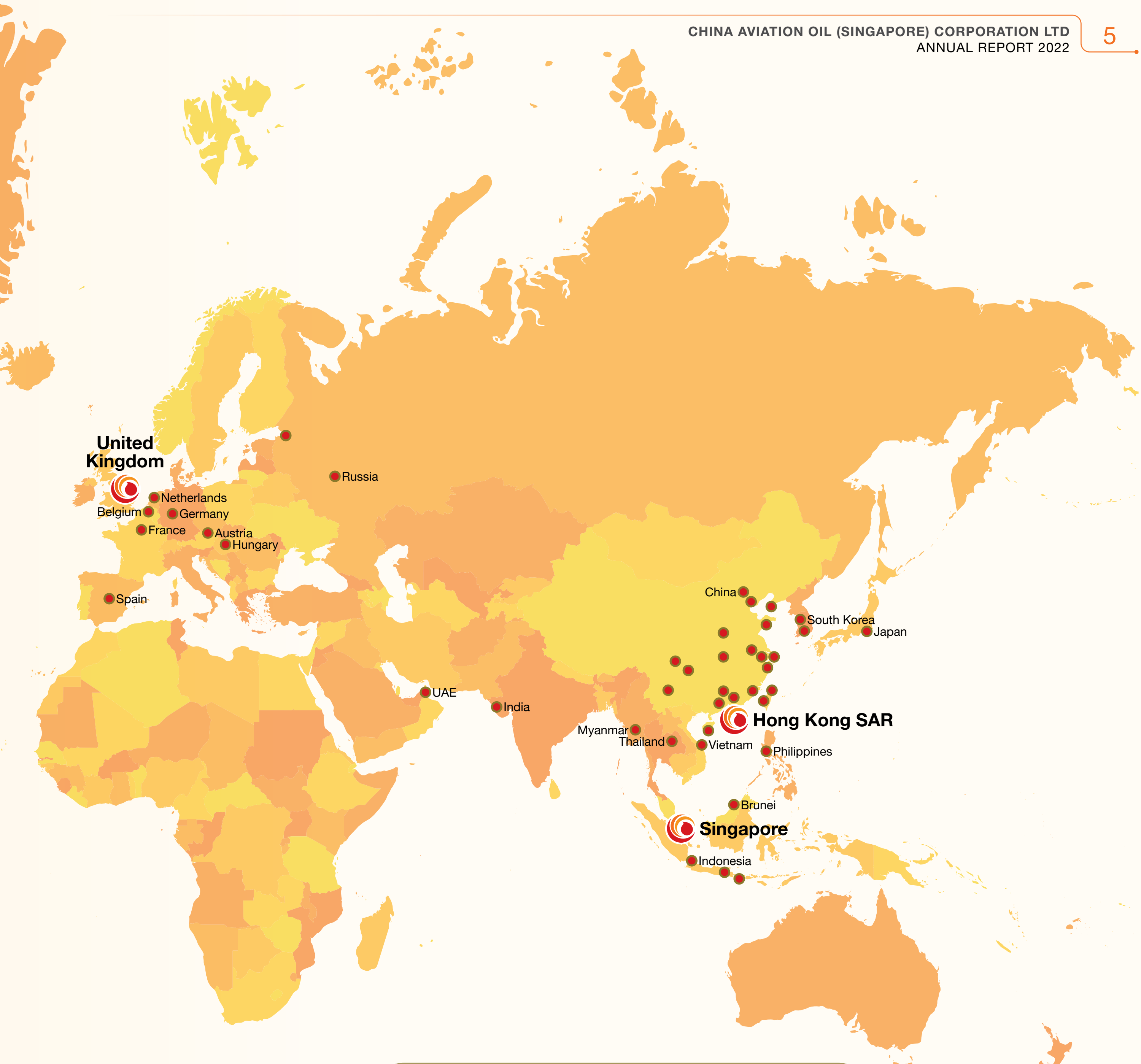
DIVERSIFIED GEOGRAPHIC BASE
地理多元化

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



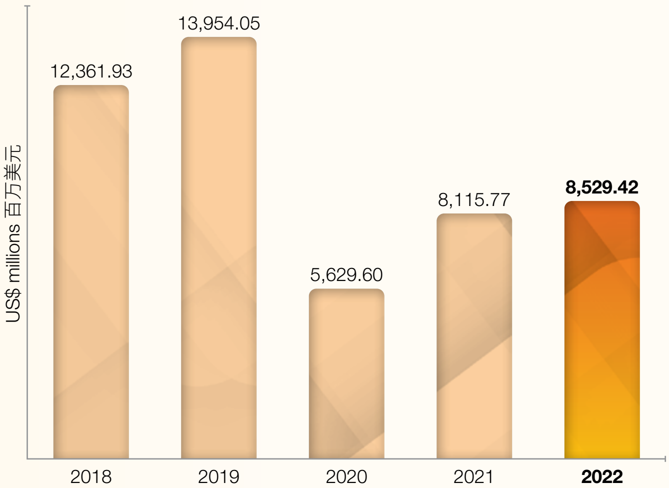
- China 中国 80.0%
- Singapore 新加坡 9.0%
- South Korea 韩国 5.0%
- Other Regions 其它地区 6.0%

- China 中国 53.3%
- Singapore 新加坡 11.6%
- Netherland 荷兰 8.7%
- USA 美国 5.7%
- Japan 日本 4.0%
- Hong Kong SAR 香港特区 3.0%
- Malaysia 马来西亚 2.1%
- Germany 德国 1.9%
- Australia 澳大利亚 1.3%
- South Korea 韩国 1.3%
- Indonesia 印尼 1.1%
- Myanmar 缅甸 1.0%
- Philippines 菲律宾 0.9%
- Bangladesh 孟加拉 0.9%
- Belgium 比利时 0.6%
- UAE 阿联酋 0.5%
- Ecuador 厄瓜多尔 0.5%
- France 法国 0.2%
- Other Regions 其它地区 1.4%

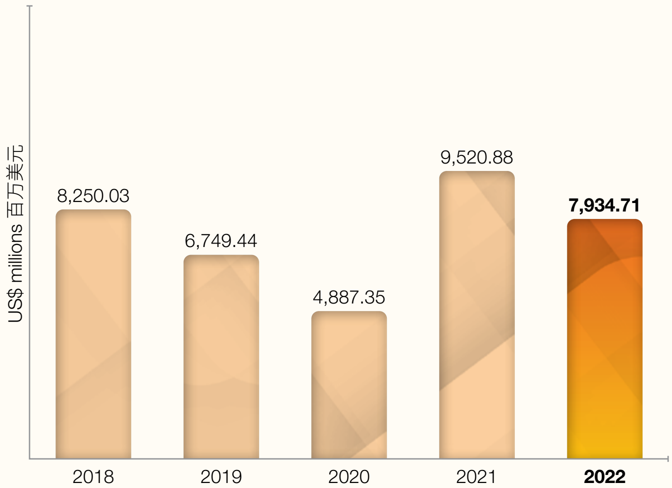


DIVERSIFIED PRODUCT BASE
产品多元化

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，交付至不同区域的客户手中。

PROCUREMENT
采购

OPTIMISATION & TRADING
优化与贸易

International Oil Markets
国际油品市场

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

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

Secure Resources
锁定资源

Optimise Logistics
优化物流

Storage
储罐

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

OKYC
韩国丽水枢纽油库有限公司

Zhenghe
正和石化

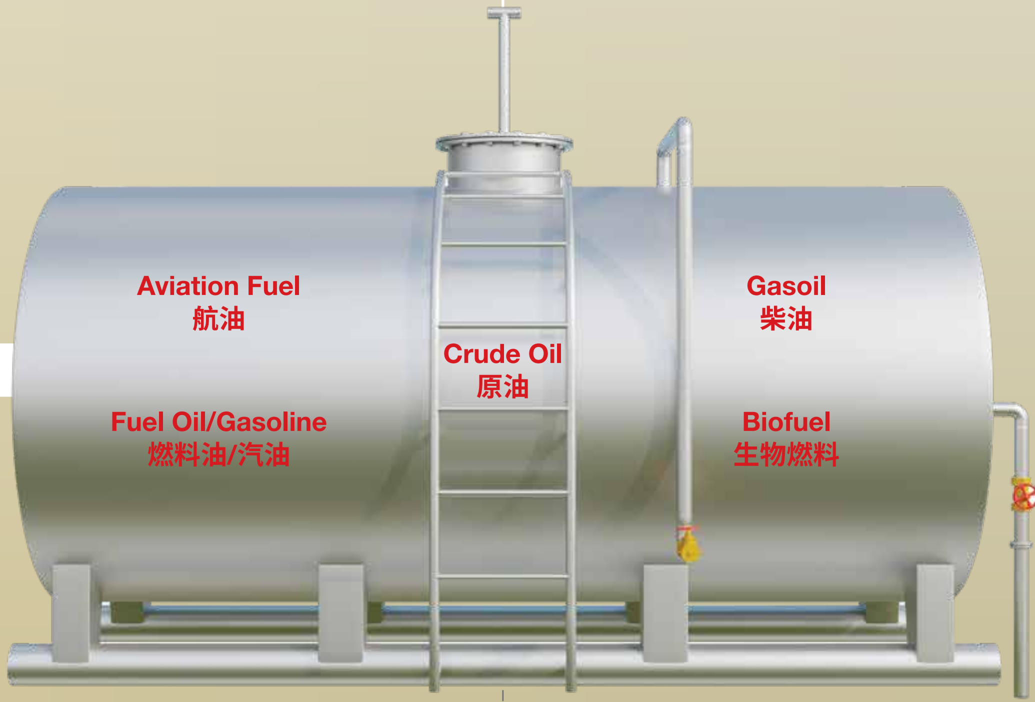
End Customers
终端客户

Airlines
航空公司

Ship Owners
船东

End Users
终端用户

Cargo Supply
供给货物



Marketing
市场营销

Create Demand
创造需求

Pipelines
管线

TSN-PEKCL
管输公司

Airport Refuelling Facilities
机场加注设施

SPIA
浦东航油

CNAF HKR
香港供油公司

AFS
阿姆斯特丹机场航油供应公司

OUR CORE VALUES
核心价值理念体系

OUR MISSION

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

使命

为股东创价值
为员工谋发展
为社会做贡献

OUR VISION

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

愿景

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

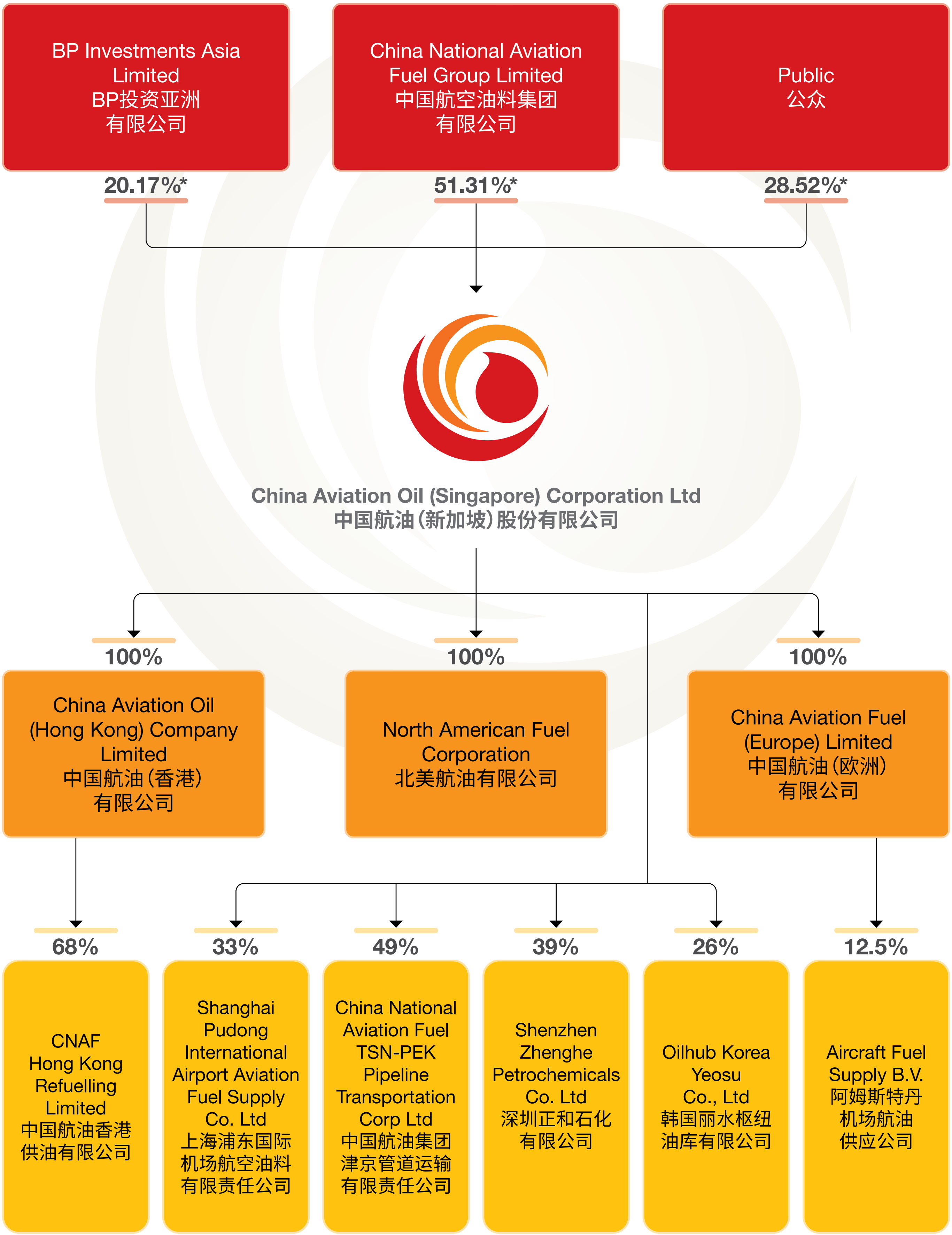
CORPORATE VALUES

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

核心价值观

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

GROUP STRUCTURE (as of 31 March 2023)
公司结构图（截至2023年3月31日）



* Excluding treasury shares 不包括库存股

BUILDING
STRONG GOVERNANCE

BUILD

At the heart of our value proposition as a leading jet fuel supplier in the Asia Pacific is a robust governance framework that ensures effective risk management and compliance practices as well as responsibility in all our business decisions and business practices.

CHAIRMAN'S STATEMENT
董事长致辞

Gong Feng
Chairman

龚丰
董事长

CHAIRMAN'S STATEMENT
董事长致辞

2022 was a year filled with great challenges for the Company. Nevertheless, we have transcended these difficult times, forging ahead with determination and innovation for growth.

While 2022 was a turbulent year marked by geopolitical and economic uncertainties as well as high oil price volatility, it was also a year where global consensus around energy transition became stronger. The Group has, as one cohesive team, established an integrated global oil trading network, carrying out jet fuel arbitrage trading from Asia to Europe and North America. The Group further entrenched its leadership position as the largest physical jet fuel trader in the Asia Pacific region and enhanced its international trade capacity through the optimisation of its Platts window trading and inventory management, as well as strengthening strategic partnerships.

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.

Upholding business compliance best practices, we conduct our businesses with excellence and integrity, while exercising effective risk management, building up innovation capabilities and fulfilling our social responsibility. In doing so, we have managed to sustain high-quality and steady developmental growth of our businesses. As of 31 December 2022, our total supply and trading volume reached 20.26 million metric tonnes ("mt"), generating an overall revenue of US$16.46 billion and gross profit of US$35.39 million. The Group's total share of results from associated companies was US$17.90 million while net profit for the year was US$33.19 million. The Group continues to maintain a healthy financial position with sufficient capital, strong asset liquidity and low debt-to-asset ratio.

In appreciation of the continued support of our shareholders, the Board of Directors has proposed a one-tier, tax-exempt first and final dividend of 1.6 Singapore cents per ordinary share for approval by shareholders at the upcoming 29th Annual General Meeting of the Company. We remain committed to delivering long-term shareholder value by upholding our dividend policy at a pay-out based on 30% of the Group's annual consolidated net profits attributable to shareholders.

In 2022, as part of ongoing efforts to further strengthen Board governance, the Board approved and established a new Board Sustainability Committee to enhance the oversight and management of sustainability-related matters of the Group as well as to provide more effective oversight over material environmental, social and

CAO will continue to drive long-term value for stakeholders in tandem with the Group's sustainable development goals.
新加坡公司将继续为利益相关方创造长期价值，同时致力于实现其可持续发展目标。

CHAIRMAN'S STATEMENT 董事长致辞

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

governance ("ESG") issues. The Committee, comprising Non-Executive Directors with extensive experience and expertise in sustainability-related matters (including climate-related sustainability issues), will enable the Group to implement strategies for long-term sustainability. At the same time, this Board Committee provides greater assurance that the Group has in place an effective and science-based governance system to enable it to drive its sustainability strategy and initiatives for the Group's long-term growth and development.

New year, new beginnings. Moving ahead in 2023, CAO seeks to advance the development of new businesses while upholding high standards of corporate governance, exploring new innovative business initiatives, as well as enhancing the digital transformation of global trade and operational capabilities. We are also in the midst of devising our sustainability strategies for the next three to five years, which include our proposed carbon reduction targets and roadmaps. As we embark on our journey towards becoming a green, low-carbon emissions corporation, we will be focusing on establishing our biofuel supply and trading business as well as advancing new energy-related asset investments. These two aspects will form the core basis of our green development, while we continuously explore other new green businesses such as carbon credits trading, carbon neutral shipment, and aviation electrification.

New journeys await. The Board of Directors of CAO will continue to provide leadership and guidance to the Management and staff as we progress with confidence and determination. With prudent decision-making, the Group will continue to prepare for rainy days in the face of intense market competition. We remain committed to delivering long-term value for our stakeholders through constantly adapting and re-strategising in this evolving external environment and embracing innovation to enhance our competitiveness and competitive advantages in the market.

Gong Feng
Chairman

CHAIRMAN’S STATEMENT
董事长致辞

2022年是中国航油（新加坡）股份有限公司（简称“新加坡公司”）攻坚克难的一年，改革创新的一年，锐意进取的一年。这一年世界政治经济形势复杂多变，全球油价高位震荡，能源转型需求强劲。面对极具挑战的外部环境，新加坡公司坚持全球油品贸易一体化运作，新加坡总部与子公司协同开展亚洲到欧洲、亚洲到北美的航煤跨区贸易，同时积极把握普氏窗口交易、强化战略协同、优化库存管理，实现了国际化贸易能力的全面提升，夯实了亚太地区最大航煤实货贸易商的市场地位。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！

2022年，我们踔厉奋发，坚守合规经营，严格风险管控，创新业务模式，履行社会责任，实现了稳健运营和高质量发展。截至2022年12月31日，公司2022财年累计实现业务量2,026万吨，营业收入164.6亿美元，毛利3,539.1万美元，投资收益1,790.2万美元，净利润3,318.6万美元；2022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29次常年股东大会上，董事会将提请股东批准派发每股0.016新元的年终免税股息。新加坡公司肩负为股东创造价值的使命，将归属于股东的年度合并净利润的30%作为股息分配给股东，始终践行与股东共享经营发展成果。

2022年，我们谋篇布局，强化董事会建设。设立董事会下属可持续发展委员会，完善可持续发展制度体系，在董事会治理和公司战略层面加强对重要环境、社会、治理（ESG）事项的监督管理和绩效提升。可持续发展委员会委员均由具备相关丰富经验的非执行董事担任，充分发挥各位委员在ESG治理领域的专业知识和丰富经验，有效地将可持续发展与市场开拓和业绩增长形成有机结合，推动实现公司的长期可持续发展战略，以科学规范、运行有效的治理体系为公司的高质量发展提供有力保障。

新年伊始，万象更新。展望2023年，新加坡公司将贯彻落实新发展理念，保持高标准的公司治理实践，坚持业务创新驱动，强化数智贸易转型，提升经营管理能力。研究制定未来三至五年可持续发展战略，提出减碳目标和路线图，推进实施以“生物航煤供应与贸易”和“新能源资产投资”为核心的绿色产业布局，积极探索“碳权交易”、“船运碳中和”、“加注电气化”等新兴业务，向绿色低碳转型迈出坚实步伐。

新起点，新征程。新加坡公司董事会将继续带领管理层和全体员工坚定发展的信心和决心，时刻保持忧患思想，在激烈的市场竞争中超前谋划、未雨绸缪。不断适应形势的新变化，不断改革创新，提升市场竞争能力和核心竞争力，持续为各利益相关方创造价值。

龚丰
董事长

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

BOARD OF DIRECTORS
董事会

Seated (left to right)
前排（从左至右）：

Hee Theng Fong
许廷芳

Gong Feng
龚丰

Teo Ser Luck
张思乐

Shi Lei
石磊

Standing (left to right)
后排（从左至右）：

Lin Yi
林奕

Richard Yang Minghui
杨明辉

Zhang Yuchen
张宇尘

Jeffrey Goh Mau Seong
吴茂松

Fu Xingran
付星然

BOARD OF DIRECTORS
董事会

GONG FENG, 58
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:
2 years 1 month
(as at 31 December 2022)

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 2022)

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 2020 to 31 December 2022):
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，58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：
2年1个月
（截至2022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2022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（2020年1月1日至2022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, 54
Lead Independent Director

Date of first appointment as a director:
24 April 2019

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

Length of service as director:
3 years 8 months
(as at 31 December 2022)

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

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

Present Directorships:
(as at 31 December 2022)

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

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

Major Appointments (other than directorships):
- President of the Institute of Singapore Chartered Accountants (ISCA)

Past Directorships held over the preceding 3 years (from 1 January 2020 to 31 December 2022):
- Lead Independent Director of United Engineers Limited
- Lead Independent Director of MindChamps PreSchool Limited

Others:
- Former Adviser to Singapore Fintech Association
- 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，54岁
首席独立董事

首次当选董事日期：
2019年4月24日

上次董事重选日期：
2022年4月27日

供职董事年限：
3年8个月
（截至2022年12月31日）

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

学术和专业资历：
- 新加坡南洋理工大学，会计学位

现任董事席位：
（截至2022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）
- 特海国际控股有限公司（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主席

过去三年曾任董事席位（2020年1月1日至2022年12月31日）：
- 联合工程有限公司（首席独立董事）
- 迈杰思幼儿园有限公司（首席独立董事）

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

BOARD OF DIRECTORS
董事会

SHI LEI, 58
Non-Executive,
Non-Independent Director

Date of first appointment as a director:
1 September 2021

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

Length of service as director:
1 year 3 months
(as at 31 December 2022)

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, China

Present Directorships:
(as at 31 December 2022)

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 2020 to 31 December 2022):
Nil

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

石磊，58岁
非执行、非独立董事

首次当选董事日期：
2021年9月1日

上次董事重选日期：
2022年4月27日

供职董事年限：
1年3个月
（截至2022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2022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（2020年1月1日至2022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, 49
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:
2 years 2 months
(as at 31 December 2022)

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

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

Present Directorships:
(as at 31 December 2022)

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 2020 to 31 December 2022):
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 Assistant of Safety Monitoring Technology Development Department, South China Bluesky Corporation Ltd
- Former Deputy Officer of Yichang Supply Station, CNAF Hubei branch
- Former Assistant Engineer, Wuhan Tianhe Airport Construction Headquarter, Wuhan Airport Development Group

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张宇尘，49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：
2年2个月
（截至2022年12月31日）

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

学术和专业资历：
- 工学学士
- 高级工程师

现任董事席位：
（截至2022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（2020年1月1日至2022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安全监督技术开发部助理
- 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

BOARD OF DIRECTORS
董事会

LIN YI, 53
Chief Executive Officer/ Executive Director

Date of first appointment as a director:
15 March 2023

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

Length of service as director:
N.A.
(as at 31 December 2022)

Board Committee(s) served on:
Nil

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

Present Directorships:
(as at 31 December 2022)

Listed companies:
Nil

Other principal directorships:
- China Aviation Oil (Hong Kong) Company 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):
Nil

Past Directorships held over the preceding 3 years (from 1 January 2020 to 31 December 2022):
Nil

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

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林奕，53岁
首席执行官/执行董事

首次当选董事日期：
2023年3月15日

上次董事重选日期：
不适用

供职董事年限：
不适用
（截至2022年12月31日）

供职董事委员会：
无

学术和专业资历：
- 大学本科学历工学学士
- 高级工程师

现任董事席位：
（截至2022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）
- 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）：
无

过去三年曾任董事席位（2020年1月1日至2022年12月31日）：
无

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

BOARD OF DIRECTORS
董事会

HEE THENG FONG, 68
Non-Executive, Independent Director

Date of first appointment as a director:
24 April 2019

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

Length of service as director:
3 years 8 months
(as at 31 December 2022)

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

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

Present Directorships:
(as at 31 December 2022)

Listed companies:
- Straco Corporation 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):
- Independent Arbitrator and Mediator with The Arbitration Chambers

Past Directorships held over the preceding 3 years (from 1 January 2020 to 31 December 2022):
- Director of Singapore Chinese Cultural Centre
- Independent Director of Tye Soon Limited
- Independent Director of APAC Realty Limited
- Independent Director of Zheneng Jinjiang Environment Holding Company Limited

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

许廷芳，68岁
非执行、独立董事

首次当选董事日期：
2019年4月24日

上次董事重选日期：
2022年4月27日

供职董事年限：
3年8个月
（截至2022年12月31日）

供职董事委员会：
风险管理委员会（主席）
审计委员会（成员）
薪酬委员会（成员）
可持续发展委员会（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2022年12月31日）

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

其他主要董事席位：
无

主要任职（除董事职位外）：
- The Arbitration Chambers独立仲裁员及调解员

过去三年曾任董事席位（2020年1月1日至2022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）
- 浙能锦江环境控股有限公司（独立董事）

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

BOARD OF DIRECTORS
董事会

FU XINGRAN, 45
Non-Executive, Independent Director

Date of first appointment as a director:
30 September 2021

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

Length of service as director:
1 year 3 months
(as at 31 December 2022)

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

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

Present Directorships:
(as at 31 December 2022)

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 2020 to 31 December 2022):
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

付星然，45岁
非执行、独立董事

首次当选董事日期：
2021年9月30日

上次董事重选日期：
2022年4月27日

供职董事年限：
1年3个月
（截至2022年12月31日）

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

学术和专业资历：
- 英国赫瑞－瓦特大学金融工程专业博士学位

现任董事席位：
（截至2022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（2020年1月1日至2022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, 54
Non-Executive, Independent Director

Date of first appointment as a director:
31 December 2021

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

Length of service as director:
1 year
(as at 31 December 2022)

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

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

Present Directorships:
(as at 31 December 2022)

Listed companies:
Nil

Other principal directorships:
Nil

Major Appointments (other than directorships):
- Chief Executive Officer of Gulf Air Group Holding Company (Bahrain)

Past Directorships held over the preceding 3 years (from 1 January 2020 to 31 December 2022):
- Director of Star Alliance (SG) Pte. Ltd.
- Director of Airline Passenger Experience Association (US)

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

吴茂松，54岁
非执行、独立董事

首次当选董事日期：
2021年12月31日

上次董事重选日期：
2022年4月27日

供职董事年限：
1年
（截至2022年12月31日）

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

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

现任董事席位：
（截至2022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）：
- 海湾航空控股公司（巴林）首席执行官

过去三年曾任董事席位（2020年1月1日至2022年12月31日）：
- 星空联盟（新加坡）私人有限公司（董事）
- 航空公司乘客体验协会（美国）（董事）

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

BOARD OF DIRECTORS
董事会

RICHARD YANG MINGHUI, 53
Non-Executive, Non-Independent Director

Date of first appointment as a director:
31 May 2021

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

Length of service as director:
1 year 7 months
(as at 31 December 2022)

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 2022)

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 2020 to 31 December 2022):
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，53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：
2022年4月27日

供职董事年限：
1年7个月
（截至2022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2022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（2020年1月1日至2022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 2023)
公司信息（截至2023年3月）

DIRECTORS

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

Teo Ser Luck
(Lead Independent Director)

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

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

Lin Yi
(Chief Executive Officer/ Executive Director)

Hee Theng Fong
(Independent Director)

Fu Xingran
(Independent Director)

Jeffrey Goh Mau Seong
(Independent Director)

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATING COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

SUSTAINABILITY COMMITTEE

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

COMPANY SECRETARY

Doreen Nah

AUDITORS

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

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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

PRINCIPAL BANKERS

Australia and New Zealand Banking Group Limited
Agricultural Bank of China Limited
Bank of China Limited
Bank of Communications Co., Ltd
China Construction Bank Corporation
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）

石磊
（非执行、非独立董事）

张宇尘
（非执行、非独立董事）

林奕
（首席执行官/执行董事）

许廷芳
（独立董事）

付星然
（独立董事）

吴茂松
（独立董事）

杨明辉
（非执行、非独立董事）

审计委员会

张思乐 *（主席）*
张宇尘 *（副主席）*
许廷芳
付星然
杨明辉

薪酬委员会

吴茂松 *（主席）*
石磊 *（副主席）*
许廷芳
付星然
杨明辉

提名委员会

付星然 *（主席）*
石磊 *（副主席）*
张思乐
张宇尘
吴茂松

风险管理委员会

许廷芳 *（主席）*
张宇尘 *（副主席）*
张思乐
石磊
吴茂松

可持续发展委员会

张思乐 *（主席）*
张宇尘 *（副主席）*
许廷芳
付星然
吴茂松

公司秘书

蓝肖蝶

外部审计师

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

股票登记处和转让处

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

主要银行

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

注册办公室

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

PRIMING FOR

OPPORTUNITIES

PRIME

Building on our jet fuel trading and supply network, we are continuously exploring strategic expansion options through investments in synergistic oil-related assets, priming the Group to capture opportunities for sustainable growth.

CEO'S MESSAGE
首席执行官致辞

Lin Yi
Chief Executive Officer/Executive Director

林奕
首席执行官/执行董事

CEO'S MESSAGE
首席执行官致辞

The Group continued to strive for stable operations despite the pandemic.
尽管新冠疫情影响依旧弥漫，新加坡公司始终保持稳健运营。

The complex geopolitical and macroeconomic landscape coupled with volatile financial markets and commodity prices as well as rising global inflationary pressure and the ongoing pandemic continued to exacerbate operational challenges for China Aviation Oil (Singapore) Corporation Ltd ("CAO") in 2022. In addition, the Company was challenged by a series of unfavourable factors such as rising costs in its jet fuel supply business, as well as significant decline in the share of results of its associates and domestic refined oil products export resources.

Despite the challenges and difficulties encountered, Management remained focused on executing the instructions of the Board of Directors. With determination, commitment and confidence, Management made concerted efforts to overcome these challenges while adhering to the Company's business philosophy of "Compliance as a Top Priority, Risk Management of Utmost Importance". Timely adjustments were made to the Group's business strategies to better secure and consolidate market resources, leveraging on its core trading advantages, as well as strengthening strategic partnerships. Consequently, the Group managed to sustain stable growth and significantly enhanced its global trading capabilities. As of 31 December 2022, the Group achieved a total supply and trading volume of 20.26 million mt, translating into a total revenue of US$16.46 billion, and net profit of US$33.19 million.

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

The Group remained committed to effective risk management, while striving for steady business growth last year. We adhered strictly to our four-tier risk management framework and upheld high compliance standards and robust risk control measures across all operations. Working as one unified and well-coordinated team, the Group would actively analyse market structure and trends to seize quality trading resources, conduct jet fuel arbitrage trading, and at the same time, optimise logistic processes to reduce trading costs. Additionally, business strategies were actively managed in response to changes in supply and demand, which further optimised

CEO'S MESSAGE
首席执行官致辞

the Group's global jet fuel trading network, as well as its abilities to generate and increase profitability, boosting its standing and influence in the global oil trading market.

We further refined our corporate governance practices and enhanced business development in 2022. The Company also embraced environmental, social and governance ("ESG") transformation, strengthening our ESG-related practices as well as establishing an ESG system to evaluate the Company's sustainability using material ESG indicators for measurement. We have also achieved the necessary accreditation to conduct business involving sustainable aviation fuel ("SAF").

We continue to cultivate an inclusive and diversified corporate culture, while staying committed to driving innovation across the Group and advancing its digital transformation. We also seek to fulfil all disclosure obligations in an open, transparent, truthful and timely manner through the broadcasting of the Group's financial results, conducting online roadshows, as well as facilitating direct communication between Management and investors to deepen the latter's understanding of the Company's business strategy and long-term value.

To improve the effectiveness of its corporate governance, the Company's system of internal controls were enhanced, along with the standardisation of its internal policies. Committed in fulfilling its corporate social responsibility as a responsible corporate citizen, CAO is constantly seeking to strengthen its corporate value and brand image, thereby providing long-term value for our stakeholders.

On behalf of the Company, I would like to express my heartfelt gratitude to Mr Wang Yanjun, who stepped down as Chief Executive Officer of the Company on 15 September 2022, for his contributions and able leadership in leading the staff to overcome numerous challenges and achieve stable performance despite the pandemic.

As the global economy recovers post-pandemic, international oil demand this year will gradually recover amidst an accelerated pace of energy transformation. In the face of external challenges as well as opportunities, Management will continue to lead all staff in carrying out the directives of the Board, as well as adhering to prudent business strategies as we pursue growth opportunities. We will continue to focus on business expansion and innovation to maximise growth quality and profitability, as well as green development and digital transformation to continuously enhance our core competitiveness. In addition, we will be doing our best to achieve our 2023 performance targets.

Moving ahead, we will remain steadfast and comprehensively explore new development concepts, incorporating them into the Company's latest development plans, and strive for high quality and continued improvement. We remain determined to give our best and deliver a creditable performance to our shareholders in the year ahead.

Lin Yi
Chief Executive Officer/Executive Director

The team from CAOHK conducting safety inspection at CNAF HKR.
香港公司到供油公司开展安全检查。

CEO'S MESSAGE
首席执行官致辞

OKYC is strategically located at the centre of Northeast Asia with easy access to major oil consuming countries.
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。

回顾2022年，国际地缘政治、经济形势复杂严峻，金融市场剧烈波动，国际油价高位震荡，全球通胀压力增大，叠加新冠疫情影响依旧弥漫，中国航油（新加坡）股份有限公司（简称"新加坡公司"）受到了航煤供应成本攀升、中国成品油出口资源减少、联营公司业绩下滑等诸多不利因素的影响，面临前所未有的经营压力。面对困难与挑战，新加坡公司管理层坚定贯彻董事会的工作部署，践行"合规第一、风控至上"的经营理念，时刻保持攻坚克难的决心、信心和定力，通过适时调整经营策略、挖掘整合市场资源、发挥自身贸易优势、加强战略合作协同等，保持了稳健的经营态势，实现了国际化贸易能力的显著提升。截至2022年12月31日，累计完成业务量2,026万吨，实现营业收入164.6亿美元、净利润3,319万美元。

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支持和信任。在此，我谨代表公司管理层和全体员工对各位股东和业界同仁表达最诚挚的感谢！

2022年，我们严格风险管控，稳促业务发展。严格执行"四重双线"风险管控机制，以业务合规、风险可控为前提，开展各项业务活动。新加坡公司与其子公司坚持全球贸易"一盘棋"，积极研判市场结构和走势，抢抓优质贸易资源开展航煤跨区域贸易，同时优化物流方案降低贸易成本，针对前端市场的供需变化及时调整销售策略，进一步优化了航煤国际贸易网络布局，有效提升了创收增效能力，提振了公司在全球油品贸易市场的参与度和影响力。

2022年，我们精益公司治理，提升发展质量。强化环境、社会、治理（ESG）能力建设，搭建ESG指标体系。完成可持续航空燃料（SAF）资质认证，培育兼容并蓄的多元企业文化，坚持业务创新驱动，强化数智贸易转型。公开透明、真实准确、完整及时地开展常态化信息披露，举办业绩发布会、线上路演，管理层直接与投资者对话，加深投资者对公司战略和长期价值的认同。完善内控体系，着力将制度规范转化为治理效能。坚持履行企业社会责任，不断增强企业价值、提升品牌形象，持续为利益相关方创造价值。

王延军先生于2022年9月15日卸任新加坡公司首席执行官。在复杂多变的市场环境中，王先生带领全体员工攻坚克难，保持了公司的稳健运营。在此，我代表公司对王延军先生为新加坡公司所作出的贡献表示衷心感谢。

2023年，世界经济在疫情后复苏，全球石油需求逐步恢复，能源转型步伐加快。面对外部环境带来的挑战和机遇，管理层将带领全体员工按照董事会确定的工作思路，坚持稳中求进的经营策略，统筹推进业务拓展、改革创新、提质增效、绿色发展和数智转型等各项工作，不断提升企业核心竞争力，确保2023年各项目标任务的全面达成。

展望未来，我们将完整、准确、全面贯彻新发展理念，融入新发展格局，全力开创公司高质量发展新局面。在栉风沐雨的奋斗中再创佳绩，向股东交出一份亮丽的答卷。

林奕
首席执行官/执行董事

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

AVIATION MARKETING MARKET REVIEW

Over the course of 2022, global air passenger traffic gained momentum and recovered substantially following the gradual easing of travel restrictions, with strong pent-up consumer demand driving travel recovery.

Based on data released by the International Air Transport Association ("IATA"), total air traffic in 2022 (measured in revenue passenger kilometers or RPKs) rose 64.4% year-on-year. It is also worth noting that based on data released by OAG, a global travel data provider, in conjunction with the Center for Asia Pacific Aviation, the number of global airlines has increased to 715 post-pandemic compared to 702 three years ago.

Highlights of Aviation Marketing Activities in 2022

To better participate in the SAF industry, the Group actively sought and successfully achieved the necessary accreditation, namely ISCC CORSIA and ISCC EU, in the second half of 2022.

In addition, a SAF working group was formed to map out the Group's SAF strategy whereby CAFEU will be responsible for developing the sales channels at European airports, while CAO will actively source for supply resources in Asia.

Aviation Marketing outlook and trading strategies in 2023

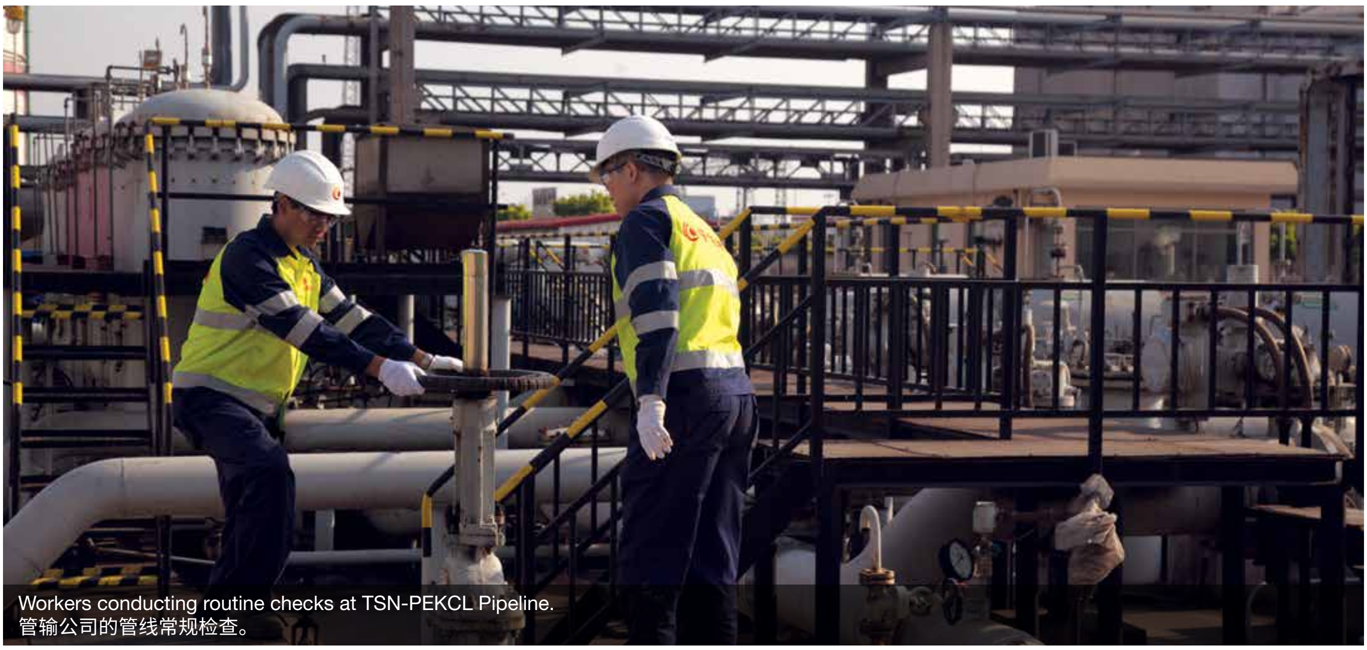
IATA predicts total airline revenue to recover to around 93% of the pre-COVID level in 2023. Based on IATA's estimates, North America was the only region to return to profitability in 2022. Europe and the Middle East are expected to join ranks with North America in 2023, while Latin America, Africa, and Asia Pacific are expected to remain in a net loss position, with potential to return to profitability over the next few years.

IATA adopts a conservative outlook with regards to the air travel demand in Asia Pacific on expectations that China's air travel-related restrictions will be progressively alleviated over the second half of 2023. Asia Pacific is expected to record a significant improvement but will still post a net loss of approximately US$6.6 billion.

The pandemic has severely impacted the global aviation industry over the past three years. While most global flight routes have gradually resumed in 2022, the financial risk to airlines remains high. As such, the Aviation Marketing Department continues to enforce strict risk assessment on its airline counterparties and prudently carries out all aviation marketing businesses.

Moving forward, the Aviation Marketing Department will strive to retain contracts and market share with existing airlines, carefully evaluate and explore new business opportunities to supply to new airlines and airports. At the same time, the Company will actively carry out global strategic cooperation with major aviation fuel suppliers, expand supply channels, enhance supply solutions, and strengthen our global aviation supply capacity.

As an important new business development target, we will also actively develop our SAF business to meet the growing demand for clean alternative energy.



Workers conducting routine checks at TSN-PEKCL Pipeline.
管输公司的管线常规检查。

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

CAO continues to strengthen cooperation with Asian refiners to secure jet fuel resources.
新加坡公司积极加强与亚洲炼厂的合作，确保航煤资源来源。

JET FUEL SUPPLY AND TRADING MARKET REVIEW

While the spread of the Omicron variant stalled the recovery for jet fuel in Asia Pacific, most countries around the world, especially those in Europe and America experienced a rapid rebound in air travel demand as COVID restrictions were lifted. This, coupled with seasonal heating oil demand, provided some support for the Asian jet fuel market. However, the overall demand for Asian jet fuel was weak for most of 2022 weighed down by China's enforcement of its zero-COVID policy.

On the supply-side, sanctions on Russian refined oil products following the outbreak of the Russia-Ukraine war in February 2022 led most refineries around the world to focus on boosting gasoil output to achieve better refining margins. As a result, the physical premium on jet fuel cargo rose sharply in Asia Pacific due to regional refineries scaling back their jet fuel output which further exacerbated the shortage of available resources in the market. The shortage of jet fuel supply not only significantly reduced market liquidity, but also pushed the jet fuel market structure into steeper backwardation, resulting in a significant hike in the cost of jet fuel storage, making it more difficult to conduct trading activities.

Highlights of Jet fuel supply and trading activities in 2022

1. **Strengthened cooperation with Chinese refineries to secure jet fuel supplies, reduced procurement costs, and broadened trading opportunities to achieve a win-win situation**

   The jet fuel supply business incurred losses in 2022 amid significant reduction in the export quota for refined oil products issued by the Chinese government. The situation was further exacerbated by the sharp decline in available jet fuel resources in Asia as well as elevated spot jet fuel prices and high freight costs. Nevertheless, the Aviation Fuel Department took the initiative to partner with a number of Chinese state-owned refineries to secure scarce oil export resources. Leveraging on their general trade export quota, the Company performed cargo swap and inventory optimisation, effectively lowering the refiners' high inventory level whilst successfully reducing its procurement cost by securing premiums lower than the international spot market, achieving a win-win situation for all.

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2. **Cooperated with North Asia refineries to secure jet fuel supplies and expand arbitrage trading volumes**

   The Aviation Fuel Department was also quick to seize favourable market opportunities and developed a new procurement model with North Asia refiners, utilising OKYC storage tanks to consolidate Asian jet fuel supplies and carried out arbitrage trading from Asia to Europe and North America. In doing so, the Company successfully established a supply chain for its overseas proprietary trading business and significantly improved its profitability.

3. **Worked closely with subsidiaries to strengthen its proprietary trading capabilities and actively carry out arbitrage trades**

   The Aviation Fuel Department laid a good foundation for arbitrage trading in 2022 by actively securing and optimising Asian jet fuel resources to meet strong market demands across Asia, Europe and America, leveraging on its core advantages in inventory optimisation, chartering, market analysis, and derivatives hedging. Capturing their respective market demands, CAFEU and NAFCO adjusted their sales strategies in response to the changes in local market dynamics and prices, maximising the Group's profitability. Working as one unified and well-coordinated team, the Group was able to optimise their trading operations and established a profitable jet fuel arbitrage trading network.

Jet fuel market outlook and trading strategies in 2023

Jet fuel demand in China is expected to rally following the end of its zero-COVID policy on 8 January 2023. China's border reopening is projected to accelerate the country's economic recovery as well as boost global economic growth. However, the surge in domestic infection cases after the Chinese government eased its pandemic-related restrictions coupled with concerns of an impending global economic recession, has led many analysts to adopt mixed attitudes on the outlook for China's jet fuel demand. A sustained recovery in China's jet fuel demand from the second quarter of 2023 may provide strong support for the overall Asia-Pacific jet fuel market.

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

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首席执行官战略报告——经营概况

According to Platts' forecast, Asia-Pacific jet fuel supply growth will be weaker than demand growth in 2023, with declining jet fuel export volumes as China's jet fuel demand gradually returns to normal. Overall, the recovery of China's economy in 2023 will substantially improve the fundamentals of Asia-Pacific jet fuel market, supporting the jet crack spread and physical spot price at elevated levels.

In view of the macro environment and market uncertainties, CAO will continue to work closely with its domestic end-customers to better understand their needs and provide comprehensive services. At the same time, the Group will strive to secure oil supply resources through multiple channels and minimise cost through the optimisation of shipping logistics and derivatives hedging strategies. The Aviation Fuel Department will continue to leverage on the Group's proprietary trading advantages and seek to increase its trading profitability by optimising inventory, Platts window trading, and arbitrage trading.

OTHER OIL PRODUCTS MARKET REVIEW

Supply of crude oil remained tight due to ongoing geopolitical conflicts, including western countries like Europe and USA imposing sanctions on Russia following the Russia-Ukraine war. OPEC+'s cautious stance towards output hikes in the first half of 2022 as its member countries grappled with limited capacity to increase production due to under-investment and operational challenges further aggravated the situation. Meanwhile, the easing of COVID-19 restrictions around the world has boosted demand for refined oil products. Global oil prices were further supported by summer consumption demand in Europe and USA as well as the gradual recovery of oil product demand in China.

Crude oil demand in China declined sharply in the second half of 2022 as China tightened its COVID-19 restrictions amid the resurgence of infections. Oil prices were further suppressed due to rising fears of a global economic recession, interest rate hikes by the US Federal Reserve and other central banks as well as higher inflation rate. The negative sentiments were partially offset following OPEC+'s decision to cut its production by 2 million barrels per day from November 2022 and China's sudden lifting of its zero-infection restrictions in December 2022. Overall, crude oil prices edged upwards amid significant volatility in 2022. The average price for Brent Futures in 2022 was US$99.04 per barrel, posting a sharp increase of US$28.11 per barrel or 40% gain year-on-year.

In terms of the refined oil products market, the easing of COVID-19 restrictions in Asia Pacific has boosted the demand for gasoil. However, gasoil supply growth slowed in 2022 as the escalation of western sanctions on Russian oil products resulted in a significant reduction in Russian gasoil exports to Europe and more imports from Asia into Europe. Overall, the Asian gasoil market remained strong in 2022 amid improved supply and demand fundamentals although market sentiment softened due to an increase in Chinese gasoil exports following the issuance of export quotas on refined oil products in China late last year.

Highlights of Other Oil Products Trading Activities in 2022

1. **Crude Oil Trading Activities**

   In 2022, CAO traded a total of 7.66 million mt of crude oil, a decline of 47.82% year-on-year, mainly due to a significant change in the structure of international crude oil trade as a result of the Russia-Ukraine war, which basically halted imports of China's conventional crude oil in the second quarter of 2022, causing a significant reduction in the demand for spot crude cargoes and market liquidity.

   Against this difficult market environment, the Company continued to closely monitor potential risks and adjusted trading strategies in a timely manner to improve profitability. At the same time, the Company also started developing new international counterparties to diversify its customer base.

2. **Fuel Oil Trading Activities**

   The Company traded a total of 3.89 million mt of fuel oil last year. Due to increased domestic fuel oil production in China, our regular monthly low sulphur fuel oil shipment to Hong Kong was significantly reduced. Nevertheless, the Group managed to achieve good trading profits through the sales of straight run fuel oil ("SRFO") into the China market and its fuel oil blending business in Zhoushan.

3. **Gasoil and Gasoline Trading Activities**

   The Company traded a total of 674,000 mt of gasoil and gasoline in 2022, a sharp decline of 88% year-on-year. This was mainly attributed to the impact of China's drastic reduction of refined oil products export quotas, which resulted in a severe shortage of trading resources in the Asian gasoil market.

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CNAF HKR provides high quality into-plane fuelling services at Hong Kong International Airport.
香港供油公司专为香港国际机场提供高质量的航油加注服务。

Other Oil Products Market Outlook and Trading Strategies in 2023

The crude oil market is expected to remain challenging as supply remains fragile and choppy while demand recovery remains volatile in 2023. The fundamental balance for Asia Pacific refined oil products is expected to remain tight in 2023, while prices may stay high with volatility and the market structure remaining in deeper backwardation. Although OPEC+ agreed to cut its production target by 2 million barrels per day or about 2% of the world demand from November last year until the end of 2023 to support the oil market, actual production cut may reach 1 million barrels per day in view that most OPEC+ members' production levels were below the baseline estimates.

The outlook for Russian crude and refined oil products exports remain uncertain. Many industry experts believe that the actual execution plan on Russian refined oil products and Russian Crude export under the double whammy of sanctions and price caps will have a significant impact on the supply fundamentals following price cap on Russian crude and Russian refined oil products. Meanwhile, high inflation rate, further interest rate hikes by central banks (especially the Federal Reserve), and a stronger greenback may depress the upward trend of oil prices.

Adhering to the business philosophy of "Compliance as a Top Priority, Risk Management of Utmost Importance", the Oil Products Trading Department will continue to enhance business cooperation with major conventional oil buyers, advance the development of new business models and new trading products as well as exploring partnerships with overseas counterparties and conducting arbitrage trading when opportunities arise.

We will actively develop new resource channels as well as new end-user markets. In addition, the Group will closely monitor the buying requirements for SRFO from Chinese independent refiners, strengthen cooperation with Middle-East suppliers to source SRFO for arbitrage trading.

The Company will focus on sourcing different types of cargoes, strengthen business relationship with new suppliers and end-users, actively explore new resources and markets, as well as participate in purchase and sales tenders at the spot market. The Company will also be adopting a more flexible trading model to maximise trading revenue and profit.

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INVESTMENTS IN OIL-RELATED ASSETS

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

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

As a major international aviation hub in East Asia, Pudong Airport is one of the best connected airport hubs in China. In 2022, Pudong Airport continued to be affected by the pandemic, with a passenger throughput of 14.18 million passengers, a decrease of 81.38% from pre-COVID levels. SPIA's total sales (refuelling) volume of jet fuel for FY2022 was 1.774 million mt, a year-on-year decrease of 30.6%. As China further optimises and refines its COVID-19 prevention and control policies, including the easing of entry requirements, SPIA is expected to benefit from the increase of international and domestic flights, leading to better business performance for FY2023.

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 to 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, causing operations at the Tianjin Airport to shrink considerably. For FY2022, TSN-PEKCL's total jet fuel transportation volume decreased 41.95% year-on-year to 609,500 mt.

Shenzhen Zhenghe Petrochemicals Co., Ltd ("Zhenghe"; formerly known as "China Aviation Oil Xinyuan Petrochemicals Co., Ltd)

Engaged in the business of storage tank leasing and trading of oil products, Zhenghe's key asset is a storage tank farm located in the city of Maoming, Guangdong Province, China, with a total storage capacity of 79,000 m^3. Zhenghe's shareholders include Zhenghe Juzhengyuan Co., Ltd, CAO and CNAF, holding 60%, 39% and 1% stakes, respectively.

In 2022, Zhenghe continued to be affected by the pandemic and recorded minor losses due to lower business volume.

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

OKYC, the largest independent storage tank terminal in Yeosu, South Korea, was incorporated under a joint venture agreement with six other companies including Korea National Oil Corporation ("KNOC"), GS Caltex, SK Incheon Petrochem, Samsung C&T, 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.

Due to the non-renewal of storage tank contracts by some counterparties and the decline in market demand, the leasing rate and rental income of oil tanks fell year-on-year, with its annual operating income declining by about 13%.

CNAF Hong Kong Refuelling Limited ("CNAF HKR")

CNAF HKR provides high quality into-plane fuelling services at Hong Kong International Airport at Chek Lap Kok ("HKIA").

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CAO will actively expand its market share and initiate business opportunities with new airline counterparties.
新加坡公司将积极扩大其市场份额，同时开发新的航空公司对家。

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. Upon the completion of capital injection in May 2022, CAO's shareholding in CNAF HKR through CAOHK increased from 39% to 68%, making CNAF HKR a majority-owned subsidiary of CAOHK. The remaining three shareholders of CNAF HKR currently hold equity stakes of 18.5%, 8.5% and 5% respectively.

Despite facing a challenging 2022 due to the ongoing impact of the pandemic, passenger traffic at HKIA started to pick up in the last quarter of 2022 following the easing of travel restrictions and quarantine requirements for inbound travellers by the HKSAR Government. In December 2022, HKIA handled 1.6 million passengers, a surge of 938.7% compared with the same month in 2021, indicating a strong rebound in travel demand. Overall, HKIA handled a total of 5.7 million passengers in 2022, a year-on-year increase of 318.4%. CNAF HKR's market share by total number of flights handled and jet fuel refuelling volume remained above 20% for FY2022.

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

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

As one of the best connected airport hubs in Europe and the main international airport of the Netherlands, Schiphol Airport, is equipped with the capacity to handle up to 500,000 flights annually. Due to the relaxation of travel restrictions, Schiphol Airport's passenger turnover in 2022 increased sharply by 106% year-on-year to 52.5 million. However, the number remained 27% lower than 2019. With more borders now open and travel demand soaring, Schiphol Airport is expected to achieve better performance in 2023.

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航空市场营销回顾

随着各国政府陆续放宽旅行限制，被压抑已久的消费需求推动了全球航空客运量在过去这一年里的强劲复苏。

根据国际航空运输协会（简称"国际航协"）所发布的数据显示，2022年全球航空客运总量（按照收入客公里计算）同比增长了64.4%。此外，根据全球航班数据提供商OAG联合亚太航空中心发布的数据显示，后疫情时代全球共有715家航空公司，较三年前的702家增加了13家。

2022年航空市场营销业务亮点

2022年下半年，新加坡公司和欧洲公司成功完成了ISCC Corsia和ISCC欧盟注册，为开展可持续航空燃料供应和贸易业务做好准备。与此同时，航油业务部与欧洲公司一同成立了可持续航空燃料工作小组，负责制定公司的可持续航空燃料发展战略，并由欧洲公司负责开拓在欧洲机场的供应和销售渠道，新加坡航空市场营销组则积极在亚洲寻找供应资源。

2023年航空市场营销市场展望及贸易策略

国际航协预计2023年全球航空公司总收入将恢复至疫情前水平的93%左右。根据国际航协的统计，2022年北美是唯一一个全面恢复盈利的地区，2023年预计欧洲和中东这两个地区也将率先恢复盈利。拉丁美洲、非洲和亚太地区则仍将处于净亏损状态，并且可能需要几年的时间才能恢复盈利。

国际航协对亚太地区的航空需求预测持保守态度；如果中国对航空的管制下半年逐步放开，2023年亚太区将出现显著改善但仍将出现约66亿美元的亏损。

历经三年的新冠疫情使航空业遭受了极为严重的打击。尽管从2022年开始全球大部分航线已经陆续恢复，但航空公司所面临的财务风险仍然很高。因此，航空市场营销团队将继续在2023年坚持严格的对家风险评估，审慎开展航空市场营销业务。

航空营销团队也将会努力保持与现有航空公司的合约及市场份额，审慎评估和推进对新航空公司和新机场的供应业务。同时，公司也将积极与数家主要航油供应商开展全球战略合作，拓展供应渠道，丰富供应手段，提高我司在全球范围内的航油供应能力。

作为公司重要的新业务发展方向，我们也将积极推进可持续航空燃料业务的发展，以满足清洁替代能源日益增长的需求。

航煤供应与贸易业务回顾

尽管奥密克戎变种病毒的肆虐拖累了亚太航空需求的复苏进程，但是全球大部分国家，尤其是欧美国家因旅行限制的大幅放宽和解除，逐步带动了航空旅行需求的快速反弹，加上季节性取暖油需求的推动，对亚太航煤市场提供了不少支撑。但由于中国受新冠疫情反复的影响，2022年大部分时间均执行了严格的动态清零政策，使得亚太航煤全年整体需求严重受挫。

从供应基本面来看，2022年2月份俄乌战争爆发后对俄罗斯成品油制裁的实施，导致了全球大部分炼厂着力提升柴油产量以实现更好的炼制效益，从而限制了航煤产量的增幅，加剧了航煤现货供应的紧俏程度，亚洲区域内航煤现货贴水也不断上涨。航煤供应资源的不足不但大幅降低了贸易流动性，也使得亚太航煤市场结构持续呈现较深的现货溢价，导致存储航煤的成本大幅增加，进一步加大了航煤贸易活动的难度。

2022年航煤供应与贸易业务亮点

1. **加强与中国炼厂的合作以获取航煤资源，降低供应成本，增加贸易机会，实现共赢**

   2022年由于中国成品油出口资源显著减少，区域内市场航煤供应大幅收缩，海外航煤现货采购价格居高不下，加上运费高企，使得航煤进口业务面临巨大亏损。航煤组主动牵头与国内多家炼厂合作，利用出口单位的一般贸易资源，通过置换货源、优化库存等手段，不但有效缓解炼厂的高航煤库存压力，也使得航煤组优先获取了炼厂宝贵的航煤出口资源，争取到了低于海外现货市场的采购贴水，从而降低了采购成本，实现了双赢。

2. **积极与北亚出口炼厂合作，锁定海外航煤资源，扩大跨区贸易规模**

   航煤组积极把握市场机会，与北亚出口炼厂探讨新的采购合作模式，并利用韩国丽水储罐整合亚洲航煤资源，开展从亚洲到欧洲和北美的跨区业务，成功打造了海外自营航煤贸易供应链，大幅增加了贸易盈利。

3. **与子公司上下联动，发挥自主贸易能力，积极开展跨区贸易**

   2022年航煤组充分发挥在库存、租船、市场分析和纸货套保方面的优势，在亚洲组织并统筹优化航煤资源，覆盖亚欧美三地市场需求，积极打造跨区贸易基础。欧洲和北美子公司贸易团队则积极抓住前端市场需求，针对当地市场供需变化及价格及时调整销售计划，争取最优的销售价格。总部和子公司发挥各自优势分工协作，上下联动一盘棋，共同打造航煤国际跨区贸易流。

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2023年航煤市场展望及贸易策略

2023年1月8日，中国结束对新冠疫情的动态清零措施，重新开放边境，加速了中国经济以及世界经济的增长。但随着中国政府取消防疫限制，国内新冠确诊病例激增，叠加全球经济衰退的忧虑，使得分析师对中国航煤需求的前景预测观点不一。如果中国航煤需求能在2023年第二季度开始实现持续性恢复，将对整个亚太航煤市场提供有力支持。

普氏预测2023年亚太航煤供应增幅将低于需求增幅，而随着中国航煤需求逐步恢复正常，航煤出口量将继续减少。总体来看，2023年中国经济的复苏将大力推动亚太市场基本面的改善，支撑航煤裂解价差和航煤现货价格维持在高位。

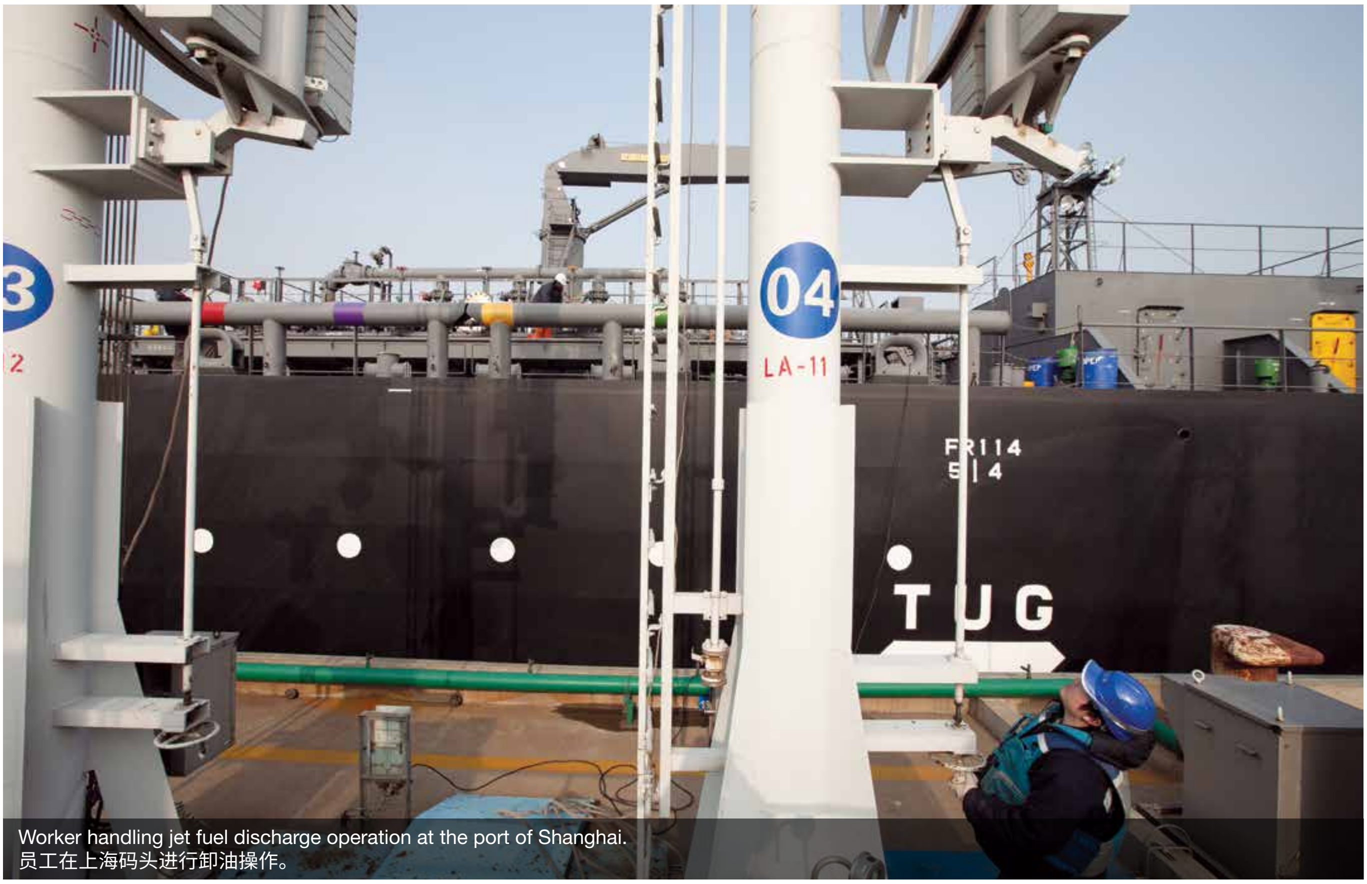
面对宏观市场的不确定性，公司将继续与国内航煤最终用户保持紧密沟通，深入了解他们的需求并提供优质服务；努力通过多种方式及多种渠道获得供应资源，合理安排物流和保值方案，最大化地降低保供成本。航煤团队也将继续发挥自营贸易优势，努力通过区域内贸易优化、普氏窗口交投和跨区贸易等多种贸易手段增加贸易盈利。

其他油品贸易市场回顾

2022年上半年地缘政治冲突频发，尤其是爆发俄乌战争后，欧美等国家纷纷对俄罗斯施行经济制裁；叠加OPEC+上半年保持谨慎增产以及一些产油国由于投资不足和运营问题难以增加产量等因素影响，导致原油供应紧张。与此同时，全球放宽新冠疫情限制措施推动成品油需求不断增长，尤其是欧美夏季消费需求显著增加和中国需求逐步复苏进一步支撑了油价上扬。

2022年下半年，中国由于国内疫情的扩散再度收紧新冠防疫管控措施，导致原油需求下滑。与此同时，对全球经济萎缩和衰退的担忧与日俱增，通货膨胀加剧，美联储大幅加息，各国央行也纷纷提高利率，进一步拖累油价在下半年迅速降温。但OPEC+决定从去年11月开始每日减产200万桶，以及全球最大原油进口国中国自12月中突然放松其严格的动态清零防疫政策，提振了油市的乐观情绪，抵消了全球经济衰退拖累石油需求的部分影响。总体来看，2022年国际原油价格在大幅波动中震荡上行，布伦特原油期货2022年均价攀升至每桶99.04美元，较2021年均价每桶上涨28.11美元，增幅为40%。

在成品油市场方面，随着亚太地区逐步放松防疫举措，当地的柴油需求也逐渐上扬。然而，2022年的柴油供应增幅有所减缓，主要原因是西方国家对俄罗斯制裁的升级，导致了俄罗斯出口到欧洲的柴油大幅减少，促使欧洲从亚洲市场购买更多柴油，进一步收紧了亚太地区的柴油供应。尽管中国在第四季度下发的成品油配额使中国柴油出口量有所增加，打压了亚太柴油市场氛围，但总体来看，供需基本面的改善推动了亚太柴油市场表现强劲。



Worker handling jet fuel discharge operation at the port of Shanghai.
员工在上海码头进行卸油操作。

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

CAO trading team will continue to enhance business cooperation with major conventional oil buyers.
贸易团队将继续巩固与主要常规买家的业务合作。

2022年其他油品贸易业务亮点

1. 原油业务

新加坡公司2022全年完成原油贸易量766.3万吨，同比下降47.82%，主要是由于俄乌战争导致国际原油贸易结构大幅改变，中国常规原油进口在下半年基本停滞，导致实货需求及市场流动性大幅下降。

2022年，新加坡公司在极端困难的市场环境下，严格把控风险，及时调整了交易策略；同时尝试开发海外终端用户，建立多元化客户群。

2. 燃料油业务

2022年累计燃料油贸易量为389.4万吨。由于中国国内燃料油产量增加，原有供应香港的燃料油业务显著减少，公司积极开拓向国内销售直馏燃料油以及在舟山开展燃料油调业务，获得了良好的盈利。

3. 汽柴油业务

公司去年完成汽柴油累计贸易量67.4万吨，同比下降88%，主要是受中国大幅缩紧成品油出口政策的影响，亚洲柴油市场贸易资源严重短缺。

2023年其他油品贸易市场展望及策略

2023年国际原油市场供应端脆弱动荡，需求端恢复充满挑战，整体供需基本面仍存在较多变数，预计亚太成品油市场基本面仍将保持紧张状态，价格保持高位震荡，市场结构仍将处于较深的现货溢价结构。虽然OPEC+宣布每日减产200万桶，但考虑到多数成员国产量低于基准线，预计实际减产规模约每日100万桶。

俄罗斯石油和成品油的出口前景仍充满不确定性。随着欧盟对俄罗斯原油和成品油的进口禁令生效，在制裁和限价的双重打击下，俄罗斯原油和成品油出口如何执行将对供应基本面变化产生重要影响。另外，全球通货膨胀居高不下，各国央行尤其是美联储进一步加息以及美元走强的预期，将打压油价的上行走势。宏观经济承压抑制油价，拖累全球石油需求增速放缓。

油品贸易部将继续巩固与主要常规买家的业务合作。在"合规第一、风控至上"的原则下，推进开发新的业务模式和新的交易产品；拓展海外交易对家，当市场机会出现时开展原油跨区套利业务。

我们也将继续积极开拓新的资源和终端用户市场，密切关注中国炼厂对直馏燃料油的采购需求，加强与中东供应商的合作，适机开展燃料油跨区业务。

新加坡公司将努力寻找开发新的成品油资源和战略合作伙伴，积极拓展新资源和新市场，积极参与更多的销售和采购招标，以灵活的贸易方式，提升收入和利润。

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


Oil storage tanks in Shanghai, China.
位于中国上海的储罐。

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，浦东机场是中国枢纽机场中最佳的机场之一。2022年，浦东机场持续受到新冠疫情影响，旅客吞吐量为1417.84万人次，较疫情前水平下降了81.38%，严重影响了浦东航油的整体业绩。浦东航油2022财年航油总销售（加注）量为177.40万吨，同比减少30.6%。

随着中国优化调整防疫政策，入境隔离要求已逐步取消，国际国内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一条，且每条航线每周运营班次不得超过一班；外国每家航空公司经营至中国的航线只能保留一条，且每周运营班次不得超过一班。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因此大幅缩量。2022财年，管输公司的总航油运输量同比下降41.95%至60.95万吨。

深圳正和石化有限公司（简称"正和石化"，原名为"中国航油集团新源石化有限公司"）

正和石化主要经营储库租赁和油品贸易业务，其主要资产为位于中国广东省茂名市总库容为7.9万立方米的油库罐区。正和石化的股东包括巨正源股份有限公司、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%。

2022年，正和石化持续受到疫情影响，业务量不足，出现小额亏损。

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。

2022年，由于部分客户未续约储罐合同，加上受到市场需求下滑的影响，OKYC总油罐租赁率和租金收入同比下滑，全年营业收入下降约13%。

中国航油香港供油有限公司（简称“香港供油公司”）

香港供油公司专为香港赤腊角国际机场（简称“香港国际机场”）提供高质量的航油加注服务。

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

疫情的持续影响无疑让香港国际机场承受了巨大的挑战和压力，但随着香港特区政府逐步放宽入境检疫等防疫政策，香港国际机场的旅客吞吐量于2022年最后一季度开始回升。2022年12月，香港国际机场的旅客吞吐量达160万人次，较去年同期跃升938.7%，体现了旅行需求的强劲复苏。2022年，香港国际机场的旅客吞吐量为570万人次，同比大幅上升319%。香港供油公司2022财年加注架次和加注量市场份额依旧保持在20%以上。

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%，其他股东包括大型航空公司和石油巨头。

作为荷兰主要的国际机场，史基浦机场是欧洲连通性最好的枢纽机场之一，其年均通行航班能力达50万架次。随着全球政府逐步放宽旅行限制，史基浦机场2022年的旅客吞吐量达5,250万人次，同比大幅回升106%，但较2019年仍下降了27%。随着多个国家陆续开放国界以及旅行需求的激增，史基浦机场预计将在2023年取得更好的业绩。

Round-the-clock monitoring at TSN-PEKCL Pipeline's control room.
在管输公司的管线控制室中进行24小时监控。

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

High standards of corporate governance and transparency are strategic management priorities for CAO. Despite challenges posed by the COVID-19 pandemic, we remained steadfast in our commitment to maintain active and open communication with our shareholders. To ensure a sustained and prompt flow of communication with the investment community about the Group's business operations and performance, we transited to a hybrid online/offline model of communications as pandemic controls were progressively eased. Underscoring the Group's commitment to create long-term value for our stakeholders through proactive investor relations practices, the Group participated in three investor conferences during the year.

The investor relations team continued to maintain 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 whilst working remotely for most parts of the year to allay market concerns over the continued impact the pandemic and ongoing geopolitical tensions had on the aviation oil industry.

In line with SGX-ST's Corporate Disclosure policy, the investor relations team continued to engage with investors globally, addressing key global and industry-specific issues on the Group and the various measures taken to mitigate challenges posed by the pandemic on several of the Group's key markets. At the 2022 Annual General Meeting of CAO, the Group's senior management team addressed questions from investors and presented the FY2021 business performance to shareholders who attended the AGM virtually. At the same time, updates on the Group's business, financial performance and market outlook were provided through an analysts briefing held online following the announcement of the Group's FY2021 financial results.

On the last trading day of the year, CAO's share price closed at S$0.89 per share, with a market capitalisation of S$765 million. CAO continued to remain as a constituent in major benchmark indices including FTSE ST China, FTSE ST Small Cap, FTSE Singapore Shariah Index and MSCI Singapore Small Cap Indexes.

CAO remains committed to delivering shareholder value with a dividend payout based on 30% of the Group's annual consolidated net profit attributable to shareholders. At the forthcoming Annual General Meeting, the Board of Directors will propose a one-tier, tax-exempt first and final dividend of 1.6 Singapore cents per ordinary share.

GLOBAL BASE OF INTERNATIONAL SHAREHOLDERS

As at 31 December 2022, China National Aviation Fuel Group Limited remains our largest shareholder holding 51.31% of the total issued shares of CAO (excluding

Due to restrictions posed by the pandemic, CAO conducted a virtual Annual General Meeting in 2022.
鉴于疫情所带来的诸多限制，新加坡公司在2022年以线上直播方式召开常年股东大会。

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

An intimate, on-site FY2022 Results Briefing was organised to facilitate effective communication with analysts and institutional investors.
新加坡公司通过组织线下2022财年业绩发布会，进一步促进与分析师和机构投资者的有效沟通。

treasury shares). BP Investments Asia Limited, a subsidiary of oil major BP Plc, is the second largest shareholder holding 20.17% of total issued shares of CAO (excluding treasury shares). Total number of treasury shares held by CAO remained unchanged at 6,000,000 for the financial year 2022. The number of registered shareholders was approximately 12,600 in 2022. An analysis of the shareholding structure carried out as at 31 December 2022 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, Australia and Europe.

PROACTIVE & OPEN COMMUNICATION WITH THE INVESTMENT COMMUNITY

Through transparent and open communication with investors, and timely disclosures on the Group's latest developments, CAO is aptly covered by sell-side analysts from various brokerages who regularly publish research and industry reports.

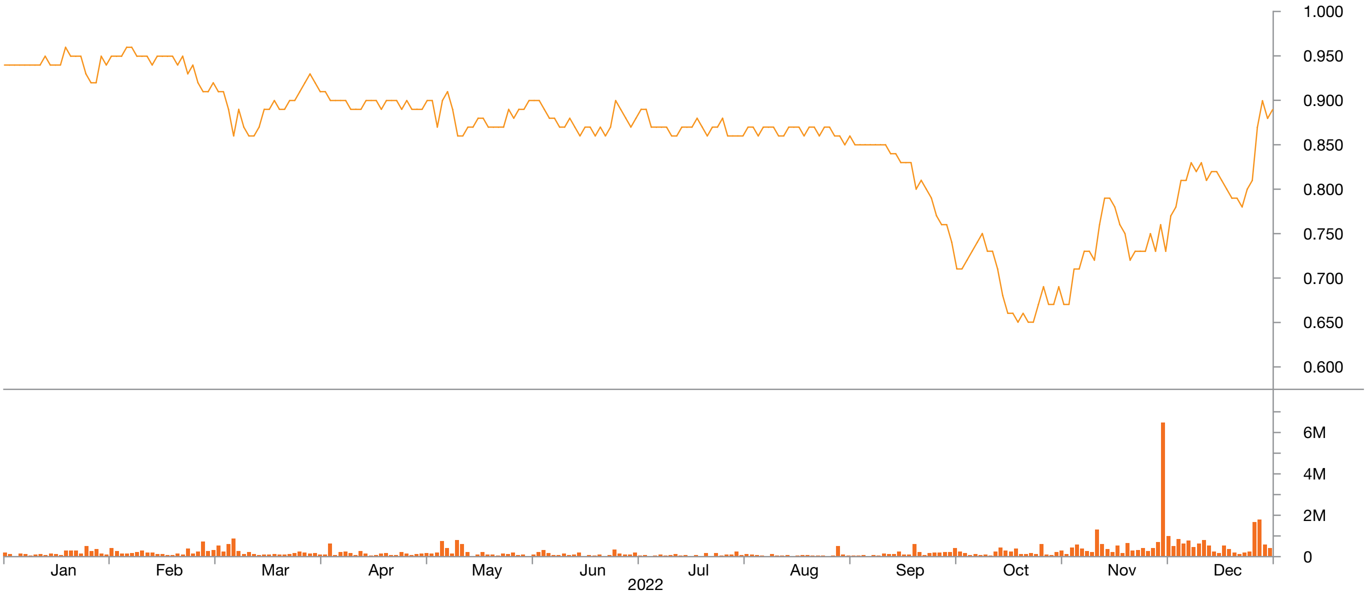
Alongside our interactions with both retail and institutional investors, we also monitor media reports closely as part of our efforts to continually improve corporate disclosure and investor relations practices. In 2022, CAO was featured in over 30 media articles, sustaining the Group's share of voice in Singapore as well as internationally even as the Group continued to maintain a robust, mobile-compatible corporate website to provide useful information to investors in a timely manner.

Reflecting the market recognition for CAO's continued efforts in corporate governance and transparency, we received the biennial ASEAN Corporate Governance Scorecard award for public listed companies in 2022 from the Singapore Institute of Directors under appointment from the Monetary Authority of Singapore as the domestic ranking body.

The COVID pandemic has weighed upon the global aviation sector over the past three years. Global markets were also battered by rising inflation, higher interest rates and the ongoing geopolitical tensions. While investors remain cautious towards the pace of global recovery, the relaxation of travel restrictions globally bode well for the long term outlook of the industry. Building on our steadfast commitment to create shareholder value, we will continue in our efforts to ensure effective investor relations, upholding the requirements of the Code of Corporate Governance and best governance practices.

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

2022 CAO SHARE PRICE MOVEMENT & TRADING VOLUME
2022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)	2018	2019	2020	2021	2022
As at last trading day of the year 截至当年的最后一个交易日	1.060	1.270	1.060	0.940	0.890
Highest 最高价	1.710	1.470	1.320	1.200	0.960
Lowest 最低价	1.040	1.040	0.720	0.910	0.640
Average 平均	1.498	1.256	1.022	1.046	0.851

Source: Bloomberg
资料来源:彭博社

CORPORATE CALENDAR
公司事务时间表

2023	
Announcement of 2H2022 and 2022 full-year financial results 2022财年下半年和全年业绩公告	28 February 2023 2023年2月28日
29th Annual General Meeting 第29届公司常年股东大会	27 April 2023 2023年4月27日
Proposed First and Final Dividend for FY2022 2022财年首次及年终股息 Record Date 登记日 Payment date 付款日	 10 May 2023 2023年5月10日 26 May 2023 2023年5月26日
Announcement of 1H2023 results 2023财年上半年业绩公告	3 August 2023 2023年8月3日
2024	
Announcement of 2H2023 and 2023 full-year financial results 2023财年下半年和全年业绩公告	February 2024 2024年2月

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

维持高标准的公司治理和透明度是新加坡公司战略管理的重点事项。尽管受到疫情的影响，我们仍致力于与股东保持积极和公开的沟通。随着新加坡政府逐步放宽防疫措施，我们采用了线上线下相结合的沟通方式以定期、及时地为投资界提供有关公司业务和业绩的相关信息。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。本着这一信念，新加坡公司在2022年共参加了三次投资者论坛。

尽管面对疫情所带来的诸多挑战，投资者关系团队继续与本地和国际券商、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大部分时间仍采取居家办公模式，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，努力缓解市场对疫情和国际地缘政治长期影响航油业前景的担忧。

投资者关系团队根据新加坡交易所（简称"新交所"）制定的企业披露政策，积极与全球范围内的投资者保持联系，向他们重点介绍全球性与特定行业的关键问题和疫情对新加坡公司几个主要业务市场的影响，以及公司所采取的应对措施。在2022年常年股东大会上，管理层通过线上方式向股东汇报了公司2021财年业绩，并解答了投资者的提问。此外，公司也在发布2021财年业绩公告后，通过线上视频方式召开了业绩介绍会，向基金经理和分析师介绍了关于公司业务、业绩和市场展望的最新信息。

在2022年的最后一个交易日，公司股价闭市报0.89新元，市值为7.65亿新元。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、富时海峡时报新加坡伊斯兰合规指数和摩根士丹利资本国际新加坡小盘股指数的成分股。

为兑现为股东创造价值的承诺，新加坡公司每年坚持将归属股东的合并净利润的30%作为股息分配给股东。在即将召开的常年股东大会上，董事会将提请股东批准派发每股0.016新元的单层、免税年终股息。

全球股东持股情况

截至2022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2022年保持不变；注册股东数量约为1.26万人。截止2022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、澳大利亚和欧洲。

CAO participated in the Invest ASEAN 2022 online event organised by Maybank.
新加坡公司参加马来亚银行举办的"投资东盟"线上投资者交流会。

与投资界保持积极开放的沟通

新加坡公司通过与投资界保持透明、开放的沟通，及时向他们通报有关公司的最新发展情况，使得各券商卖方分析师密切关注新加坡公司，并定期在对外发布的研究报告和行业报告中对公司业绩进行相关报道。

除了与散户和机构投资者进行互动之外，新加坡公司还密切关注媒体报道，不断改进信息披露的质量和投资者关系实践。2022年，媒体刊登了逾30篇有关新加坡公司的报道，有效地支撑了公司保持在新加坡和国际平台上的话语权。与此同时，公司继续强化官网与移动设备的兼容性，以及时向投资者提供有用信息。

新加坡公司也于2022年获颁新加坡董事协会两年一度的亚细安公司治理积分卡奖项，进一步体现了市场对新加坡公司在公司治理及透明度方面的认可。新加坡董事协会是受新加坡金融管理局委任，对新加坡上市公司进行相关排名的正式机构。

全球航空业在过去三年里受疫情影响表现欠佳，全球市场也因不断攀升的通胀率和银行利率，以及日益复杂的地缘政治备受冲击。尽管投资者对全球经济的复苏步伐仍持谨慎态度，但全球旅行限制的放宽也预示着全球航空业的长期前景良好。我们对为股东创造价值的承诺依然坚定，并将继续坚守《公司治理准则》和新交所规定的最佳治理实践，做好投资者关系工作。

SENIOR MANAGEMENT
高级管理层

LIN YI

Chief Executive Officer/Executive Director

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

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

He is also the Chairman of China Aviation Oil (Hong Kong) Company Limited, overseeing the Group's day-to-day business operations in Hong Kong SAR.

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

林奕

首席执行官兼执行董事

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

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

他也同时担任中国航油（香港）有限公司董事长，负责监管公司在香港特别行政区的日常业务运作。

关于林先生更详细的介绍，请参阅"董事会"部分。

SENIOR MANAGEMENT
高级管理层

ZOU YAOPING

Chief Financial Officer/Vice President

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

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

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

邹耀平

财务总监兼副总裁

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

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

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

NAVIGATING A

SUSTAINABLE FUTURE

NAVIGATE

As we emerge from the pandemic with greater resilience, we will continue to enhance our operational efficiency and execute our growth strategy, navigating a sustainable path to a resilient future.

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BOARD STATEMENT

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

Grounded in our belief to operate responsibly, CAO strives continuously to create long-term value in a financially, environmentally and socially responsible manner for our stakeholders and the community at large by constantly upholding the highest standards of corporate governance and embedding sustainability in our everyday business and in everything we do.

As the largest physical jet fuel trader in the Asia Pacific region and a key supplier of imported jet fuel to the civil aviation industry of the People's Republic of China ("PRC"), CAO also supplies jet fuel to international airports globally and engages in international trading of jet fuel and other oil products with investments in various strategic oil-related businesses. We are mindful that our business may directly or indirectly impact the communities that we operate in and as such we seek to integrate sustainability into our processes and services so as to enhance transparency across our value chain and continually innovate and optimise our business operations to better service the growing global demand for transportation fuels.

The persistent effects of the COVID-19 pandemic coupled with macroeconomic and geopolitical uncertainties, oil price volatility and high inflation set the undertone for a turbulent FY2022. 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. These concerted efforts enabled the Group to deliver a strong financial performance, safeguard our shareholders' interests, and create long-term value for our stakeholders.

In line with CAO's sustainability objectives, we actively seek out opportunities to enhance our green, low-carbon emissions development strategy. Paying close attention to the opportunities and challenges associated with the global transition towards renewable energy, we have been exploring new business opportunities in sustainable aviation fuel and carbon credits trading, etc.

CAO is committed to good corporate citizenry and actively seeks to fulfil its social responsibilities. Grounded in our fundamental principle of integrity, we conduct our businesses and operations with the goal to establish trusted and mutually beneficial relationships with our business partners. CAO respects and values its employees, providing them with a fair, inclusive and safe working environment complemented with diverse learning opportunities. CAO recognises that a diverse workforce and inclusive culture create a competitive advantage to sustained business success.

During 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. We continue to engage in and work on projects that benefit the elderly and underprivileged in society in an effort to actively give back to the areas we operate in.

Adhering to the highest standards of corporate governance, risk management and compliance management, CAO seeks to standardise and improve its information-based 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 mindset in our everyday business.

ABOUT THIS REPORT

CAO's 2022 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 prepared with reference to the Global Reporting Initiative Standards ("GRI") 2021 as well as the list of core ESG metrics recommended by SGX-ST.

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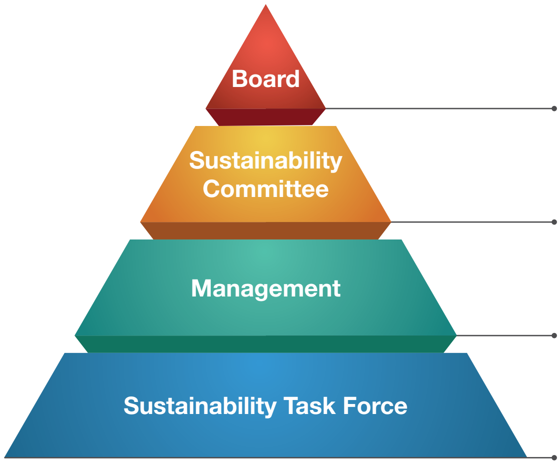
CAO'S SUSTAINABILITY GOVERNANCE STRUCTURE



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

The Sustainability Committee assists the Board in driving the sustainability and climate-related agenda of the Company as well as providing oversight on environmental, social and governance targets and goals relevant to the businesses of the Company and its subsidiaries.

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, monitor and feedback on progress of CAO's sustainable initiatives.

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)
4. CNAF Hong Kong Refuelling Limited ("CNAF HKR"; incorporated in Hong Kong Special Administrative Region of the People's Republic of China)

This Report and additional corporate information are also available on CAO's website https://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. With the progressive easing of COVID-19 restrictions in 2022, we transited to a hybrid online/offline model of communication to maintain open dialogue while ensuring the health and safety of our employees.

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

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

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

EMPLOYEES
Opportunities to develop their full potential

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

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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
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
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
Business Partners	CAO 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
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 for the less privileged children and their families during the pandemic • Collaborated with a social service agency that provides free Traditional Chinese Medicine (TCM) consultation to provide care packages with daily necessities and a breakfast interaction and care session with less privileged seniors • Partnered with a non-profit organisation for a waterways clean-up expedition to clear refuse from the Marina Reservoir and raise awareness of water conservation and need for environmental protection amongst the employees • CAOHK partnered with various Hong Kong youth societies to provide infection prevention care packs and essential supplies to local youths and their families to weather the impact of the COVID pandemic • Employees from CAOHK participated in a volunteerism workshop organised by the Aviation Industry Council of Hong Kong Chinese Enterprises Association to understand industry best practices

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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.

Reduction of Greenhouse Gas (GHG) Emissions and Reduction of Energy Consumption

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

Material ESG Topic	CAO's Involvement
Energy Consumption	Direct, indirect
Relevant GRI	**Relevant SDG**
GRI 302-4 Reduction of energy consumption	7 AFFORDABLE AND CLEAN ENERGY

(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 reduce energy consumption and mitigate carbon emission 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. Since 2021, the Group's has participated in the carbon credits trading business as part of its "carbon neutrality" goal and believes in the necessity of diversifying the risks associated with conventional oil supply and trading business by mitigating rising economic costs incurred to reduce GHG emissions and declining demand.

(3) Major initiatives taken in 2022 and their results

Considering the "strict regulation" faced by our airline customers in terms of GHG emissions reduction, CAO continues to actively explore solutions that will help our customers fulfil their environmental conservation objectives and satisfy their longer term energy needs. The growth of the Sustainable Aviation Fuel ("SAF") industry, which the International Air Transport Association ("IATA") projects will contribute around 65% of the reduction in emissions needed by aviation to reach net-zero in 2050 presents a significant opportunity for CAO. In 2022, we successfully pursued and achieved necessary accreditation for participation in the SAF industry including ISCC CORSIA and ISCC EU.

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, adopting energy-efficient appliances that meet government energy efficiency guidelines such light bulbs and other equipment are preferred and used to further reduce our electricity consumption.

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CAO organised a waterways clean-up expedition last year as part of its efforts to contribute to a more sustainable future.
新加坡公司于去年组织了一场水道垃圾清理活动，为共建可持续未来尽一份力。

CAO continually strives to enhance its transparency and disclosure standards. We consider Greenhouse Gas ("GHG") emissions as a material topic for disclosure and we have tabulated the following information based on the disclosure guidelines under the GHG Protocol relating to corporate standards:

GHG Emissions for CAO in 2022

	GHG Emissions (tCO_2e)	Proportion (%)
Scope 1*	190.83	16.69
Scope 2**	952.61	83.31
Total	1143.45	100

* GHG Protocol Scope 1: Direct GHG emissions
** GHG Protocol Scope 2: Electricity indirect GHG emissions

Energy Consumption for CAO in 2022

	Megajoules	kWh
Total Energy Consumed	874,914.86	243,031.91

(4) Targets for 2023

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. Also, CAO has been actively exploring opportunities to venture into the sustainable aviation fuel business.

From an operational perspective, CAO will monitor its energy consumption situation across all business entities and continue to promote initiatives that will effectively help to reduce its energy consumption.

Environmental Compliance

Material ESG Topic	CAO's Involvement
Environmental Compliance	Direct
Relevant GRI	**Relevant SDG**
GRI 2-27 Compliance with laws and regulations	15 LIFE ON LAND

(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 business philosophy of "Compliance as a Top Priority, Risk Management of 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.

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(3) Major initiatives taken in 2022 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 incidence of non-compliance with applicable environmental laws and regulations during the financial year 2022.

(4) Targets for 2023

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	14 LIFE BELOW WATER

(1) Importance

As the largest physical jet fuel trader in the Asia Pacific region and a key supplier of imported jet fuel in the PRC, 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 2022 and their results

CAO strictly complied with 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 2023

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.

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 landscapes, oil price volatility along with the development of green energy products will have varying impacts on CAO's business operations. As a key supplier of imported jet fuel in the PRC, CAO's jet fuel supply business will also be exposed to risks associated with changes in China's aviation fuel market 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

As a key strategy of our business, sustainability augments our long-term value proposition for our stakeholders by supplementing our economic performance and adding a foundation from which to innovate and leverage opportunities to sustainably create value for stakeholders, develop our people and contribute positively to the communities in which we operate.

(3) Major initiatives taken in 2022 and their results

Progressive easing of COVID-19 travel restrictions in 2022 helped buoy market sentiments, however, the resurgence of new COVID-19 variants during the year and consequently the continued travel restrictions imposed

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by state governments had resulted in an uneven pace of recovery across regions in the Asia Pacific region. Despite these challenges, 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 fuel 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 2022, CAO had generated a direct economic value of US$16.49 billion, including an operating revenue of US$16.46 billion, US$21.72 million in dividends from associated companies and other income of US$1.01 million. An economic value of US$16.46 billion was distributed, including cost of sales of US$16.43 billion, operating expenses of US$15.44 million, financial expenses of US$1.15 million, tax expenses of US$4.52 million, as well as a dividend payout of US$11.85 million. Staff costs of US$15.83 million for FY2022 were included in the cost of sales and administrative expenses. Economic value retained for the year was US$27.89 million.

(4) Targets for 2023

To adhere to our diversification strategy while prioritising risk and compliance management as we continue to expand our scale in aviation fuel 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.

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	3 GOOD HEALTH AND WELL-BEING

(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 2022 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.

Despite the progressive easing of COVID-19 measures, the resurgence of COVID-19 cases and new variants in 2022 prompted the Group to enhance infection prevention and control policies to ensure the well-being of our employees. Throughout the year, CAO had conducted various Group level and inter-department meetings to discuss infection prevention-related measures, 7 preventive guidelines were issued and 56 rounds of deep cleaning and disinfection

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were conducted within the office premises. In addition, the Group procured and made quarterly distribution of personal protection care kits to all employees. Adhering to measures put in place by respective governments to control and minimise the spread of COVID-19 infections, we have progressively transited back to an on-site work arrangement as the pandemic situation eased.

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 at 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 2023

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.

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 remains committed to ensuring a fair, diverse and inclusive work environment which would be 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.

CAFEU's team of diverse talents.
欧洲子公司的多元化团队。

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(3) Major initiatives taken in 2022 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).

During the year, CAO carried out a comprehensive review of its internal employee selection and recruitment processes and enhancements made to its employee selection and recruitment processes and external talent sourcing and recruitment channels which included devising and implementing a recruitment process tracking process to facilitate (i) completeness and timeliness of the recruitment process; (ii) diversity (by nationality) of the interviewees; and (iii) assessment of the overall effectiveness of the various recruitment channels.

As of 31 December 2022, the Group has a total headcount of 152 employees worldwide. The Group's gender profile is a 47:53 split between women and men, out of which 10% of employees are under the age of 30, 68% are in the 30-50 age group, and 22% are over the age of 50. Among the senior management across the Group, 27% are female and 36% 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 2022, CAO conducted a total of 2903 training hours for its employees translating to an average of over 19 training hours per employee.

(4) Targets for 2023

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.

Reflecting its commitment towards a diverse and inclusive corporate culture, CAO has further disclosed its Board Diversity Policy, Board diversity plan, board diversity targets and implementation timeline under its Statement of Corporate Governance in its FY2022 annual report.

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 2022 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 has put in place robust protocols to monitor its procurement bidding process for its jet fuel supply business and has established 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. It also has in place comprehensive policies and protocols to monitor and control its procurements for non-oil products.

There was no incidence of the Group incurring negative consequences from any improper procurement practices in FY2022.

(4) Targets for 2023

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.

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Protection of Confidential Information

Material ESG Topic	CAO's Involvement
Protection of Sensitive Information	Direct
Relevant GRI	**Relevant SDG**
GRI 418-1 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 synergetic 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 2022 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 2022

(4) Targets for 2023

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

Corporate Governance

Material ESG Topic	CAO's Involvement
Compliance and Anti-Corruption	Direct
Relevant GRI	**Relevant SDG**
GRI 2-27 Compliance with Laws and Regulations 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 across 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 it operates, 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 a Top Priority, Risk Management of 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 2022 and their results

Besides developing a comprehensive system of compliance oversight which aligns with the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") framework, CAO also regularly reviews and identifies potential compliance risks, including anti-trust/

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The Group continues to uphold its good track record of no major oil spills.
新加坡公司保持了无重大溢油事故的良好记录。

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 management directives as well as a thorough review of counterparty risks in 2022, 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 adequacy and effectiveness of its internal control processes and risk management system, 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 Prevention of Discrimination and Harassment in 2022 with a 100% participation rate, comprising a total of 101 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) Anti-bribery and Anti-corruption; (2) Information Security and Cyber Risk Awareness; (3) Anti-money Laundering and Counter-Terrorist Financing; (4) Fraud Prevention; (5) Avoiding Insider Trading; (6) Market Conduct; (7) Preventing Financial Crime; (8) Conflicts of Interest; and (9) Sanctions were conducted with an 88% participation rate.

There was no incidence of serious violations or corruption in 2022.

(4) Targets for 2023

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.

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董事会声明

中国航油（新加坡）股份有限公司（简称“新加坡公司”或“公司”）董事会坚信践行公司治理的最高标准、秉持完善的风险管控和合规管理体系是实现公司可持续发展，以及为股东创造长期价值的重要基础。

新加坡公司致力以负责任的方式运营，除了坚守公司治理的最高标准之外，也将可持续发展理念根植于日常业务和一切工作中，对经济、环境和社会负责，为利益相关方和社区创造长期价值。

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，新加坡公司也向中国以外的国际机场供应航油，以及开展航油和其他油品的国际贸易。此外，新加坡公司也投资与核心业务具有协同性的相关实业资产。我们清楚意识到，我们的业务可能会直接或间接影响公司所在社区，因此我们致力于将可持续发展理念融入业务流程和服务中，为提升公司供应链的透明度做出贡献。新加坡公司通过不断地创新和优化业务流程，更好地服务和满足日益增长的全球运输燃料需求。

回顾2022年，新冠疫情影响持续弥漫，国际地缘政治、经济形势依旧严峻复杂，油价高位震荡，全球通胀率不断上升。面对诸多挑战和困难，新加坡公司依然秉持其企业社会责任，围绕环境、社会及治理三个维度持续发力，不仅保持了稳健的财务业绩，维护了股东权益，也为我们的利益相关方创造了长期价值。

为了实现公司的可持续发展目标，我们一直积极探索有助于实现绿色低碳战略的业务商机，同时高度关注可再生能源全球化转型所带来的机遇和挑战，积极探索可持续航空燃料、碳交易等新兴业务。

新加坡公司致力于履行其社会责任，维护良好的企业公民形象。我们秉持经商以信的理念，与合作伙伴以诚相待、互利共赢；同时也秉持重才、惜才的价值理念，为员工提供平等、安全且具包容性的工作环境和丰富多样的学习机会。新加坡公司深知，一个多元化的团队和具备包容性的企业文化将为公司在实现可持续发展目标方面带来竞争优势。

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（如居家办公和分组安排），充分保障了员工的健康和安全。此外，我们也积极组织造福年长者和弱势群体的公益活动，积极回馈公司所在社区。

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，通过不断完善和规范制度体系，制定和实施有效的内部制度和管理指令，进而提升公司治理实践的水平和效率。

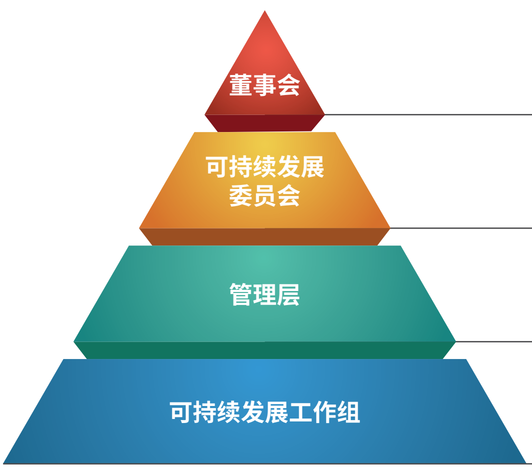
新加坡公司作为负责任的企业公民，致力于对经济、环境和社会负责任，为股东和社区创造长期价值，同时为员工谋发展。

展望未来，董事会将持续引领新加坡公司和旗下子公司践行高标准的公司治理准则，保持稳健的经营业绩，坚持绿色低碳发展思路，积极推动公司的可持续发展。

关于本报告

新加坡公司2022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”）2021年版以及新交所发布的主要环境、社会、治理指标。

可持续发展管理架构



董事会为公司可持续发展战略提供监督和指导，以及评审对公司可持续发展有重要影响的环境、社会、治理因素。

可持续发展委员会负责协助董事会制定可持续发展战略，审议公司可持续发展战略规划与目标，审查可持续发展关键制度，确立重要ESG事项，监控ESG重要指标业绩表现，评估利益相关方的诉求并维护与利益相关方的关系。

管理层负责践行董事会批准的可持续发展战略，制定可持续发展计划并推动目标的实现。

可持续发展工作组由各部门和子公司负责人组成，负责执行，监督进展并反应给管理层公司可持续发展计划的进度。

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本报告的范围包括新加坡公司总部及其全资和控股子公司，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
（简称"香港公司"；在中国香港注册成立）
2. 北美航油有限公司
（简称"北美公司"；在美国注册成立）
3. 中国航油（欧洲）有限公司
（简称"欧洲公司"；在英国注册成立）
4. 中国航油香港供油有限公司
（简称"香港供油公司"；在中国香港注册成立）

关于本报告和公司的其它信息，请登录公司网站https://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。

为利益相关方创造价值

为了促进有效的沟通和合作，新加坡公司积极与利益相关方开展双向互动。随着新加坡政府在2022年逐步放宽防疫措施，新加坡公司采用了线上线下相结合的沟通方式与投资界保持交流，同时确保公司员工的健康和安全。

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发布最新财务业绩公告、业务发展进展、新闻稿和其他相关披露 • 召开常年股东大会
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 • 畅通的员工意见反馈渠道 • 定期的电邮和会议沟通
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

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主要利益相关方	如何为利益相关方创造价值	沟通方式
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
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
		• 与一家提供免费中医咨询的社会服务机构合作，为低收入年老者提供早餐和日常用品，同时与他们进行交流和互动
		• 与一家非营利机构合作，开展水道清理活动，清理滨海蓄水池的水道垃圾，同时加深员工对节约用水和保持环境与水道清洁的环保意识
		• 香港公司与多个当地青年团体合作，向有需要的家庭赠送防疫礼包，协助染疫社区渡过难关
		• 香港公司参加中企协航空业委员会主办的义工培训活动，加深对行业最佳实践的认知

重要性评估

识别与评估重要环境、社会、治理（简称“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。

减少温室气体排放、减少能源消耗量（GRI 305-5）

重要ESG因素	公司参与方式
减少温室气体排放	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	13 气候行动

重要ESG因素	公司参与方式
减少能源消耗量	直接、间接
参考的GRI标准	**对应的联合国可持续发展目标**
GRI 302-4 减少能源消耗量	7 经济适用的清洁能源

(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，努力通过节约能源和优化碳减排解决方案，减少经营过程中的能源消耗量和碳排放。新加坡公司也将重点发展绿色低碳供应链，为可持续发展贡献力量。

(2) 战略意义

新加坡公司坚持绿色低碳发展战略，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。新加坡公司和子公司从2021年开始，积极开展碳配额交易业务以实现其“碳中和”目标，同时分散传统石油供应和贸易业务所面临的减排成本上升和需求萎缩风险。

(3) 2022年的主要实践及成效

考虑到航空客户所面临的行业“碳减排硬监管”情况，公司继续探索有效的解决方案以协助我们的客户实现他们的环境保护目标，同时满足他们长期的能源需求。可持续航空燃料的发展势头也为新加坡公司业务创造了发展机遇。国际航空运输协会（简称“国际航协”）预测可持续航空燃料的使用将在2050年占航空业碳减排量的65%，是航空业在2050年实现净零碳排放承诺的关键环节。为此，公司在2022年成功申请并获得开展可持续航空燃料业务的资质认证，如ISCC CORSIA和ISCC EU。

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。除了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之外，公司也采用符合政府能源效率指南的节能电器，如灯泡等设备，进一步减少我们的用电量。

新加坡公司致力于提升其透明度和披露标准；我们视公司的温室气体排放量为需披露的重要ESG因素之一，并参照了温室气体核算体系（“GHG Protocol”）企业相关标准计算了公司的排放量，并提供以下数据供参阅：

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新加坡公司2022年的温室气体排放量

	二氧化碳量（吨）(tCO_2e)	比例 (%)
范围一*	190.83	16.69
范围二**	952.61	83.31
总数	1143.45	100

* 温室气体核算体系范围一：直接温室气体排放
** 温室气体核算体系范围二：电力产生的间接温室气体排放

新加坡公司2022年的能源消耗量

	兆焦耳	千瓦时
总能源消耗量	874,914.86	243,031.91

(4) 2023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，积极把握机会开拓可持续航空燃料业务。

在日常运营层面，新加坡公司将继续监控旗下所有业务实体的能源消耗情况，并积极推动有效减少其能源消耗量的各项措施。

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 2-27 披露事项，遵守法律规则	15 陆地生物

(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。随着公司业务在全球范围内的拓展，公司所面临的环境合规风险将不断加大。

(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) 2022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) 2023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。

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	14 水下生物

(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，确保对环境的影响最小化的目标一致。

(3) 2022年的主要实践及成效

公司严格执行《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) 2023年目标

严格按照公司相关制度开展船运、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	8 体面工作和经济增长

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(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

可持续发展作为我们业务的关键战略之一，能有效增强我们对利益相关者的长期价值，同时有助于提质增效，通过业务的创新和可持续发展性进一步为股东创价值、为员工谋发展、为社会做贡献。

(3) 2022年的主要实践及成效

2022年，随着全球逐步放宽防疫措施和旅行限制，市场情绪也逐渐回暖。然而，新冠变异病毒的涌现以及各国政府为防范新变异病毒而持续实施的旅行限制，导致亚太各区域的复苏步伐不一致。尽管面对诸多挑战，新加坡公司继续充分发挥其市场和资源优势，构建战略伙伴关系，拓展全球航油供应与贸易供应链，并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，增强了品牌影响力和声誉。

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，并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。

截至2022年12月31日，新加坡公司实现直接经济价值164.90亿美元，其中营业收入为164.64亿美元，联营公司股息为2,171.8万美元及其它收入100.5万美元。完成经济价值分配164.62亿美元，其中包括销售成本164.29亿美元，运营费用1,544.1万美元，财务费用115万美元，税务费用452.1万美元，股息支出1,184.9万美元。2022财年的员工费用为1,582.7万美元，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2,788.5万美元。

(4) 2023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) 2022年的主要实践及成效

新加坡公司严格执行《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。公司还号召所有员工培养安全的工作习惯和意识，在工作场所对自己的行为负责。

尽管新加坡政府自去年起逐步放宽防疫措施，但随着新冠变异病毒的涌现及确诊病例的增加，新加坡公司及其子公司加强了疫情防控制度以确保员工的健康和安全。在过去的一年里，新加坡公司召开了多次防疫工作会议，与各部门以及子公司共同讨论有关疫情防控的相关措施。公司在2022年共出台了7项防疫措施，进行了56次专业消杀。此外，公司每季度也会为全体员工采购和派发防疫物资。公司及子公司紧跟各国政府的防疫政令，而随着疫情形势逐渐受到控制，公司员工也逐步回归现场办公模式。

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。

公司及子公司严格执行《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。

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(4) 2023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	

(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、具包容性的工作环境有利于培养人才、留住人才。多元化的团队也有利于实现技术、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。

(3) 2022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。

2022年，公司对其内部员工甄选和招聘流程进行了全面审核，并借此完善员工甄选和招聘流程以及外部人才招聘渠道，包括制定和实施招聘流程跟踪程序，以提升招聘流程的充分性和及时性、面试者的多元属性（按国籍），以及评估各种招聘渠道的整体有效性。

截至2022年12月31日，新加坡公司全球员工人数为152人。按性别分布看，女性员工占比为47%，男性员工占比为53%。从年龄分布看，30岁以下员工占比10%，30岁至50岁员工占比68%，50岁以上员工占比22%。在全球高级管理人员中，女性占比27%，50岁以下高管占比36%。

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2022年12月31日，公司共开展了2,903培训小时，员工平均培训时数超过19小时。

(4) 2023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。

新加坡公司致力于创建多元化的企业文化，对此公司在其2022财年年报的公司治理报告进一步披露其《董事会成员多元化制度》、董事会成员多元化计划、目标和实施时间表。

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	

(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，有效的供应链管理体系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) 2022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，定期对贸易对家开展信用风险排查，同时也会对贸易对家开展贸易制裁风险排查。公司制定了有效的航煤招标程序并成立了航油采购委员会，成员由公司各职能部门主管组成，负责监督航煤招标采购程序的执行情况。公司还制定了完善的制度和管理办法以持续规范公司对非油品的采购行为。2022财年，公司没有因不良采购实践对公司业务产生负面影响。

(4) 2023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。

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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) 2022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。

公司在2022年未收到员工、客户和监管机构关于隐私和数据丢失的投诉。

(4) 2023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。

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 2-27 披露事项，遵守法律规则 GRI 205-3 经证实的贪污事件及采取的应对措施	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，严格执行公司各项管理制度和指令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) 2022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2022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。公司也在去年开展了有关交易对家风险排查的工作。公司还聘请了独立的第三方审计公司开展内部审计工作，以客观地评估公司内部管控措施和风险管理体系的充分性和有效性，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。公司在2022年为101位员工开展了《防范歧视和骚扰》的线上合规培训，参与度为100%。为强化公司及子公司的合规文化，同时提升员工在合规方面的认知和专业知识，公司还组织了相关线上培训课程，内容涉及：(1)反贿赂和反腐败；(2)信息安全和网络风险意识；(3)反洗钱和反恐融资；(4)预防欺诈；(5)避免内幕交易；(6)市场行为；(7)防范金融犯罪；(8)利益冲突；以及(9)制裁，参与度达88%。

2022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) 2023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。

FINANCIAL REVIEW
业绩回顾

OVERVIEW

For the financial year ended 31 December 2022 ("FY2022"), the Group achieved a total revenue of US$16.46 billion, a decrease of 6.65% compared to US$17.64 billion for the financial year ended 31 December 2021 ("FY2021") due to the decrease in supply and trading volume.

The Group's operating profit fell 5.14% to US$19.81 million for FY2022 as compared to FY2021, mainly due to higher expenses partially offset by the increase in gross profit.

The share of results of associates was US$17.90 million for FY2022, a decrease of 23.98% compared to US$23.55 million for FY2021.

The Group's net profit attributable to the owners of the Company in FY2022 was lower by US$6.82 million or 16.90% at US$33.53 million. Consequently, Earnings per Share attributable to the owners of the Company was lower at 3.90 US cents compared to 4.69 US cents in FY2021. Return on Equity decreased 0.82 percentage points to 3.72%, mainly attributable to the lower profits.

Net cash used in operating activities in FY2022 was US$88.77 million, mainly attributable to the increase in inventories compared to net operating cash inflow of US$113.00 million in FY2021. Net cash generated from investing activities decreased by US$19.74 million to US$24.45 million due to lower dividends received from associates in FY2022.

While global market conditions are expected to remain challenging due to oil price volatility, slowing global economic growth, ongoing geopolitical tensions, supply chain disruptions and high inflation, the Group remains committed to strengthening its operational resilience, and expanding jet fuel supply and trading network, complemented with trading in other oil products. The Group will also continue to focus on long-term profitability by seeking opportunities for strategic expansion through investments in synergetic and strategic oil-related assets and businesses.

OPERATING PROFIT

Total revenue dipped 6.65% to US$16.46 billion in FY2022 mainly attributable to the decrease in volume. Total supply and trading volume was 20.26 million mt for FY2022, a decline of 40.60% compared to 34.11 million mt for FY2021. The supply and trading volume of middle distillates decreased 39.86% to 8.33 million mt for FY2022, compared to 13.85 million mt for FY2021. However due to higher oil prices, the revenue from middle distillates increased 5.05% to US$8.53 billion which accounted for 51.82% of the Group's total revenue in FY2022. Trading volume for other oil products, comprising mainly crude oil and fuel oil, fell by 8.33 million mt or 41.12% to 11.93 million mt in FY2022 and generated US$7.93 billion in revenue.

China remains the Group's largest market, accounting for 53.32% of the Group's revenue in FY2022, an increase of 2.44 percentage points compared to FY2021.

Gross profit increased by 15.29% to US$35.39 million for FY2022 compared to US$30.70 million for FY2021, mainly attributable to higher gains derived from jet fuel trading activities.

Other operating income was US$1.01 million for FY2022, a decline of 54.81% compared to US$2.22 million for FY2021. Exchange loss was US$3.71 million for FY2022 compared to US$0.35 million for FY2021, a decrease of US$4.06 million due to the depreciation of the RMB and Euro against the US dollar. Bank interest income was US$3.29 million for FY2022, an increase of US$1.73 million compared to bank interest income of US$1.56 million for FY2021, primarily due to higher deposit interest rates. Other income which mainly comprised government rebates pertaining to COVID-19 pandemic, rose US$0.30 million. Gain from deemed disposal of an associate was US$0.82 million for FY2022.

Total expenses jumped 37.78% to US$16.59 million for FY2022 compared to US$12.04 million for FY2021, were mainly attributable to the increase of US$2.80 million in staff costs. The ECL provision for FY2022 was US$0.20 million compared to -US$2.28 million in FY2021, an increase of US$2.48 million. Bank charges and professional fees dipped by US$0.57 million and US$0.50 million year-on-year respectively.

SHARE OF RESULTS OF ASSOCIATES

Share of results of associates slipped 23.98% to US$17.90 million for FY2022 compared to US$23.55 million for FY2021. Profit contribution from SPIA decreased 17.17% to US$19.21 million for FY2022 compared to US$23.19 million for FY2021, mainly attributable to lower gross profit and higher exchange loss. Share of results from other associates was -US$1.31 million for FY2022 compared to US$0.36 million for FY2021, a decrease of US$1.67 million, mainly due to share of losses from OKYC owing to lower revenue and higher exchange loss.

FINANCIAL REVIEW
业绩回顾

NET PROFIT

The Group's profit before tax at US$37.71 million was lower by 15.13% compared to US$44.43 million for FY2021, mainly attributable to the decrease in share of results and other income, and the increase in expenses partially offset by the rise in gross profit.

Income tax expense was US$4.52 million for FY2022 compared to US$4.08 million for FY2021, an increase of US$0.44 million or 10.84% mainly due to higher provision for income tax partially offset by lower withholding tax expense.

As a result of lower share of results and higher expenses, the Group recorded a net profit of US$33.19 million for FY2022, lower by US$7.16 million or 17.75% compared to US$40.35 million for FY2021.

FINANCIAL POSITION

The Group continues to maintain a healthy balance sheet in FY2022 with total assets of US$1.50 billion, a dip of US$0.04 billion compared to US$1.54 billion as at 31 December 2021, mainly due to the decrease in trade and other receivables and cash and cash equivalents, partially offset by the increase in inventories.

The Group's liquidity and debt servicing ability remained strong. As at 31 December 2022, its cash and cash equivalents were US$308.20 million, a decrease of US$92.64 million compared to US$400.84 million as at 31 December 2021. As at 31 December 2022, the Group's current ratio and quick ratio were 2.08 and 1.76 respectively (FY2021: 1.98 and 1.91 respectively), while its total trade and banking facilities amounted to US$2.95 billion.

As at 31 December 2022, the equity attributable to owners of the Company stood at US$902.98 million, or 104.97 US cents per share, compared to US$901.37 million or 104.79 US cents per share as at 31 December 2021. Equity attributable to the non-controlling interests was US$4.43 million as at 31 December 2022.

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

The Group's FY2022 financial performance has demonstrated the strength and resilience of CAO's businesses despite operating in difficult global market conditions, impacted by the ongoing COVID-19 pandemic.

The Group remains committed to strengthening its operational resilience.
新加坡公司将继续致力于加强其经营韧性。

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 synergetic and strategic oil-related assets investment opportunities to diversify and augment its income streams.

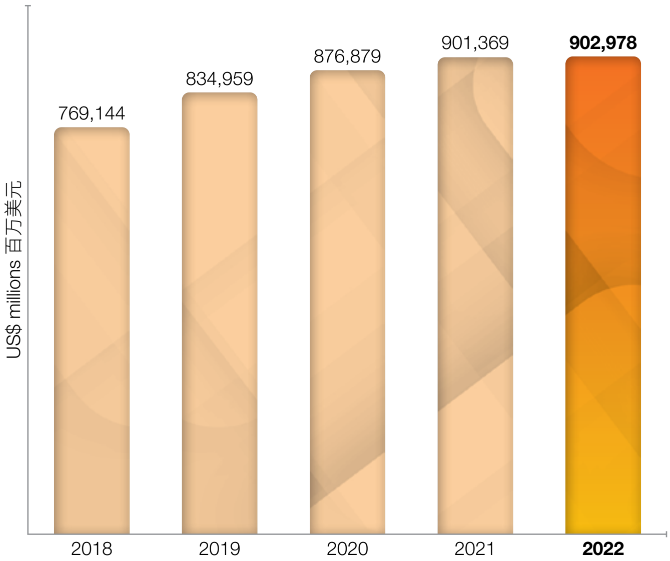
ECONOMIC VALUE ADDED

Economic Value Added profit for FY2022 was -US$25.04 million, a decrease of US$7.60 million from -US$17.44 million for FY2021, mainly due to the decrease in net earnings on the back of higher capital employed. Net profit attributable to equity owners of the Company fell 16.90% year-on-year to US$33.53 million for FY2022, compared to US$40.35 million for FY2021. To reward shareholders, the Board of Directors has proposed a first and final cash dividend of 1.6 Singapore cents per share for FY2022 (FY2021: 1.9 Singapore cents). The Group will continue to focus on improving efficiency and remain prudent in financial management to create value for shareholders.

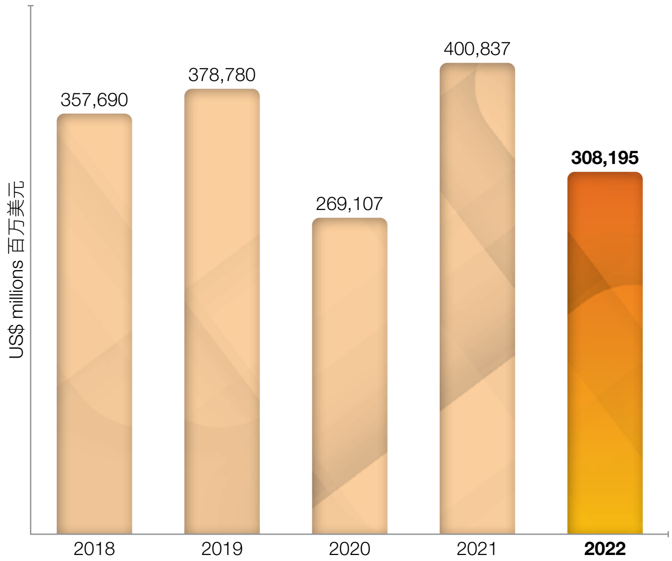
FINANCIAL REVIEW
业绩回顾

5-YEAR FINANCIAL SUMMARY 五年财务摘要	2018	2019	2020	2021	2022
INCOME STATEMENT (US$'000) 损益表（千美元）					
Revenue 收入	20,611,954	20,343,491	10,516,955	17,636,657	16,464,124
Gross Profit 毛利	49,994	58,456	45,872	30,697	35,391
Share of Results of Associates 联营公司投资收益	72,109	65,532	24,789	23,550	17,902
Net Profit after Tax 税后净利润*	93,858	99,830	56,193	40,350	33,532
BALANCE SHEET (US$'000) 资产负债表（千美元）					
Total Assets 总资产	1,653,568	1,872,945	1,887,949	1,535,658	1,499,618
Total Equity 股东权益*	769,144	834,959	876,879	901,369	902,978
Cash and Cash Equivalents 现金及现金等价物	357,690	378,780	269,107	400,837	308,195
FINANCIAL RATIOS 财务比率					
Earnings per Share (US$ cents)* 每股收益（美分）	10.91	11.61	6.53	4.69	3.90
Net Asset Value per Share (US$ cents)* 每股资产净值（美分）	89.42	97.07	101.94	104.79	104.97
Return on Equity 净资产回报率*	12.60%	12.45%	6.57%	4.54%	3.72%
Return on Assets 资产回报率	5.82%	6.12%	3.22%	2.61%	2.50%
Debt Equity Ratio 股本带息负债率	0.00%	0.00%	0.00%	0.00%	0.00%

Total Equity*
股东权益



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



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

FINANCIAL REVIEW
业绩回顾

综述

截至2022年12月31日（简称“2022财年”），公司总收入为164.6亿美元，相比截至2021年12月31日财年（简称“2021财年”）的176.4亿美元下降6.65%，主要是因为总业务量减少。

公司2022财年的营业利润为1,981万美元，较2021财年下降5.14%，主要是因为费用增加，同时毛利增加抵消了部分降幅。

2022财年来自联营公司的投资收益为1,790万美元，较上年同期的2,355万美元，下降23.98%。

2022财年归属于本公司所有者的净利润为3,353万美元，同比减少682万美元，降幅为16.90%。2022财年归属于公司所有者的每股收益为3.90美分，上年同期为4.69美分。净资产收益率下降0.82个百分点至3.72%，主要是因为利润减少。

2022财年经营活动产生的净现金流出为0.89亿美元，主要原因是存货增加；2021财年的经营活动净现金流入为1.13亿美元。投资活动产生的净现金流入减少1,974万美元至2,445万美元，主要原因是2022财年从联营公司收到的股息减少。

由于油价波动、全球经济放缓、持续紧张的地缘政治局势、供应链中断和高通胀，预计全球市场环境仍将充满挑战。尽管如此，公司仍将致力于加强经营韧性，拓展航煤供应和贸易网络，以及加强其他油品贸易能力。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

2022财年总收入下降6.65%至164.6亿美元，主要是由于业务量减少。2022财年总业务量为2,026万吨，较2021财年的3,411万吨下降40.60%。中馏分业务量从2021财年的1,385万吨下降39.86%至2022财年的833万吨。但因油价上涨，中馏分业务收入增加5.05%至85.3亿美元，占公司2022财年总收入的51.82%。其他油品贸易量（主要来自于原油和燃料油）在2022财年减少833万吨或41.12%至1,193万吨，贡献79.3亿美元的收入。

中国依然是公司最大的市场，占公司2022财年收入的53.32%，占比较2021财年增加2.44个百分点。

2022财年毛利为3,539万美元，较2021财年毛利3,070万美元上涨15.29%，主要原因是航煤贸易盈利较高。

2022财年其他经营收入为101万美元，较上年同期的222万美元下降54.81%。2022财年汇兑损失为371万美元，较上年同期的汇兑收益35万美元减少406万美元，主要原因是人民币和欧元对美元贬值产生汇兑损失。2022财年银行存款利息收入为329万美元，较上年同期的156万美元增加173万美元，主要是因为市场存款利率上涨。其他收入主要包括政府针对新冠疫情的影响给予的补贴增加30万美元。2022财年处置联营公司取得82万美元的收益。

2022财年总费用为1,659万美元，较上年同期的1,204万美元上涨37.78%，主要是由于员工成本增加280万美元。2022财年信用损失为20万美元，而2021财年为信用损失冲回228万美元，因此同比增加248万美元。银行费用和专业费用则同比分别减少57万美元和50万美元。

来自联营公司的投资收益

2022财年联营公司投资收益为1,790万美元，较上年同期的2,355万美元下降23.98%。2022年来自浦东航油的投资收益为1,921万美元，较上年同期的2,319万美元下降17.17%，主要是毛利减少和汇兑损失增加导致其利润减少。2022年来自其他联营公司的投资收益为负131万美元，较去年同期的36万美元减少167万美元，主要是因为OKYC营业收入下降和汇兑损失增加导致来自于OKYC的投资收益减少。


Jet fuel discharge operations at port.
码头卸油场景。

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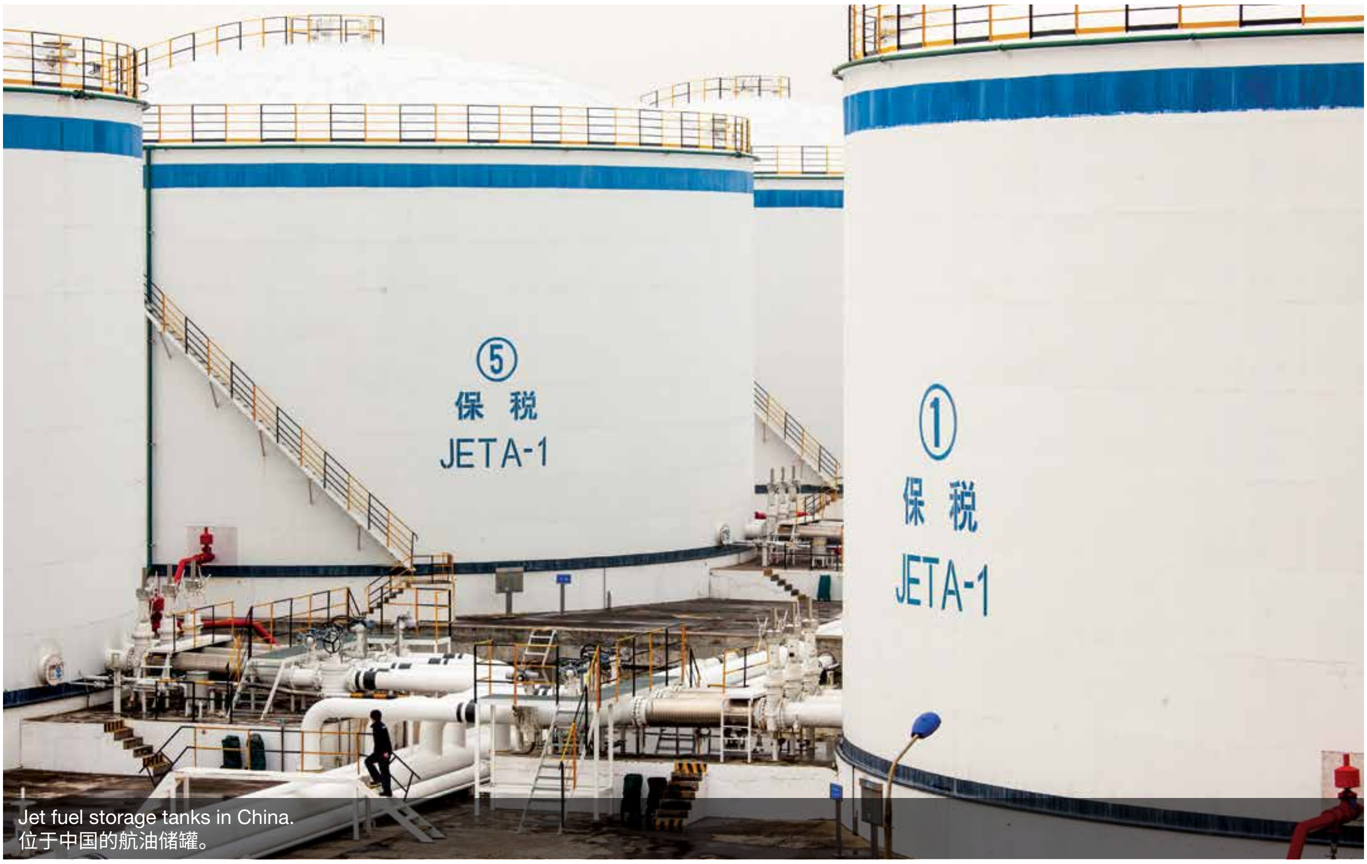

Jet fuel storage tanks in China.
位于中国的航油储罐。

净利润

2022财年公司税前利润为3,771万美元，较2021财年的4,443万美元下降15.13%，主要是投资收益和其他收入减少以及费用增加所致，而部分减幅被较高的毛利抵消。

2022财年所得税费用为452万美元，较上年同期的408万美元增加44万美元，增幅为10.84%，主要是所得税计提增加，部分增幅被较低的预扣税计提抵消。

由于投资收益较低和费用较高，2022财年净利润为3,319万美元，较2021财年的4,035万美元减少716万美元，降幅为17.75%。

财务状况

2022财年公司继续保持稳健的财务状况，总资产为15.0亿美元，较上年同期的15.4亿美元减少0.4亿美元，主要是由于贸易及其它应收账款和货币资金减少，而存货的增加部分抵减了降幅。

公司的资金流动性和偿债能力依然强劲。截至2022年12月31日，公司货币资金为3.08亿美元，较2021年12月31日的4.01亿美元减少0.93亿美元。截至2022年12月31日，公司的流动比率和速动比率分别为2.08和1.76（2021财年分别为1.98和1.91），而公司的银行授信额度总计29.5亿美元。

截至2022年12月31日，归属于公司所有者的净资产为9.03亿美元，或每股104.97美分，而截至2021年12月31日，归属于公司所有者的净资产为9.01亿美元或每股104.79美分。截至2022年12月31日，归属于非控制性权益的净资产额为443万美元。

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

持续的新冠疫情对全球市场带来了极为恶劣的影响，因此公司在2022财年所取得的业绩充分展现了公司的运营实力及韧性。公司将持续加强信用额度管控，以及对应收账款和流动资金的管理，以保持充裕的资金并严控信用风险，同时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

2022财年经济增加值为-2,504万美元，较上年的-1,744万美元减少760万美元，主要因为净利润减少，在投资资本增加的情况下经济增加值下降。2022财年归属于公司所有者的净利润为3,353万美元，较2021财年的4,035万美元下降16.90%。为了回报股东的支持，董事会提议2022财年派发每股0.016新元的年终股息（2021财年： 0.019新元）。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

In tandem with the easing of COVID-19 travel restrictions, the global economy continued its recovery in 2022, although growth had been uneven across different regions. Geopolitical events, such as the Russia and Ukraine war, continue to cause profound and long-lasting changes on the global energy landscape. All these factors have clouded the outlook of the global aviation industry, as such the operations and growth of the Group remain challenging amidst increasingly complex risk exposures. For instance, Brent crude oil prices were extremely volatile in 2022 rising from US$78.98 per barrel at the start of the year to a high of US$127.98 per barrel in early March before declining from early July to reach US$85.91 by late December last year.

Under such a complex and constantly changing 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 exposures faced by the Group's expanding globalised business operations and ensure continued healthy business growth.

Besides closely monitoring the Group's key risk indicators, CAO had also enhanced its risk management system and quality of quantitative risk management last year. In addition, the Group continued to optimise the quality of its trading counterparties through active monitoring of counterparties as well as completing multiple rounds of portfolio reviews of all its counterparties, further strengthening the Group's ability to mitigate and manage its risk exposures. The Group's overall risk management capabilities were also strengthened through the enhancement of automated operations, optimisation of daily hedging ledger records and conducting regular reviews and updates of trade-related risk limits.

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

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

RISK MANAGEMENT FRAMEWORK, POLICIES AND PROCESSES

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

Our risk management foundation is built upon three pillars namely:

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

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

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

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

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

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

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. The Risk Management Department has established a comprehensive risk management framework to provide greater efficiency in identifying, reporting and monitoring the risk profiles of the Group's supply and trading businesses in Singapore, Hong Kong SAR, Los Angeles and London. The Group's newly expanded risk management team, with professional credentials such as Financial Risk Manager by Global Association of Risk Professionals and their expertise in credit, market and enterprise risk management, manages and supports appropriate risk management practices in daily operations across the globe, enabling the management team to execute and achieve strategic business objectives.

RISK MANAGEMENT STRATEGY

The Group's growing multi-product portfolio businesses subjects it to a growing 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 the growing uncertainties in the Group's key markets.

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

- Market risk – is the risk of losses arising from movements in trading positions and market prices
- Credit risk – is the risk due to uncertainty of counterparty to meet its contractual obligations
- Operational 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 the lack of awareness or misunderstanding of, ambiguity in, or reckless indifference to, the way law and regulations apply to a company's business
- Finance risk – is the risk that a firm will be unable to meet its financial obligations

RISK MANAGEMENT
风险管理

TOP 5 RISKS AND MITIGATION

At CAO, we constantly improve on our risk control systems through adopting best practices and developing new initiatives to enhance the Group's risk management capabilities. On top of managing the key identified business risks on a daily basis, we have also analysed and determined the top five risks in CAO's operating environment in 2022 through an internal assessment using the Enterprise Risk Management ("ERM") methodology.

No.	Assessed Significant Risks	Mitigation Strategies	Impact
1	Strategic risk of investments	1. Actively seek opportunities to add value to its core jet fuel supply and trading business, while focusing on aviation marketing to better support the Group's supply and trade network 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 3. Closely monitor changes relating to the external market and industry post-pandemic, and proactively explore new business opportunities to ensure the Group's long-term competitiveness	Mid
2	Counterparty credit risk	1. Set appropriate credit limits for its global counterparties 2. Adopt a dynamic approach to managing its counterparties and establish a list of active and blacklisted counterparties. Ensure the quality of its counterparties by conducting regular reviews as well as ad hoc clean up exercises in light of macroeconomic changes 3. Conduct multiple rounds of counterparty clean up exercises to improve the overall quality of the Group's counterparties 4. Timely update the commercial aviation sector assessment methodology based on prevailing market conditions in order to accord commercial airline counterparties a more comprehensive and objective credit assessment 5. Strengthen the credit risk management team 6. Implement credit mitigation measures, such as Letter of Credit, prepayments, credit insurance etc. 7. Manage credit risk issues through Credit Committee	Mid
3	Policy change in China's aviation fuel market	1. Leverage on the Group's existing supply and trading capabilities to build up a diversified business structure, and enhance its o trading capabilities for other oil products 2. Actively explore business opportunities in overseas jet fuel and other oil products markets. Secure both domestic and overseas resources, seeking to sustain stable and long-term growth in its market share in targeted markets. At the same time, increase efficiency in logistics management, extend the value chain, and establish an integrated supply chain and trading network incorporating procurement, storage, transportation, sales and trading activities 3. Optimise supply resources and adjust supply models in accordance with the aviation fuel supply and demand situation in China 4. Leverage on the Group's existing aviation marketing advantages to develop its biofuel supply and trading business as well as increase new business and revenue sources	Mid
4	Strategic risk of single product	1. Adopt product diversification strategy to develop supply and trading capabilities in other oil products 2. Seek to build structural advantages for other oil products through securing supply contracts and investing in synergistic assets to support trading activities	Mid
5	Price fluctuations	1. The front office and relevant subsidiaries of the Company are to closely monitor market changes and strictly carry out trade activities within the prescribed risk limits 2. Risk Management Department to provide daily monitoring reports 3. Moderately reduce inventory while proactively seeking opportunities to lock in structural costs for the long-term, as well as reduce mark-to-market losses	Mid

RISK MANAGEMENT
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COMPREHENSIVE ENTERPRISE RISK MANAGEMENT

Recognising that risk management plays an important role in business sustainability, CAO has adopted ERM practices to identify and manage the various types of risks the Group's globalised operations is exposed to. Building on the ERM practices, the Risk Management Department is able to identify, analyse and prioritise key risk factors faced by the Group to better plan and execute actions to mitigate identified risks by respective risk owners from various business units and functions. The process ensures that key risks are proactively monitored and managed and that appropriate mitigating actions 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 quantify each risk entry in terms of impact and probability and rank them, to identify the most significant potential risks.

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

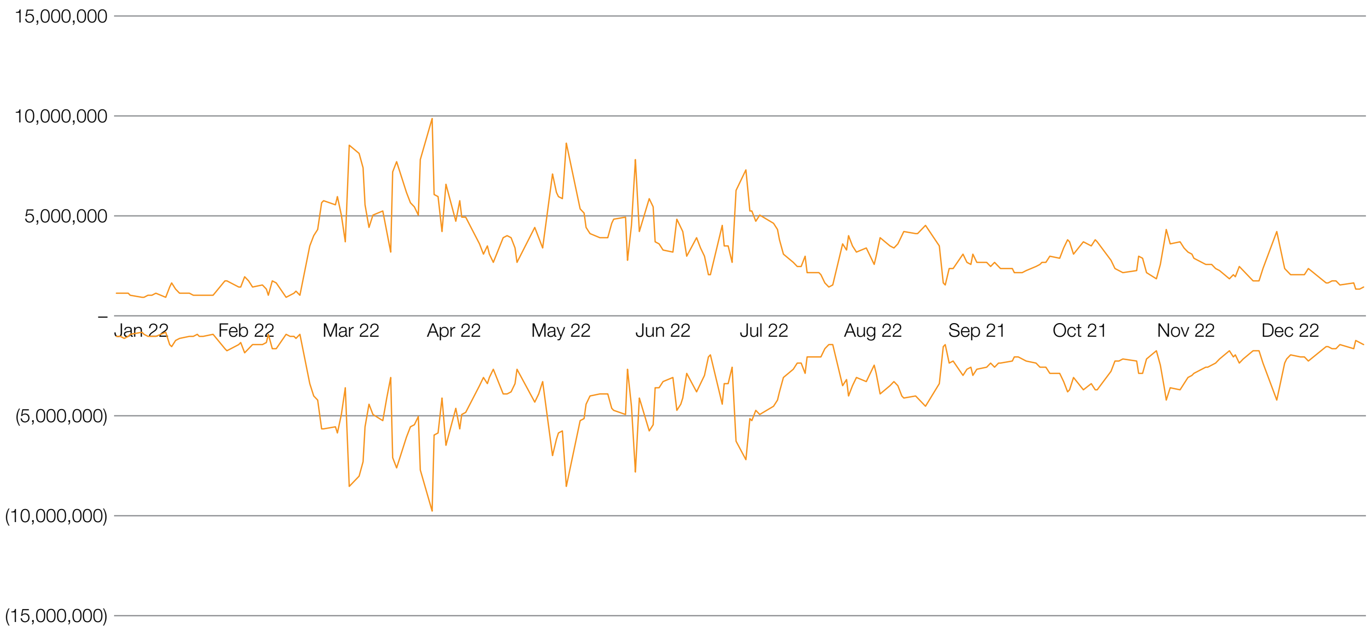
For the past two years, we actively conducted enterprise level stress-testing across various risk categories thereby enabling the Group to better understand the potential impact it faces under special events and environments, and to formulate and execute effective measures to mitigate potential risk events.

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 delegated by the Board, including 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.

2022 MVaR UTILISATION AT COMPANY LEVEL
2022年公司市场风险值使用情况



RISK MANAGEMENT
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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 Risk Management Department simulates in a timely manner the likely impact of the Group's recent trading position in times of extreme market conditions. In 2022, we conducted four stress tests including the Russia-Ukraine war scenario, which allowed CAO to have timely and comprehensive insight of our business activities, and take mitigating actions when necessary.

Notwithstanding the high volatility in the market environment, the Group's risk appetite remained cautious and measured. The daily MVaR utilisation rate, based on a 95% confidence interval, remained stable with an average MVaR utilisation of US$3.28 million in 2022.

In 2022, we continued to conduct derivatives business in strict accordance with the Hedging Business Proposal approved by the Board of Directors, which requires all derivatives businesses to be for hedging purposes and strictly prohibits speculation in derivatives businesses.

CREDIT RISK MANAGEMENT AND CONCENTRATION ANALYSIS

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

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

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

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

3. Country risk or sovereign risk is the risk of losses 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.

As we enhance our risk management practices, the Group will be better equipped to make sound decisions.
随着新加坡公司不断优化其风险管控实践，我们将能更有效地落实明智的决策部署。

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

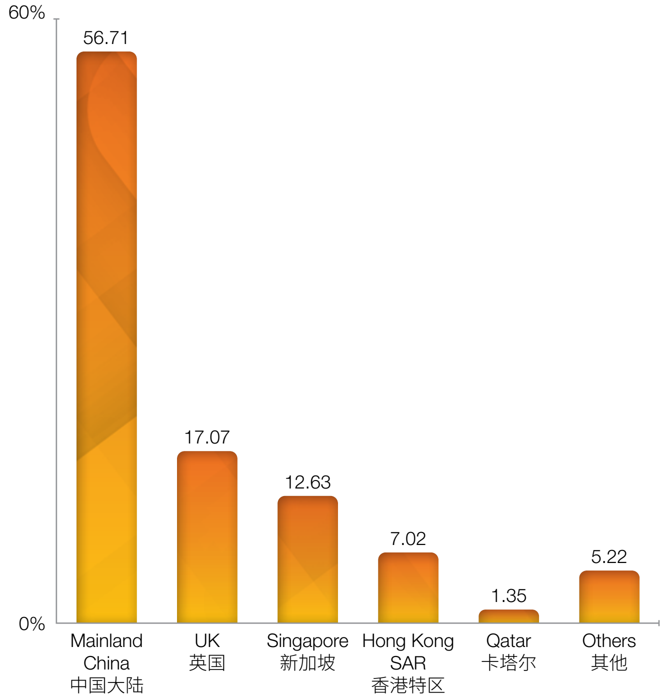
1. Special reviews and deep dives into high risk counterparties or industry segments, allowing the Group to adopt pre-emptive measures and actions to avert potential credit events

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

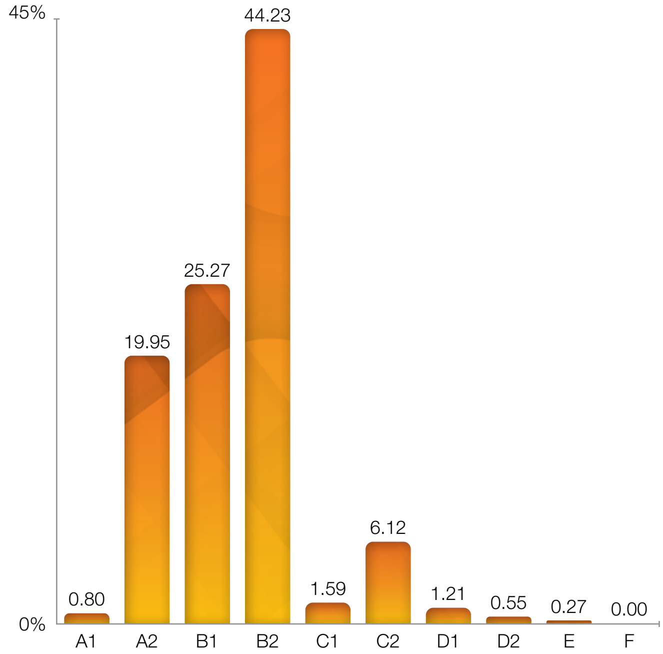
3. Updated the Probability of Default data used in the Expected Credit Loss calculation of the CAO Group based on the 2020 published probability of default data from Moody's and S&P

RISK MANAGEMENT
风险管理

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



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



Our concentration risk profile of accounts receivables are as follows:

By Country

As of 31 December 2022, our geographical exposure was predominantly Mainland China (56.71%), United Kingdom (17.07%) and Singapore (12.63%), which made up 86.41% of the Group's total exposure.

By Internal Credit Rating

As of 31 December 2022, in terms of internal credit rating, the Group's exposure mainly comes from Grade B2 (44.23%), Grade B1 (25.27%) and A2 (19.95%), which accounted for 89.45% of our accounts receivable position. Letter of credit receivables constituted around 8.11% of total accounts receivable.

As of 31 December 2022, the exposure from these internal ratings of Grade A1 to B2 (including exposures against letter of credit) equivalent of investment-grade made up 90.25% of the Group's receivables exposure. The overall credit grade composition of the receivables portfolio was satisfactory.

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

The Group also employs credit enhancement or mitigation tools where necessary. These include obtaining parent company guarantees, credit insurance, 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 remain committed to proactively promote a strong culture of risk awareness and will continuously enhance our risk management processes and capabilities to ensure that CAO is able to effectively execute its strategies and achieve its strategic targets to deliver sustainable shareholder value.

RISK MANAGEMENT
风险管理

随着各国逐渐放宽出入境政策，全球经济在2022年持续复苏，尽管各地区的经济复苏步伐并不平衡。俄乌战争等地缘政治事件无疑对全球能源系统造成了深远且持久的影响，这些因素给全球航空业的前景蒙上阴影，加上日益复杂的风险敞口，使得新加坡公司的经营与发展继续承受着巨大挑战。布伦特原油价格由2022年初的每桶78.98美元，一路攀升至3月初的每桶127.98美元的高点，高位震荡数月后，自7月初开始逐渐回落至去年12月底的每桶85.91美元水平。

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

2022年，新加坡公司持续完善风险管理体系，提高风险管理量化水平，推进关键风险指标监控工作。与此同时，新加坡公司持续优化交易对家质量，动态管理对家库，完成多轮交易对家清理工作，进一步增强公司抵御风险的能力。新加坡公司也持续开展贸易风险限额的回顾与更新，提升自动化水平，进一步完善每日套保台账记录，进而提升公司的整体风险管理水平。

作为风控文化的一部分，新加坡公司继续积极开展并完善集中风险管控与支持体系，以支持我们在全球的业务拓展。公司的风险管控流程主要包括：

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

风险管理框架、政策和流程

公司的全面风险管理框架包括风险管理制度、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，确保我们在复杂多变的市场中能够做出快速反应。

公司风险管理的三大支柱分别为：

1. 四层管理与控制架构
2. 制度、指引和控制架构
3. 系统、流程和人员

公司的四层管理与控制架构是为了确保有效的治理，以及监督风险管理实践的有效执行。

在战略与治理层面，董事会负责确保中国航油新加坡公司有效的风险管控。所有风险管理相关事项最终都将汇报给董事会。

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

在管控层面，公司风险会议（简称“风险会”）在风险管理委员会授权之下，负责企业全面风险管控，包括市场、信用、运作、财务守规和信誉等各类风险管控措施的组织和实施。风险会主席由风险管理部主管担任，既向首席执行官汇报，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工作的执行，并确保所有与风险相关的制度、流程和限额得到遵守和落实。风险管理团队制定了完善的风险管控框架，以有效地识别、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。不断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，协助管理层实施并完成战略业务目标。

风险管理策略

随着多元化产品业务日益扩大，新加坡公司面临多项经营风险。这些风险敞口来自部分地区监管和运营条件的改变，汇率以及油价波动。为了更好地管理公司不断拓展的业务组合带来的经营风险，公司不断完善风险管理流程和方法，使公司能够应对关键市场环境中日益增长的不确定性。

新加坡公司的风险管理包括识别影响公司及其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控这些风险：

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

RISK MANAGEMENT
风险管理

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2022年公司经营前五大风险。

序号	评估的重大风险	采取的管理策略和解决方案	影响程度
1	投资战略风险	1. 积极寻找为核心航油业务增值的机会，以航空市场营销为重点，支持公司供应与贸易网络 2. 通过收购活动不断完善公司的投资业务，并投资有利润增长的协同性资产，加大产业链、价值链的投资力度 3. 密切追踪后疫情时代的外部市场及行业变化，积极探索新的业务领域，保证公司长期的竞争力	一般
2	交易对家信用风险	1. 为全球对家设立适当的信用限额 2. 对贸易对家实施动态管理，建立对家活跃名单和黑名单，并在周期性对家复审的基础上根据宏观形势变化不定期进行专项对家清理，保证对家质量 3. 开展多轮贸易对家清理以提升对家整体质量 4. 根据市场情况适时更新商业航空公司对家信用评估模型，给予商业航空公司对家更充实客观的信用评估结果 5. 强化信用管理团队 6. 实施信用缓解措施，如信用证、预付款、信用保险等 7. 通过信用风险管理小组统一管理信用风险相关事宜	一般
3	中国航油市场政策变化	1. 充分发挥公司现有供应与贸易能力，建立多元化业务结构，提升其他油品贸易能力 2. 积极开拓进入海外航煤及其它油品市场，锁定国内外资源并在目标市场建立长期稳定的市场份额，同时提高物流运作效率，延伸业务链，打造一个集采购，储存，运输，销售和贸易活动为一体的全链条供应与贸易网络 3. 根据国内航油供需状况，优化供应资源，调整供应模式 4. 利用现有航空市场营销优势，开展生物燃料供应与贸易业务，增加新的业务和利润来源	一般
4	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. 通过锁定供应合同并投资具备业务协同性的资产，为其他油品建立结构性优势，支持贸易活动	一般
5	价格波动	1. 前台业务部门及相关子公司密切关注市场，严格按照公司风险限额开展贸易活动 2. 风险管理部提供监控日报 3. 适度减少库存，择机一次性锁定结构成本，减少盯市损失	一般

企业全面风险管理介绍

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

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

除了上述的风险列表以外，由公司管理层和相关部门主管所组成的公司风险会既是企业风险管理模型的重要组成部分，也是讨论风险相关议题的重要平台。通过例会、临时会议、电邮传签等形式，公司在日常经营中所面临的任何风险议题均可得到及时的讨论和评估。例如，在某个贸易对家出现现金流问题，发生延迟付款时，公司风险会可以及时讨论并决定是否要中止与该对家的任何商业往来。

最近两年，我们积极对各项风险类别进行企业层面的压力测试，使我们能够更好地了解公司在特殊事件和环境下可能面临的潜在影响，从而更好地防范和缓解这些影响。

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，保持全面的风控记录，并且每日向管理层和业务相关者汇报。

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，而公司会每日跟踪持仓价值的变化。董事会授权的一系列市场风险限额，如数量限额、风险值限额、管理层预警限额、止损限额和套期保值比率也在每日跟踪范围内。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近期的贸易持仓在极端市场环境下可能受到的影响。2022年，我们共进行了四次压力测试，其中包括俄乌战争场景，以协助公司对其业务活动有及时和深入的了解，在必要时采取适当的风险缓解措施。

尽管市场环境波动很大，公司的风险偏好始终保持谨慎和审慎。根据95%置信区间，公司层面的每日市场风险值使用率基本保持平稳；2022年公司层面平均使用的每日市场风险值为328万美元。

2022年，我们继续严格按照董事会批准的套期保值业务管理办法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能够造成威胁的风险

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

为了积极管理信用风险，公司会定期对贸易对家的信用状况进行评估，例如通过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。

鉴于近年经营环境的波动性日益提升以及地缘政治形势的不确定性，公司继续保持审慎的信用风险管理。信用风险管理的重点工作包括：

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，以避免潜在的信用风险事件发生

2. 优化公司的交易对家管理制度，进而提升公司对交易对家管理的有效性和效益。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，对计算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：

按国家划分

截至2022年12月31日，根据公司对家的注册地，新加坡公司的信用敞口仍主要来自中国大陆(56.71%)、英国(17.07%)和新加坡(12.63%)，占总敞口的86.41%。

按内部信用评级划分

截至2022年12月31日，在内部信用评级方面，信用敞口主要来自于评级为B2(44.23%)、B1(25.27%)和A2(19.95%)级别的贸易对家，占总应收款的89.45%。信用证应收款则大约占了总应收款的8.11%。

截至2022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90.25%。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。

我们也会在必要时使用信用增强或风险减缓工具，包括获取母公司担保、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。

风险管理是新加坡公司业务战略和运营管理的核心部分。公司继续致力于积极增强风险意识，并不断完善我们的风险管理流程和能力，确保公司能够有效执行其战略并实现其战略目标，持续为股东创造价值。

COMPLIANCE AND INTERNAL AUDIT
合规与内审

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

OPERATING RESPONSIBLY

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

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

CAO's established system of compliance oversight is in line with the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") framework. This ensures a systematic and integrated approach to evaluate and improve the Group's overall internal controls framework, including regular reviews of SOPs relating to delegation of authority and hedging business policies undertaken during the year 2022 to augment and further reinforce its existing system of internal controls.

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

To 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-related requirements to integrate compliance with daily operations at the business level.

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

Registered zero incidents of corruption and bribery

零腐败和零贿赂事件

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

为员工制定了全面的商业道德与合规相关的培训课程

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

审查涵盖授权审批和套期保值业务管理的标准操作流程，进一步强化现有的内控系统

Adopted a revised whistleblowing policy

更新了公司的举报政策

COMPLIANCE AND INTERNAL AUDIT
合规与内审

Concerted efforts were made toward instilling regulatory compliance and fostering an effective risk culture across the Group's global presence.
新加坡公司致力于在其全球业务范围灌输合规理念，以有效地培养风控文化。

PROTECTING THE INTEGRITY OF OUR BUSINESS

CAO implements a zero-tolerance policy against any form of corruption or bribery. In 2022, the Group further strengthened its management of internal controls through refining internal policies and standardising processes in areas such as procurement management, funds management, whistleblowing, employee handbook and asset donation management measures as part of its efforts to promote sustainable business engagement with the Group's stakeholders including employees, business partners, suppliers and shareholders, as well as detecting any irregularities in our businesses. CAO firmly believes these measures will empower the Group to comprehensively prevent any occurrence of impropriety, such as acquiring benefits through unlawful means and other fraudulent activities.

To safeguard the integrity of our business, the Group maintains a comprehensive business ethics and compliance-related programme to equip our employees with the relevant knowledge and competency to comply with regulatory and other compliance requirements in their work through mandatory web-based training courses. The Legal & Compliance Department arranges and facilitates for all employees, a range of compliance and business ethics-based training topics including anti-money laundering, fraud prevention, sanctions, preventing financial crime, information security and cyber risk awareness, anti-bribery and anti-corruption and avoiding insider trading. In 2022, our CAO global workforce participated in a web-based compliance-related and business ethics-based training programme, with a completion rate of 88%.

MAINTAINING VIGILANCE

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

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

2022 was the third year that CAO had conducted such a simulation exercise virtually owing to concerns over the spread of COVID-19 infections among employees within the Group. 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 emergency awareness, strengthened co-ordination across the Group's global presence and was successfully carried out with minimal downtime to support its ongoing business operations.

COMPLIANCE AND INTERNAL AUDIT
合规与内审

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

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

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

It is imperative for CAO to conduct its business activities in compliance with relevant laws and regulatory requirements. CAO adopted a revised whistleblowing policy during the year. 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.

There were no reported incidents or concerns raised through the abovementioned whistleblowing channels during the year and up to the date of this Annual Report.

The Group remains committed to comply with relevant laws and regulations.
新加坡公司致力于遵守相关法律法规。

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尽责的经营管理模式，旨在践行高标准的监督和问责制度，并积极将企业诚信和商业道德融入日常经营之中。

践行负责任的经营管理

在董事会及新加坡公司管理层的领导下，法律合规部的合规团队负责确保公司以尽责的商业实践开展业务，充分体现我们的核心价值观——卓越、创新、多元和诚信。公司设立了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。

新加坡公司建立的合规监督体系符合COSO框架体系，确保了以系统性及综合性的方式来评估和改进新加坡公司的总体内控框架，包括定期审查涵盖授权审批和套期保值业务管理的标准操作流程，在2022年进一步提升并强化了现有的内控系统。

新加坡公司定期审查并识别潜在的合规风险，如反垄断和竞争法、反腐败法、贸易制裁、职业安全、健康和环境法规、数据保护、内幕交易和欺诈行为。通过强化内部制度和管理指令的执行，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。新加坡公司会定期审核上述内部制度、管理指令和工作流程，以确保它们得到更新，且适用于不断发展的商业环境。

为了遵守国际贸易制裁相关法规，新加坡公司借助风险监测工具以应对监管环境的变化，有效地对贸易对家开展风险排查，密切监控政治公众人物及高风险实体。

在需要对贸易制裁风险评估进行澄清的情况下，法律合规部与风险管理团队紧密合作，一同开展合规性评估并着重将业务合规贯彻到日常业务与运营之中。

维护企业诚信

新加坡公司对任何形式的腐败或贿赂实行零容忍政策。2022年公司通过完善有关采购管理、资金管理、举报制度、员工手册及资产捐赠和受赠管理办法等领域的内部制度和流程规范，进一步加强了公司的内控体系，以促进公司与员工、业务伙伴、供应商和股东等利益相关方之间的可持续业务合作关系，同时积极排查公司业务中可能出现的任何违规行为。新加坡公司坚信，这些措施有助于公司全面防范腐败，如收取好处费等违法的利益输送行为和其他欺诈行为。

在维护企业诚信方面，新加坡公司制定了全面的道德与合规管理方案，通过强制性的线上培训课程，让我们的员工具备相关知识和技能以确保其工作的开展符合监管和合规要求。法律合规部也组织公司员工参与合规和商业道德的系列培训项目，其中包括反洗钱、预防欺诈、制裁、预防金融犯罪、信息安全和网络风险意识、反贿赂和反腐败以及避免内幕交易等。2022年，新加坡公司分布在全球各地的员工参加了线上合规和商业道德培训，完成率达88%。

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

鉴于重大风险事件对公司的战略、运营、财务和声誉造成的潜在影响，公司每年均安排一次BCP和DRP模拟演习，借此加强公司员工应对紧急事件的能力。

为了严防公司内部聚集性感染新冠病毒，2022年是公司连续第三年以虚拟形式开展业务持续模拟演习。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，并在最短的停滞时段内成功恢复业务的运营。

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

内部审计计划在制定后将提交审计委员会批准，获批准的内部审计计划将由国际审计事务所的合格专业人士开展。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。随后相关部门根据审计结果采取补救措施，并在规定的期限内实施。

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2022年通过“质量保证和改进计划”提升公司内部审计质量。此改进计划以问卷形式向各相关方征求关于公司外包内审工作可行与质量的反馈，并重点突出需要改进的事项。

新加坡公司坚持在合法合规的前提下开展业务，并于本年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。

2022财年及至本年报刊登之日，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 2022, countries around the world took active steps to adapt to the changing dynamics of an evolving post-pandemic situation. Several countries have adopted the strategy of co-living with COVID and reopened borders to international travel and trade. Many organisations including CAO have resumed a back to business-as-usual approach with employees returning to the workplace to support the sustainable development and productivity of the Company while continually ensuring that health, safety and welfare needs of all employees are met.

KEY HIGHLIGHTS

CAO partnered with the Institute of Human Resource Professionals and Ernst & Young Consultants to benchmark against best practices in the industry and conduct a comprehensive assessment of the Company's Human Resources practices using Human Capital Diagnostic Tool to determine its Human Capital Maturity level. Based on the diagnostic results, action plans were developed and continuously enhanced, thereby improving the overall human resource management and promoting the development of both the Company and its employees.

CAO actively participated in the "Singaporean Students Entering Chinese Enterprises" series of university lectures. Through the collaboration with local universities like National University of Singapore and Nanyang Technological University, CAO engaged the youth, promoted synergistic partnerships and strengthened relationships between local talent and Chinese enterprises. In addition, CAO enhanced its social media presence on platforms to better promote CAO's corporate culture and talent philosophy, to reinforce its brand as an employer of choice and improve job matching.

In line with our commitment to HR best practices of equality, diversity and inclusion in the workplace, CAO has put in place initiatives to enhance the selection and engagement of Management personnel. This will enhance the responsibilities, rights and obligations of these management personel as well as improve incentives to boost their enthusiasm and creativity at work thereby advance quality development of the Company.

In 2022, with the ongoing spread of the COVID-19 pandemic, CAO closely adhered to the government's epidemic prevention regulations and strengthened epidemic prevention as well as control measures preventing collective infections to ensure the health and safety of employees. To alleviate employee concerns of potential scarcity of epidemic prevention supplies, CAO procured and distributed such as alcohol-free hand sanitizers, disinfectant sprays, medical masks, N95 masks, gloves to employees and also delivered additional necessities to infected or at-risk employees.

During the Dragon Boat Festival Cultural Activity dinner party organised in May 2022, employees were given a platform to showcase their talents.
新加坡公司于2022年5月份组织的端午文化活动晚会，为员工提供了展示才艺的平台。

HUMAN CAPITAL MANAGEMENT
人才资源管理

CAO actively participated in the “Singaporean Students Entering Chinese Enterprises” series of university lectures.
公司积极参与“新加坡学生走进中资企业”系列高校专场宣讲会。

TALENT MANAGEMENT AND CAREER DEVELOPMENT

CAO is committed to talent development and has implemented comprehensive people-oriented initiatives, as well as adopted a holistic approach to employee development based on capability and character. Employees who are competent in their roles, proactive in making positive contributions to the Company and are aligned with the Company’s culture are recognised for their efforts through promotions or job enhancements.

CAO places great emphasis on talent development and encourages lifelong learning through effective organisation of various on-the-job training, professional training and funding programs for continuing education courses. CAO encourages employees to embrace lifelong learning to increase their knowledge and skills as well as to improve their overall business acumen. We are focused on building a professional and talented team that aligns with the Company’s vision of becoming a word-class oil company.

We organised 14 internal knowledge sharing and information sessions as well as 41 external training sessions, with a cumulative total of 1,918 attendees and a cumulative training duration of 2,903 hours.

In 2022, CAO conducted a training survey for all employees to gather feedback on their level of satisfaction, actual training needs and suggestions to improve the quality of training. The survey received responses from about 80% of employees, with more than 90% of them believing that the internal training plays a positive role in enhancing their job skills and promoting personal career development.

COMPENSATION & BENEFITS

CAO is committed to a competitive compensation package to keep employees highly motivated. The Company reviews its employees’ compensation and benefits package every year to maintain market competitiveness. In 2022, the Company’s insurance benefits package underwent a comprehensive enhancement of coverage

HUMAN CAPITAL MANAGEMENT
人才资源管理

CAO employees enjoying themselves at the first physical team-bonding event since the start of COVID-19.
公司员工在自疫情发生以来的首次线下团建活动中乐此不疲。

for both general and specialist plans. This transformation not only eliminated the need for employees to incur out-of-pocket expenses for specialist clinic visits, but also provided them with unlimited virtual consultations with general practitioners at no cost. These advancements further eased the process of seeking medical treatment for employees resulting in a more convenient overall experience. CAO has always been dedicated to provide comprehensive benefits for its employees so that they are in the best of health to unleash their potential and achieve peak work performance.

CORPORATE CULTURE BUILDING

CAO continues to uphold its core values of “excellence, innovation, diversity, and integrity”. Reiterating this commitment, the Company released its “Brand Image Management Handbook” to showcase its unique VI design and cultural philosophy to ensure appropriate usage of our corporate image. CAO also held online New Year activities and organised its first physical team-building event for the Dragon Boat Festival. CAO endeavours to create a welcoming workplace environment to enhance employee morale and unity and offers thoughtful gestures such as festive meals during holidays such as New Year, Dragon Boat Festival and Christmas as well as birthday gifts and wishes for employees.

FAIR EMPLOYMENT PRACTICES

CAO is committed to fair employment practices and operates in accordance with the Tripartite Guidelines on Fair Employment Practices and the Fair Consideration Framework to provide equal employment opportunities to candidates of different gender, ethnicity, country of origin, and background. The Company has an established recruitment management system that ensures consistency and transparency of its recruitment processes. As at the end of 2022, 54% of CAO employees are Singapore citizens, 29% Singapore permanent residents and the remaining 17% – foreign employees.

The total number of employees in CAO and its subsidiaries reached 152 at the end of 2022, an increase of 25.6% compared to 2021 following the acquisition of a controlling stake in CNAF Hong Kong Refuelling Limited.

WORKPLACE SAFETY

CAO is committed to creating and providing a safe, healthy, fair and orderly working environment for all employees. We maintained our record of zero work injury in 2022.

HUMAN CAPITAL MANAGEMENT 人才资源管理

2022年，全球各国积极适应充满变数的后疫情时期，不少国家政府更是采取了“与疫情共存”的策略，重新开放边境。许多企业，包括新加坡公司，也于去年逐步恢复现场办公，促进公司业务的持续发展。与此同时，新加坡公司也继续维护和确保全体员工的健康、安全和福利。

人力资源管理工作亮点

新加坡公司与新加坡人力资源专才协会合作，对标同业最佳实践，由安永咨询顾问使用人力资本诊断工具对公司人力资源实践成熟度进行全面评估。公司根据诊断结果制定合理的行动方案，不断提升整体人力资源管理水平，促进企业与员工共同成长。

公司积极参与“新加坡学生走进中资企业”系列高校专场宣讲会，通过与新加坡国立大学、新加坡管理大学等本地大学的通力合作，为中资企业发掘培养本地人才搭建友谊之桥。此外，新加坡公司充分利用社交平台强化推广公司企业文化与人才理念，不断加强雇主品牌建设，提升人岗匹配。

新加坡公司致力于打造一个平等、多元、兼容并蓄的工作环境，并制定了一系列措施以强化经理层成员的责任、权利和义务对等，调动经理层成员工作积极性和创造性，促进公司实现高质量发展。

2022年，新冠疫情持续蔓延，新加坡公司紧跟政府的防疫政令，加强疫情防控，未发生员工集体染疫事件，保障了员工的健康安全。公司也通过多种渠道采购发放防疫物资，如免洗酒精搓手液、消毒喷雾、医疗口罩、N95口罩、手套等，及时增发物资给感染及有感染风险的员工，解除了员工担心防疫物资不足的后顾之忧，以实际行动关爱员工。

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。对胜任岗位工作、认同公司文化、积极主动贡献的员工给予表彰、晋升或重用。

新加坡公司高度重视人才培养工作，通过有效地组织各类在岗培训、专业类培训和持续教育课程资助计划等，鼓励员工终身学习，激发员工学习热情，自主扩充知识和技能，提升员工整体业务水平与能力，打造与世界一流航油公司发展相匹配的专业人才队伍。2022年，公司共组织完成内部知识分享及制度宣贯14次，外部培训41次，累计参训1,918人次，累计参加时长2,903小时。

为提高培训质量，新加坡公司在2022年向全体员工进行了培训问卷调查，以了解其满意度、实际培训需求、建议及期望。问卷调查收到80%的员工反馈，九成以上员工认为公司的内部培训对于提升其工作能力、促进个人职业发展起到积极推动作用。

员工薪酬与福利

公司始终认为，有竞争力的薪酬待遇是激发员工保持高度积极性的关键。为了在就业市场上保持竞争力，公司每年定期重检员工薪酬与福利配套。2022年，公司保险福利扩大了全科门诊及专科门诊的覆盖范围，专科门诊不再通过现金就诊，员工也可以不限次数与全科医生进行免费视频问诊，员工求医更为便捷。公司一直致力于通过为员工提供全方位福利，使员工处于最佳状态，释放潜能，创造卓越。

企业文化建设

新加坡公司继续践行“卓越、创新、多元、诚信”的核心价值理念，发布了《品牌形象管理手册》，展示了VI设计和文化理念，进一步规范企业形象标识应用。虎年春节前夕开展网上新春大拜年活动、端午前夕开展了疫情以来首次线下文化团建活动，在元旦、端午、圣诞等节日期间为员工提供节日餐，在员工生日时送上生日礼品和祝福让员工感受到了家的温暖与温情，进一步加强员工的凝聚力和向心力。

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。公司建立招聘跟踪机制，持续优化招聘工作的标准化流程和透明度。截至2022年底，新加坡公司员工中，新加坡公民占比54%，新加坡永久居民占比29%，其余17%为外籍员工。

在完成对香港供油公司的增资后，新加坡公司及其子公司截至2022年底员工总数为152人，较2021年增长25.6%。

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，并继续在2022年保持了零工伤记录。

COMMUNITY ENGAGEMENT
投身社会公益

As part of our effort towards environmental conservation, the Company organised a waterways clean-up expedition in August 2022.
公司致力于维护自然生态环境，并于2022年8月份组织了一场水道垃圾清理活动。

Corporate Social Responsibility ("CSR") has always been at the heart of what CAO does. As Singapore relaxed most of its COVID-19 measures and restrictions in 2022, the Company stepped up its CSR related efforts, dedicating valuable time and resources to fulfil its role as a responsible corporate citizen.

Our CSR efforts mainly centred on helping the underprivileged, from children to seniors, from low-income families and other disadvantaged communities, as well as the preservation of our environment.

PROTECTING OUR ENVIRONMENT

As part of our effort towards environmental conservation, the Company organised a waterways clean-up expedition with Waterways Watch Society, a non-profit environmental organisation in August 2022. A total of 40 employees participated in this meaningful activity clearing 50kg worth of litter which included disposable masks, plastic bags, cigarette butts and used straws from the Marina Reservoir.

Lessons were shared on the impact of litter on wildlife and our waterways. As litter degrades, chemicals and microparticles are released which contribute to climate change, both through direct greenhouse gas emissions and indirectly by negatively affecting marine life.

Doing our part to reduce water pollution.
为维护干净水源、减少污染尽一份力。

Besides gaining a deeper appreciation for our precious water resources, participants were also encouraged to take a personal stake in water and environmental issues.

This activity is aligned with the Company's goal of environmental sustainability as well as our commitment to adopt low-carbon and sustainable practices. Through the team's concerted efforts in reducing water pollution and greenhouse gas emissions, CAO has contributed to a more sustainable future.

COMMUNITY ENGAGEMENT
投身社会公益

CAO continued to support underprivileged children.
新加坡公司继续为弱势孩童伸出援手。

CARING FOR THE VULNERABLE

CAO has been actively supporting underprivileged children from Singapore's Bukit Merah and Redhill neighbourhood over the past decade through our partnership with Beyond Social Services' pre-school facility—Healthy Start Child Development Centre.

While the Company's physical involvement was reduced due to COVID-related safe-distancing restrictions, we nonetheless continued to offer support by providing daily necessities for the children and their families as well as school supplies for the graduating kindergarten class.

Not forgetting the seniors who are among the most vulnerable groups in our community, CAO extended its welfare arm to care and provide for the less privileged elders from Redhill neighbourhood as well.

Partnering with Sian Chay Medical Institution, a social service agency that provides free Traditional Chinese Medicine consultation and low cost medicine and treatment for the community, 29 staff, including the management team, had a memorable and meaningful Winter Solstice interacting with 50 elderly citizens over breakfast last December.

SUPPORTING COVID-19 NEEDS

It has been three years since COVID-19 was declared a global pandemic. As the world adapts to living with COVID-19, the Company continued to show its appreciation for frontline healthcare workers. Saluting their hard work and sacrifices amid the prolonged pandemic, the Company took part in the Star Alliance's charity run last October to raise funds to support frontline healthcare workers.

Likewise, the healthcare system in Hong Kong had been under tremendous pressure especially during the fifth wave of COVID-19 in March 2022. Upholding the spirit of social responsibility and doing its part to combat the pandemic, the CAOHK team worked around the clock in

Upholding the spirit of social responsibility, CAO employees found joy in giving back to the community.
公司员工热心公益，在回馈社会之余，也收纳了满满喜乐。

COMMUNITY ENGAGEMENT
投身社会公益

Through the "Fight against the Pandemic, YouAndMe" campaign jointly organised by various youth associations and societies, CAOHK donated infection prevention care packs to families in need.
香港公司积极联系香港青年联会及多个青年团体，参与"童心抗疫YouAndMe"活动，向有需要的家庭赠送防疫礼包。

two shifts to ensure smooth refuelling of aircrafts used to transport infection prevention and control supplies, thereby minimising any disruption to the delivery of these essential supplies.

During the same period, CAOHK also took the initiative to partner with Hong Kong United Youth Association and several other local youth societies, supporting the youths and their families with essential protective supplies to tide through the difficult situation. Through the "Fight against the Pandemic, YouAndMe" campaign jointly organised by the various youth associations and societies, CAOHK donated infection prevention care packs which included medical masks and Antigen Rapid Test Kits to families in need.

VOLUNTEERISM AND SAFETY

Corporate volunteerism is a core pillar of our CSR initiatives as it enables the Group to forge a more meaningful connection to the communities we operate in through volunteerism.

In September 2022, a team from CAOHK attended a two-day course organised by the Aviation Industry Council of Hong Kong Chinese Enterprises Association on volunteerism. Major topics were discussed during the course, including the future direction of volunteering work under the Hong Kong National Security Law. At the end of the course, the Aviation Industry Council presented certificates of appreciation and plaques to CAOHK for their long-standing interest and active participation in various patriotic education activities as well as voluntary work.

To strengthen safety management and ensure smooth, orderly operations, CNAF Hong Kong Refuelling Limited ("CNAF HKR") participated in the "Safety Ambassador" exercise organised by Airport Authority Hong Kong ("AA") in 2022.

Authorities from AA visited the CNAF HKR's office and quizzed the front-line staff on safety knowledge as well as inspecting major refuelling work procedures. Through this "Safety Ambassador" exercise, work safety awareness among the staff was greatly enhanced.

Workplace health and safety of our people, as well as the preservation of the environment in which we operate in, remain the Group's top priorities in fulfilling our commitments to sustainability and CSR. We will also continue to devote time and resources to serve and support a more inclusive community.

COMMUNITY ENGAGEMENT
投身社会公益

履行企业社会责任一直是新加坡公司非常重视的一项事业，随着新加坡政府于2022年逐渐放松大部分的防疫措施和限制，公司也进一步扩大其对社会的积极影响，就企业社会责任相关工作投入宝贵时间和资源，尽心尽责承担优秀企业公民的责任。

除了扶持、关爱儿童、年长者，低收入家庭等弱势群体，我们也积极维护和改善自然环境。

保护我们的自然环境

2022年8月，公司与非营利环保机构水域监督协会合办了一场水道垃圾清理活动，以实际行动为环保事业做出贡献。在40名员工的齐心协力下，大家在滨海蓄水池内共清理出50公斤的垃圾，包括一次性口罩、塑料袋、烟头和废旧吸管等。

员工们通过这项活动了解到垃圾对野生动物和水道所构成的负面影响；随着水道垃圾的分解，化学物质和微粒子等污染物会被释放出来，进而直接（排放更多温室气体）和间接（海洋生态环境的恶化）加剧气候变化问题。

在水域监督协会协调员的分享下，公司员工不仅加深了对宝贵水资源的认知，也更加深切意识到此次水道垃圾清理对保持环境与水道清洁的重要意义。

这项活动也具体体现了公司践行绿色低碳的发展理念，以及我们对维护环境的坚定承诺。公司员工上下一心，通过清理水道垃圾，为新加坡减污降碳，共建美好的可持续未来。

关爱弱势群体

新加坡公司通过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"）的合作，从过去十多年以来一直为来自新加坡红山一带的弱势儿童提供援助。

出于对年幼孩童的防疫安全考虑，公司无法与他们做进一步的接触，但我们仍通过其他途径向他们传达关爱，例如继续为这群孩童和他们的家人提供日常用品，以及为即将毕业的幼儿园班级提供升学礼包。

与此同时，我们也将爱心延申至红山区一带的另一组弱势群体——低收入年长者，并为他们献上满满关爱和贴心礼品。

参与此次公益活动的29名领导和员工在善济医社（该非营利社会服务组织旨在为社会大众提供免费的中医问诊及低收费治疗）的安排下，与50名年长者共度了一次难忘且深具意义的冬至。

支持疫情防控

自新冠疫情被宣布为国际关注的突发公共卫生事件以来，已经过去了整整三年。随着全球逐步适应与疫情共处的新常态，公司不忘向奋战抗疫的前线医护人员致敬，并于去年10月参加了星空联盟的慈善义跑；该义跑的净收益将作为奖金颁发给在前线抗击新冠疫情的医护人员。

受疫情的影响，香港医护系统同样承受了巨大压力，尤其是在2022年3月第五波疫情袭击香港期间。秉持着承担社会责任的精神，同时为抗击疫情尽一份力，香港公司团队克服一线岗位人手紧缺困难，全天二十四小时两班轮岗，全力确保香港机场抗疫物资航空运输航班安全供油，为保障香港抗疫物资航空运输的平稳运行出力担当。

此外，香港公司也积极响应回馈社会的号召，主动联系香港青年联会及多个青年团体，参与"童心抗疫YouAndMe"活动，向有需要的家庭赠送防疫礼包（包括医用口罩和抗原快速检测仪），帮助染疫社区及受困人士渡过难关。

提倡志愿者服务和安全意识

企业志愿者活动是公司践行社会责任的重要方式，有助于我们与运营所在地的社区建立更长远和有意义的联系。

2022年9月，香港公司参加了由中国企业协会航空业委员会承办、为期两天的义工培训活动。讲座内容主要围绕香港国安法实施以后义工工作新方向等重要议题进行讨论研究。讲座结束后，航空业委员会就香港公司长久以来积极参与各类爱国主义教育实践活动和志愿工作颁赠感谢状及证书。

为加强安全生产管理，确保香港机场供油业务平稳、有序运行，供油公司在2022年参与了由机管局举办的"安全大使"活动。

机管局领导在该活动期间亲临供油公司现场，对供油公司一线工作人员进行安全知识问答，并对加油作业程序等重点工作进行了检查。供油公司通过此次"安全大使"活动，大大提升了一线加油员工的安全责任意识，全力确保安全生产平稳有序。

为员工构建一个安全健康的工作环境，以及保护公司运营所在地的环境一直是我们实现可持续发展目标和履行企业社会责任承诺的首要任务。展望2023年，我们将继续投入时间和资源来服务和共建一个和谐美好的社区。

CORPORATE GOVERNANCE AT A GLANCE
公司治理简介

Express Disclosure Requirements – Principles and Provisions of the 2018 Code	How has the Company complied?
General	
Description of the corporate governance practices of the Company with reference to both the Principles and Provisions, and how the Company's practices conform with the Principles. Variations from Provisions are acceptable to the extent that the Company explicitly states and explains its practices are consistent with the aim and philosophy of the Principle in question	Yes. Refer to page 100
Provision 1.2	
The induction, training and development provided to new and existing Directors	Refer to pages 104 to 105
Provision 1.3	
Matters that require Board approval	Refer to page 101
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 107 to 120
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 pages 101 to 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 page 108
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 page 108
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 109

CORPORATE GOVERNANCE AT A GLANCE
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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 110
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 110 to 112
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 111 to 112
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 112
Provision 8.3	
The Company discloses all forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to Directors and key management personnel of the Company, and also discloses details of employee share schemes	Refer to pages 111 to 112
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 pages 116 to 117
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 122
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 122

STATEMENT OF CORPORATE GOVERNANCE
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The Board considers that maintaining high standards of corporate governance is the cornerstone for the Company's successful, sustainable growth and development. Despite ongoing geopolitical and macroeconomic uncertainties and the fast-changing business landscape in 2022, the Board of Directors (the "**Board**") and Management of China Aviation Oil (Singapore) Corporation Ltd ("**CAO**" or the "**Company**") remained firmly committed to upholding high standards of corporate governance as a means of enhancing corporate performance and accountability of the Company. To demonstrate its commitment towards excellence in corporate governance, the Company continues to embrace the Company's operating philosophy of "Compliance as Top Priority (合规第一), Risk Management of Utmost Importance (风控至上)" and our management philosophy of "Transparency, Standardisation and Refinement". We strive to surpass the requirements of openness, integrity and accountability prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the Code of Corporate Governance 2018 (the "**2018 Code**"). Good corporate governance has also become a fundamental part of our corporate culture and business practices of the CAO group (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.

The CAO Corporate Governance Policy of the Company has been devised in accordance with the principles and guidelines set out in the 2018 Code (the "**CAO Corporate Governance Policy**"). Ongoing concerted efforts have been made by relevant departments mandated with the responsibility to oversee the adoption of the CAO 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 volatilities of the trading business and operating environment.

We confirm that throughout the financial year ended 31 December 2022 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 2022 with specific reference to the 2018 Code and details how we apply the principles and comply with the provisions of the 2018 Code. Our compliance with the principles and guidelines of the 2018 Code and a checklist cross-referencing these principles and guidelines, are outlined under "Corporate Governance at a Glance" of the Company's Annual Report 2022.

(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.

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

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

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

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

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

Composition of the Board: At the date of issue of this Statement of Corporate Governance, the Board comprises eight (8) Non-Executive Directors and an Executive Director (the "**ED**"). All Independent Directors as well as those nominated by the two (2) major shareholders, namely China National Aviation Fuel Group Limited ("**CNAF**") and BP Investments Asia Limited ("**BP**"), were appointed on the strength of their expertise, experience and stature.

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

Board Diversity Policy: The Board recognises and believes that a diverse Board will enhance the quality and performance of the Company. A diverse Board will facilitate multi-perspective analyses of issues, thereby providing a more comprehensive oversight of the business operations of the Company. The Board first adopted the Internal Policy Guidelines on Board Diversity in 2016, and in 2022, the Board approved the revised Board Diversity Policy of the Company which incorporated the requirements under Rule 710A of the SGX-ST Listing Manual i.e. to address gender, skills and experience and any other relevant aspects of Board diversity.

The Board has made a commitment, in its Board Diversity Policy, to strive towards selecting the best candidates to serve on the Board and will consider all aspects of Board diversity which include but not limited to educational background, professional experience, skills, knowledge, gender, age, cultural background, ethnicity as well as length of service.

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

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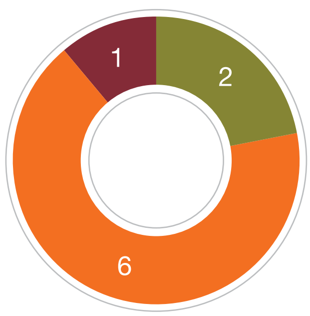
Board Diversity Matrix (As of March 2023)									
Board Size									
Total Number of Directors	9								
Name of Director	Gong Feng	Teo Ser Luck	Shi Lei	Zhang Yuchen	Lin Yi *	Hee Theng Fong	Fu Xingran	Jeffrey Goh Mau Seong	Richard Yang Minghui
Director Professional Qualifications, Skills and Experience									
Aviation/Energy Industry Experience	▲		▲	▲	▲			▲	▲
Executive Leadership and Management Skills	▲	▲	▲	▲	▲	▲	▲	▲	▲
Financial Management and Accounting	▲	▲	▲		▲		▲		▲
Risk Management	▲	▲	▲	▲	▲	▲	▲	▲	▲
Legal						▲		▲	
Engineering	▲		▲	▲	▲				▲
Tenure and Independence									
Length of Service	2 years 3 months	4 years	1 year 6 months	2 years 4 months	N.A.	4 years	1 year 6 months	1 year 3 months	1 year 10 months
Independent Director		▲				▲	▲	▲	
Demographics									
Age	58	54	58	49	53	68	45	54	53
Gender	Male	Male	Male	Male	Male	Male	Male	Male	Male
Nationality	PRC Chinese	Singaporean	PRC Chinese	PRC Chinese	PRC Chinese	Singaporean	PRC Chinese	British	PRC Chinese

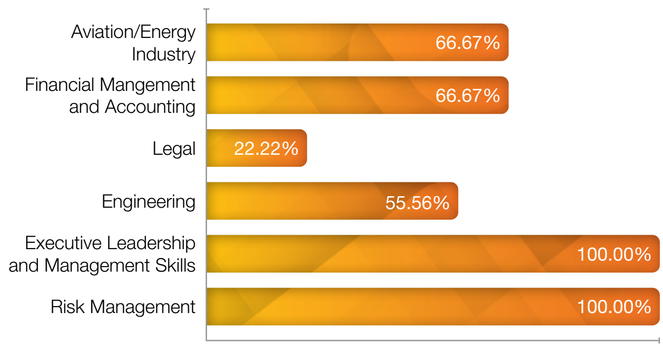
* Appointed as Executive Director on 15 March 2023

Board Diversity by Age Group



● 40 to 49 years old ● 50 to 59 years old ● Above 60 years old

Board Diversity by Professional Qualifications



Board Diversity Plan: The Board and the Company are committed to achieving an appropriate level of diversity in the Board, taking into consideration factors such as gender, age, ethnicity, language, cultural and educational background, geographic representation, professional and industry experience, skills and knowledge.

As part of its annual evaluations of the performance and effectiveness of the Board and Board Committees of the Company, the Nominating Committee, considers and reviews amongst others, the composition of the Board each year, and in reviewing such composition, it considers the benefits of diversity in order to attain an optimum mix of skills, knowledge, experience, expertise and all other relevant aspects of diversity in the Board.

The selection of prospective candidates for Board appointments will be based on merit having regard to those competencies, expertise, experience, etc., which the Board requires as a whole to be effective.

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

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To enable the Company to reach its diversity objectives and targets, the Company intends to establish and implement the following measures:

- Maintain a list of potential Director candidates who satisfy the selection criteria set out in the Internal Guidelines for Selection and Appointment of Independent Directors of CAO as well as the principles set out in the CAO Board Diversity Policy which take into account the objective of achieving and gradually increasing female board representation on the Board.
- Identify potential Director candidates through a number of sources including directors' contacts, industry partners, professional associations and through the Board Appointment Services of the Singapore Institute of Directors.
- Encourage Directors to provide feedback on the composition of the Board, as part of the annual evaluations of the performance and effectiveness of the Board and Board Committees.

Board Diversity Targets and Implementation Timeline: The Company aspires to maintain a heterogeneous Board composing of an optimum mix of diversity, taking into account factors such as skills, knowledge, experience, expertise, gender, age and length of service including where possible, maintaining an appropriate balance with a target of achieving female board representation on the Board within a reasonably foreseeable period. A broad spectrum of these attributes of the Board (including gender diversity), will enhance effective decision-making by the Board, leveraging on differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background. The Nominating Committee will review the Company's progress in achieving the board diversity targets as part of its annual evaluations of the performance and effectiveness of 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; (iii) setting out matters specifically reserved for determination by the Board/Board Committees and those matters delegated to Management, thereby ensuring that decisions made and actions taken are by the appropriate levels.

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

Meetings of the Board and Board Committees: The Board and Board Committees meet on a quarterly basis and may hold ad hoc meetings as and when warranted by circumstances. The Board met four (4) times in 2022. At the scheduled Board meetings for the financial year 2022, 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 2022 as well as the attendances of each Board member at these meetings are disclosed below:

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Attendance at Meetings of the Board, Board Committees and Independent Directors for the financial year ended 31 December 2022:

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.	3	1
Shi Lei [1]	4	N.A.	0	2	1	N.A.
Zhang Yuchen [2]	4	3	0	N.A.	2	N.A.
Wang Yanjun [3]	4	N.A.	N.A.	N.A.	N.A.	N.A.
Hee Theng Fong	4	4	N.A.	3	3	1
Fu Xingran	4	4	1	3	N.A.	1
Jeffrey Goh Mau Seong	4	N.A.	1	3	3	1
Richard Yang Minghui	4	4	N.A.	3	N.A.	N.A.
Number of Meetings Held	4	4	1	3	3	1

Notes:
1 Mr Shi Lei was unable to attend due to prior engagements.
2 Mr Zhang Yuchen was unable to attend due to prior engagements.
3 Mr Wang Yanjun retired as an Executive Director on 15 March 2023.

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

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

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

The purpose of the familiarisation sessions would be to familiarise them with the business activities, strategic direction, policies and corporate governance practices of the CAO Group. Areas covered 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 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 Dr Jeffrey Goh Mao Seong to attend the LED Programme conducted by SID, within one year of his date of appointment as a Director of CAO. During the financial year 2022, all Directors of the Company had also undergone training relating to sustainability matters as prescribed by SGX-ST. All training costs are borne by the Company.

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Continuing Professional Development of Directors: In line with CAO's Policy on Director Orientation and Professional Development adopted by the Board, continuing professional development programmes were organised for Directors to ensure that all Directors are updated on important market developments in the industry relevant to the business of the CAO Group and issues which may have a significant impact on the businesses, financial and operational matters of the CAO Group. These programmes are conducted by external advisers, experts or senior management and these included a Board Information Session on "Sustainability Aviation Fuel" conducted by S&P Global Commodity Insights which covered areas such as (1) Understanding of the Overall Landscape of Sustainable Aviation Fuel and Market Fundamentals; and (2) Recent Trends, Opportunities and Challenges of Sustainable Aviation Fuels.

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) "Introduction to Corporate Social Responsibility and ESG Investing"; and (2) "Information Security and Cyber Risk Awareness".

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

Any Director who has an interest that may present a conflict between (a) his obligation with the Company and his personal business or other interests; and/or (b) the interests of the appointing major shareholder and the interests of the Company on which he serves, will either recuse himself from participating in the deliberations and voting on the matter or declare his 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.

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Independent Element of the Board: The Nominating Committee assesses and determines the independence of a Director upon appointment and on an annual basis. The Nominating Committee takes into consideration CAO'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 August 2022 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 2022, Mr Teo Ser Luck, Mr Hee Theng Fong, Dr Fu Xingran and Dr Jeffrey Goh Mau Seong had each confirmed that there were neither any circumstances that could have materially interfered with his exercise of unfettered and independent judgment nor were there any occurrence of any circumstances where the interests of CAO might not be best served by the interests of the major shareholders of CAO. All have demonstrated their independence in character and judgement in discharging their duties and responsibilities as Directors of the Company and their ability to act in the best interests of the Company. This is evident from the minutes of the proceedings of the Board and Board Committees where they had expressed individual viewpoints and objectively scrutinised and sought clarifications from the Management, employees, external auditors and internal auditors of CAO as they considered necessary.

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

The composition of the Board is reviewed annually by the Nominating Committee. 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 CEO 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 decisions 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 consults both with the Chairman and the Lead Independent Director for their views on the agenda for Board meetings.

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

The 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 are not related to each other.

The list of responsibilities of the Chairman and the CEO 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 2022 at a meeting chaired by the Lead Independent Director without the presence of the other Directors and the Management, at which the existing corporate governance practices of the Company as well as measures to further enhance the corporate governance practices of the Company, were extensively discussed and deliberated. Recommended courses of action to further enhance the corporate governance standards and practices of the Company included:

- the agendas for future Board meetings should include sustainability-related matters, focusing on the existing and future sustainable development of the Company;
- Independent Directors of the Company would continue to effectively engage with the Management, within or outside the scheduled dates for meetings of the Board and Board Committees. A yearly Board and Management retreat could be organised to facilitate discussions on the developmental plans of the Company as well as to foster good rapport between the Board and the Management; and
- Independent Directors of the Company could conduct a project evaluation study on one or two selected key projects under the Company's business developmental plan, and provide its inputs and recommendations and where possible, refer resources relevant to the said projects. This would also help deepen the Independent Directors' understanding of the Company's business and facilitate effective communication with the Management.

Board Membership

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

Nominating Committee

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

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

The Nominating Committee held one (1) meeting in 2022 where it met to discuss and review (i) the independence of Non-Executive Directors; (ii) Board Performance Evaluation; (iii) the Nominating Committee Annual Self-Assessment Findings; and (iv) Proposed Revisions to the CAO Board Diversity Policy. The Nominating Committee had also reviewed and approved several other matters under its remit via email circulation.

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The responsibilities of the Nominating Committee include:

(a) the review of the structure, size and composition of the Board and the Board Committees;
(b) the review of the succession plans for the 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.

There were no new appointments to the Board during the financial year ended 31 December 2022.

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 29th AGM to be held on 27 April 2023, Mr Gong Feng, Mr Zhang Yuchen and Dr Richard Yang Minghui are due for retirement by rotation and would be eligible for re-election.

In accordance with Regulation 100 of the Company's Constitution, Mr Lin Yi who was appointed as an Executive Director of the Company on 15 March 2023, will hold office as a Director until the next annual general meeting of the Company and will be eligible for re-election under Regulation 100 at the 29th AGM.

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

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

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

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

A general summary of the assessment ratings on each of the elements of the Board Evaluation Questionnaire by each member of the Nominating Committee will be collated by the Company Secretary for the Nominating Committee's deliberation and consensus at its Nominating Committee Meeting held in November 2022. Based on the analyses of the ratings allocated by members of the Nominating Committee, it was noted that the Board has already put in place an effective governance framework which provides a sound basis for strategic leadership and oversight at the Board level. One aspect of strategic leadership which the Board could capitalise on its current strengths is in relation to the scope for more reflective thinking at Board meetings. The existing number of Board members and the right mix of experiences, skills and expertise of the Board members should create ample opportunity for high-level and more reflective engagement with critical issues in Board deliberations at Board meetings.

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. Measures considered by the Nominating Committee in further enhancing its effectiveness included (1) conducting a formal review on the adequacy of its Terms of Reference on an annual basis or as appropriate, and where considered necessary and appropriate, recommend any proposed changes to its Terms of Reference for Board approval; and (2) where the Nominating Committee considers necessary and appropriate, increasing the number of meetings of the Nominating Committee from once a year to twice a year.

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.

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

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

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

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

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

(B) REMUNERATION MATTERS

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

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

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

Remuneration Committee

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

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

During the year, the Remuneration Committee reviewed and recommended to the Board for consideration and approval, the "Remuneration Management Policy for Senior Management" of the Company. The Remuneration Committee also reviewed and adopted a new appointment framework for CNAF-seconded senior management personnel which included tenure of appointment and performance appraisals framework.

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 ED, CEO and five (5) KMPs for the financial year ended 31 December 2022 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.

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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 ED does not receive Directors' fees for his Board directorships with the Company or within the CAO Group.

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

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

The remuneration of Directors and Chief Executive Officer payable for the financial year ended 31 December 2022 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$)	Total (S$)
Chief Executive Officer						
Lin Yi [1]	N.A.	80,056	0	8,541	0	88,597
Executive Director						
Wang Yanjun [2]	N.A.	232,620	81,842	49,181	0	363,643
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
Shi Lei [+]	0	N.A.	N.A.	N.A.	N.A.	N.A.
Zhang Yuchen [+]	0	N.A.	N.A.	N.A.	N.A.	0
Hee Theng Fong	108,000	N.A.	N.A.	N.A.	N.A.	108,000
Fu Xingran	100,000	N.A.	N.A.	N.A.	N.A.	100,000
Jeffrey Goh Mau Seong	100,275	N.A.	N.A.	N.A.	N.A.	100,275
Richard Yang Minghui [+]	0	N.A.	N.A.	N.A.	N.A.	0

Notes:
1 Mr Lin Yi was appointed as CEO of the Company on 15 September 2022 and his total remuneration for the financial year 2022 has been pro-rated accordingly. The total remuneration of Mr Lin Yi shown above excludes the 2022 variable bonus payable during the financial year 2023. Mr Lin was appointed as ED on 15 March 2023.
2 Mr Wang Yanjun relinquished his office as CEO on 15 September 2022 and remained as the ED of the Company until 15 March 2023. The total remuneration of Mr Wang Yanjun shown above includes the 2021 variable bonus paid during the financial year 2022 and excludes the 2022 variable bonus payable during the financial year 2023.
\+ Non-Executive, Non-Independent Directors of the Company do not receive Directors' fees.

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Summary of Compensation Table for Key Management Personnel for the financial year ended 31 December 2022

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	75.4	21.6	3.0	0	100.0
S$250,000 – S$500,000	Zou Yaoping	82.5	4.5	13.0	0	100.0
	Liu Hanguang	55.0	31.4	13.6	0	100.0
	Doreen Nah	72.3	24.7	3.0	0	100.0
Below S$250,000	Guo Feng	73.4	13.1	13.5	0	100.0
Total Remuneration of Five (5) Key Management Personnel [1]	**S$1,776,178.87**					

1 The remuneration disclosed for the KMP includes the 2021 variable bonus paid during the financial year 2022 and excludes the 2022 variable bonus payable during the financial year 2023.

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 2022. "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 ED, CEO and each KMP were approved by the Remuneration Committee and endorsed by the Board, taking into account the performance of the individual for the financial year 2022, 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 ED and CEO. 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 ED, CEO and the five (5) KMPs included the variable bonuses in relation to business performance targets achieved for the Company during the financial year.

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

(C) ACCOUNTABILITY AND AUDIT

Accountability:

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

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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 2022, 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	Vice Chairman
Teo Ser Luck	Member
Shi Lei	Member
Jeffrey Goh Mau Seong	Member

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

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

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

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

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

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

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

The Risk Management Report is found on page 77 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 LLP 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.

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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-Money Laundering Refresher; (2) Prevention of Discrimination & Harassment; (3) Avoiding Insider Trading; (4) Fraud Prevention; and (5) Preventing Financial Crime, 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 July 2022, 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. During the year, the Company also conducted a "Call Tree" drill to test the effectiveness of its business continuity and emergency/incident management protocols.

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

In May 2022, the Audit Committee reviewed and adopted the "CAO Internal Audit Management Measures". The objectives of the "CAO Internal Audit Management Measures" are to streamline and strengthen the administration of internal audit activities, enhance CAO's internal controls processes and provide assurance on the quality of internal audit services.

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 2022 (the "**Key Audit Matters**").

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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 the timeliness, completeness and accuracy of accounting records and reporting. The Audit Committee has considered the reasonableness and adequacy of the internal controls and procedures on the CAO Group's operating effectiveness. The Audit Committee has also considered the audit procedures performed by the external auditors as well as their audit findings, and noted that no misstatements were uncovered by the external auditors. It evaluated and was satisfied that the standard operating procedures and controls in place were reasonable and adequate.
Valuation of derivatives, trading inventories and open physical contracts The valuation of derivatives, trading inventories and open physical contracts requires significant management judgement in applying the appropriate valuation methodology and incorporating of any contract specific terms including the use of valid and appropriate price index. The valuation techniques and the inputs used in the fair value measurements of the financial instruments are disclosed in Notes 26 and 29.	The Audit Committee received regular briefings on the CAO Group's internal controls and compliance. The internal auditors also conducted a review of the Company's system of internal controls and no significant observations were noted. The Audit Committee has considered the reasonableness and appropriateness of the controls in place over the valuation of derivatives, trading inventories and open physical contracts as well as the internal auditors' audit findings. It evaluated and was satisfied that the valuation methodology and inputs used in the valuation were reasonable and appropriate.

In addition, 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 and CFO on the financial records and the financial statements of the Company for the financial year ended 31 December 2022. The Letter of Assurance provides reasonable assurance to the Board that (1) the financial records of CAO for the financial year ended 31 December 2022 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 and CFO confirming that the financial records have been properly maintained and the financial statements give a true and fair view of the CAO Group's operations and finances. In accordance with Provision 9.2 (b) of the 2018 Code, the Board also received a Letter of Assurance from the CEO, other members of the Management team and the Head of Risk Management, that the CAO Group's risk management and internal control systems are adequate and effective as at 31 December 2022 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 2022 in addressing financial, operational, compliance and information technology risks to provide reasonable assurance for achieving the following objectives:

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

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

AUDIT COMMITTEE

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

Audit Committee

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

Roles of the Audit Committee: The Audit Committee held four (4) meetings in 2022 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.

The Audit Committee reviewed the quarterly and annual financial statements for the financial year 2022 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.

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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 2022, 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 2023.

The Company implemented the Revised CAO Whistleblowing Policy which included inter alia, clearer guidance relating to the Company's approach and stance on whistleblowing and the means by which whistleblowers can raise serious concerns of any allegations of wrongdoing as well as more explicit indication of the kinds of conduct which might be considered reportable concerns. Under the Revised CAO Whistleblowing Policy, whistleblowers may report any reportable concerns pertaining to any form of misconduct affecting the CAO Group, its customers, partners, suppliers and other stakeholders, via a dedicated email address: whistle_blowing@caosco.com and auditcommittee_whistleblowing@caosco.com.

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.

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.

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

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

Internal Audit

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

As the Internal Auditors of the CAO Group, BDO had conducted its internal audits for the financial year 2022 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.

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

In August 2022, PWC presented their internal audit plan 2023 to the Audit Committee and the said audit plan for 2023 was approved and adopted by the Audit Committee.

SUSTAINABILITY COMMITTEE

Composition of the Sustainability Committee: The Sustainability Committee, established since 1 January 2023, comprises five (5) members, all of whom are Non-Executive Directors and the majority, including its Chairman, consists of Independent Directors:

Sustainability Committee

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

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

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The Sustainability Committee shall meet at least once a year, unless otherwise required.

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

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

(D) COMMUNICATION WITH SHAREHOLDERS

Investor Relations and Shareholder Communication

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

The Company, through the Investor Relations team and senior management, maintained active working relationships with domestic and international brokerage firms, investment banks and the media in 2022 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.

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 capitalised on progressive relaxations in the pandemic restrictions transiting to a hybrid online/offline outreach model of communications with international investment and financial community. Increased interactions were conducted through international virtual conferences, face-to-face video meetings, teleconferences, tele-earnings briefings, corporate access webcasts and in-person meetings with investors 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.

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The Company also engages the media and investment community through news releases and earnings briefings after the announcement of CAO Group's full year financial results.

To assist members of the Board to gain a current understanding of the views of institutional shareholders, the Board receives (i) a regular investor relations and corporate communications report which cover a wide range of matters including a commentary on the perception of the Company and views expressed by the investment community, media reports, share price performance and analysis, share ownership analysis, highlights of recent investor relations activities; and (ii) a yearly peer companies analysis report which provides a detailed analysis and evaluation on the benchmarking exercise with identified peer companies to provide the Board with a better understanding of CAO's position within the industry as well as identify gaps and learning points.

In addition, the Board 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 measures and restrictions, the 28th Annual General Meeting ("**AGM 2022**") 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 2022 by attending the live audio-visual webcast or live audio-only stream, submitting questions in advance of the AGM 2022 and/or appointing the Chairman of the AGM 2022 as proxy to attend, speak and vote on their behalf at the AGM 2022. The Company addressed and responded to all substantial and relevant questions submitted by shareholders prior to, or at the AGM 2022. Minutes of the AGM 2022, which included the responses to substantial and relevant questions from shareholders addressed during the AGM 2022, were published on the external website of the Company.

With the easing of most of the COVID-19 community safe management measures in Singapore, the 29th Annual General Meeting (the "**AGM 2023**") will be held in a wholly physical format on 27 April 2023 pursuant to the Temporary Measures and there will be no option for shareholders to participate virtually. Shareholders (themselves or through duly appointed proxies) may participate in the AGM 2023 by (i) attending the AGM 2023 in person; (ii) submitting questions to the Chairman of the meeting in advance of or at the AGM 2023 and/or (iii) voting at the AGM 2023 themselves or through duly appointed proxy(ies).

The Board supports and encourages active shareholder participation at general meetings as it believes that general meetings serve as an opportune forum for shareholders to meet the Board and senior management, and to interact with them. Shareholders (themselves or through duly appointed proxies) are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated prior to the start of the meeting.

The Company's Constitution allows (i) each shareholder who is not a relevant intermediary (as defined in the Companies Act) the right to appoint up to two (2) proxies and (ii) each shareholder who is a relevant intermediary to appoint more than two (2) proxies to attend and vote on their behalf in shareholders' meetings. A copy of the Notice of AGM is sent to all shareholders. As for the Annual Report and the Company's letter to shareholders in relation to certain resolutions being tabled at the AGM ("**Letter to Shareholders**"), in line with the CAO Group's sustainability strategy, these documents are made available for downloading from the Company's corporate website. Printed copies of the Annual Report and Letter to Shareholders are available on request.

At general meetings, the Company sets out separate resolutions on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are "bundled", the Company explains the reasons and material implications for doing in the notice calling for the general meeting. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed.

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Board members and senior management are present at each shareholders' meeting to respond to questions from shareholders. In general, all Directors are expected to attend general meetings of shareholders, unless they are unable to attend due to exigencies. The Company's external auditor is also present to address queries about the conduct of audit and the preparation and content of the independent auditor's report.

For greater transparency, the Company has implemented electronic poll voting at its annual general meetings. This entails shareholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hand), thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all votes cast for, or against, each resolution is then screened at the meeting and announced to the SGX-ST after the meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings.

Provision 11.4 of the 2018 Code provides for a company's constitution to allow for absentia voting at general meetings of shareholders. The Constitution of the Company currently does not, however, permit shareholders to vote at general meetings in absentia (such as via mail, email or fax). The Company will consider implementing the relevant amendments to the Constitution if the Board is of the view that there is a demand for such alternative methods of voting, and after the Company has evaluated and put in place the necessary security processes to facilitate in absentia voting, and prevention measures against errors, fraud and other related security and integrity issues.

In line with Principle 11 of the 2018 Code, shareholders nevertheless have the opportunity to communicate their views on matters affecting the Company even when they are not in attendance at general meetings as shareholders are able to appoint proxies to vote on their behalf at general meetings through proxy forms sent in advance.

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable after the relevant general meeting. Such minutes will record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and management, which are addressed at the annual general meeting.

Where there are items of special business to be transacted at the AGM, comprehensive explanatory notes will be sent together with the notice of the AGM.

A shareholder who is not a "relevant intermediary" may appoint up to two (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, to be appointed as proxies to participate at general meetings of the Company.

At each annual general meeting, the CEO delivers a presentation on the financial performance of the Company for the financial year under review. Directors and the Management are in attendance to address queries and concerns about the Company. The Company's external auditors and internal auditors also attend the AGM. Shareholders are informed of the voting procedures and rules governing the meeting.

Shareholders also have the opportunity to communicate their views and discuss with the Board and Management matters affecting the Company after the general meetings.

The Constitution of the Company can be accessed from the Company's external website.

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.

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In approving or reviewing a dividend policy or making its recommendations on the timing, amount and form of any future dividends, the Board takes into consideration, among others:

(a) the expected future capital requirements and growth opportunities available to the CAO Group;
(b) net earnings of the CAO Group; and
(c) any regulatory approvals and/or where applicable, approvals required from third parties (e.g. banks and other financial institutions) as appropriate.

A summary of the CAO Dividend Policy can be accessed from the Company's external website.

DEALINGS IN THE COMPANY'S SECURITIES

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 27 April 2022 (the "**IPT Mandate**"). The IPT Mandate sets out the levels and procedures to obtain approval for such transactions. Information regarding the IPT Mandate is available on the Company's website at www.caosco.com. All business units are required to be familiar with the IPT Mandate and report any such transactions to the Legal & Compliance Department. The Legal & Compliance Department keeps a register of the CAO Group's interested person transactions.

Information on interested person transactions for the financial year 2022 is found under "Supplementary Information" on page 206.

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 2022 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.

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Appendix

(1) Charter of Lead Independent Director

The Company shall have a Lead Independent Director who shall be an independent director as defined under the 2018 Code.

Purpose

In circumstances where the Chairman of the Board of Directors is not independent, the Board of Directors of the Company considers it to be useful and appropriate to designate a Lead Independent Director to coordinate the activities of the independent directors of the Company and performing such other duties and responsibilities as the Board may determine from time to time.

Duties and Responsibilities

In addition to the duties of Board members as set forth in the 2018 Code, the specific duties and responsibilities of the Lead Independent Director shall be as follows:

Function as Principal Liaison with the Chairman and Senior Management

- Act as the principal liaison between the Independent Directors of the Company and the Chairman of the Board, and between the Independent Directors of the Company and senior management.

Call Meetings of Independent Directors

- Has the authority to convene meetings, as appropriate, among the Independent Directors of the Company and to ensure that Independent Directors have adequate opportunities to meet and discuss issues in sessions of the Independent Directors without the presence or participation of management.

Preside at Meetings

- Preside at any meetings held among the Independent Directors of the Company.

Approve Appropriate Provision of Information to the Board and the Board Committees

- Review the quality, quantity and timeliness of the information submitted to the Board and Board Committees.
- Advise and assist the Chairman on the meeting agenda items.
- Advise the Chairman and facilitate Board's approval of the number and frequency of meetings of the Board and Board Committees (including any special meetings of the Board) as well as meeting schedules to ensure that there is sufficient time for discussion of all agenda items.

Initiate Actions to Address any Concerns on Corporate Compliance Matters

- Has authority to initiate actions, for and on behalf of the Independent Directors of the Company, to address any concerns on corporate compliance matters including the engaging of external advisers and consultants, even at the displeasure of the Management or majority shareholders of the Company.

Function as Principal Liaison in Shareholder Communication

- Respond directly to the shareholders of the Company, questions and comments that are directed to the Lead Independent Director or to the Independent Directors of the Company as a group, with such consultation with the Chairman of the Board and the other Non-Independent Directors, as the Lead Independent Director may deem appropriate.

FINANCIAL STATEMENTS

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DIRECTORS' STATEMENT

The Directors are pleased to submit their statement to the members together with the audited financial statements of China Aviation Oil (Singapore) Corporation Ltd (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2022.

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 205 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 2022, 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 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
Lin Yi	Chief Executive Officer/Executive Director
Shi Lei	
Zhang Yuchen	
Hee Theng Fong	
Fu Xingran	
Jeffrey Goh Mau Seong	
Richard Yang Minghui	

* Lin Yi was appointed as Executive Director of the Company on 15 March 2023 in place of Wang Yanjun who retired as Executive Director of the Company.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, none of the directors who held office at the end of the financial year had interests in shares of the Company, or of related corporations either at the beginning or at the end of the financial year.

None of the directors who held office at the end of the financial year had interests in shares of the Company, or of related corporations between the end of the financial year and 21 January 2023.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

AUDIT COMMITTEE

At the date of this statement, the members of the Audit Committee are:

- Teo Ser Luck (Chairman), non-executive, independent director
- Zhang Yuchen (Vice-Chairman), non-executive, non-independent director
- Hee Theng Fong, non-executive, independent director
- Fu Xingran, non-executive, independent director
- Richard Yang Minghui, non-executive, non-independent director

The Audit Committee performed its functions specified in Section 201B(5) of the Companies Act 1967, the SGX Listing Manual, the 2018 Code of Corporate Governance and the Corporate Governance Policy of the Company.

The Audit Committee has held four meetings since the last Annual General Meeting ("AGM"). 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 and effectively cover, in particular, significant internal controls of the Group and the Company (to address financial, operational, compliance, information technology controls risks) and risk management systems (including where relevant and as far as can be assessed, sanctions-related risk);

- 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

Lin Yi
Chief Executive Officer/Executive Director

30 March 2023

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 2022, 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 205.

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 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters	How the matters were addressed in the audit
Revenue recognition	
Recognition of revenue has been identified as a risk primarily due to: • complexity in the timing of recognition for trades with deliveries occurring on or around year end as a result of the extent of the Group's distribution network and varying shipping terms with customers; and • risk of potential deliberate misstatement of the Group's trading positions by failing to report the trades entered or failing to record the trades accurately or on a timely basis. The details of the Group's revenue are disclosed in **Notes 3.14 and 20** to the financial statements.	Our audit approach included both controls testing and substantive procedures as follows: • We evaluated the design and tested the operating effectiveness of the Group's key controls over the recording of revenue and costs as well as the completeness and accuracy of recording trades; • On a sample basis, we 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's judgement in applying the appropriate valuation methodology and incorporating of any contract specific terms including the use of valid and appropriate price index. The valuation techniques and the inputs used in the fair value measurements of the financial instruments are disclosed in **Notes 26 and 29** to the financial statements.	Our audit approach included both controls testing and substantive procedures as follows: • We evaluated the design and tested the operating effectiveness of the Group's key controls over the valuation of derivatives, trading inventories and open physical contracts; • On a sample basis, we tested the valuation of derivatives, trading inventories and open physical contracts and evaluated the appropriateness of the valuation methodology and inputs used in the valuation; and • We reviewed the price index used in the valuation of derivatives, trading inventories and open physical contracts and noted that it is within reasonable range of our audit expectations.

INDEPENDENT AUDITOR'S REPORT

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

Information other than the financial statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Seah Gek Choo.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

30 March 2023

STATEMENTS OF FINANCIAL POSITION

Year ended 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000	Company 2022 US$'000	Company 2021 US$'000
Assets					
Non-current assets					
Property, plant and equipment	4	5,264	3,826	3,140	3,631
Right-Of-Use assets	5	11,971	14,069	8,299	13,161
Intangible assets	6	11,201	399	89	132
Subsidiaries	7	–	–	34,921	21,191
Associates	8	259,777	283,681	259,777	283,681
Financial asset at fair value through other comprehensive income	9	5,500	5,500	–	–
Trade and other receivables	12	–	–	–	5,035
Deferred tax assets	10	–	446	–	446
		293,713	307,921	306,226	327,277
Current assets					
Inventories	11	182,089	42,926	144,386	14,120
Trade and other receivables	12	715,621	783,974	641,734	733,255
Cash and cash equivalents	13	308,195	400,837	293,046	369,394
		1,205,905	1,227,737	1,079,166	1,116,769
Total assets		1,499,618	1,535,658	1,385,392	1,444,046
Equity and liabilities					
Capital, reserves and non-controlling interests					
Share capital	14	215,573	215,573	215,573	215,573
Reserves	15	687,405	685,796	673,721	676,928
Equity attributable to owners of the Company		902,978	901,369	889,294	892,501
Non-controlling interests		4,430	–	–	–
Total equity		907,408	901,369	889,294	892,501
Non-current liabilities					
Lease liabilities	18	4,281	7,661	2,026	7,306
Deferred tax liabilities	10	7,501	6,732	7,501	6,732
		11,782	14,393	9,527	14,038
Current liabilities					
Trade and other payables	16	564,884	604,797	478,271	531,259
Contract liabilities	17	4,916	7,626	–	137
Lease liabilities	18	8,283	6,689	6,432	6,111
Current tax liabilities		2,345	784	1,868	–
		580,428	619,896	486,571	537,507
Total liabilities		592,210	634,289	496,098	551,545
Total equity and liabilities		1,499,618	1,535,658	1,385,392	1,444,046

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2022

	Note	2022 US$'000	2021 US$'000
Revenue	20	16,464,124	17,636,657
Cost of sales		(16,428,733)	(17,605,960)
Gross profit		35,391	30,697
Other income	21	1,005	2,224
Administrative expenses		(14,486)	(11,370)
Other operating expenses		(754)	(1,257)
(Allowance for) Reversal of impairment loss on financial assets		(201)	2,280
Results from operating activities		20,955	22,574
Finance costs	22	(1,150)	(1,695)
Share of profit of associates (net of tax)	8	17,902	23,550
Profit before tax		37,707	44,429
Tax expense	23	(4,521)	(4,079)
Profit for the year	21	33,186	40,350
Profit attributable to:			
Owners of the Company		33,532	40,350
Non-controlling interests		(346)	–
		33,186	40,350
Earnings per share:			
Basic earnings per share (cents)	24	3.90	4.69
Diluted earnings per share (cents)	24	3.90	4.69

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	2022 US$'000	2021 US$'000
Profit for the year	33,186	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	(20,074)	896
Other comprehensive income for the year, net of tax	(20,074)	896
Total comprehensive income for the year	13,112	41,246
Total comprehensive income attributable to:		
Owners of the Company	13,458	41,246
Non-controlling interests	(346)	–
	13,112	41,246

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Note	Share capital US$'000	Foreign currency translation reserve US$'000	Statutory reserves US$'000	Reserve for own shares US$'000	Accumulated profits US$'000	Total attributable to owners of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2021		215,573	13,563	37,086	(5,482)	616,139	876,879	–	876,879
Total comprehensive income for the year:									
Profit for the year		–	–	–	–	40,350	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	–	896
Total other comprehensive income		–	896	–	–	–	896	–	896
Total comprehensive income for the year		–	896	–	–	40,350	41,246	–	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)	–	(16,756)
Total transactions with owners		–	–	77	–	(16,833)	(16,756)	–	(16,756)
At 31 December 2021		215,573	14,459	37,163	(5,482)	639,656	901,369	–	901,369

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Year ended 31 December 2022

	Note	Share capital US$'000	Foreign currency translation reserve US$'000	Statutory reserves US$'000	Reserve for own shares US$'000	Accumulated profits US$'000	Total attributable to owners of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2022		215,573	14,459	37,163	(5,482)	639,656	901,369	–	901,369
Total comprehensive income for the year:									
Profit for the year		–	–	–	–	33,532	33,532	(346)	33,186
Other comprehensive income:									
Items that are or may be reclassified subsequently to profit or loss:									
Translation differences relating to financial statements of foreign associates		–	(20,074)	–	–	–	(20,074)	–	(20,074)
Total other comprehensive income		–	(20,074)	–	–	33,532	13,458	(346)	13,112
Total comprehensive income for the year		–	(20,074)	–	–	33,532	13,458	(346)	13,112
Contributions by and distributions to owners:									
Share of associates' accumulated profits transferred to statutory reserve	15	–	–	40	–	(40)	–	–	–
Dividends to equity holders	15	–	–	–	–	(11,849)	(11,849)	–	(11,849)
Total transactions with owners		–	–	40	–	(11,889)	(11,849)	–	(11,849)
Non-controlling interests arising from acquisition of a subsidiary	27	–	–	–	–	–	–	4,776	4,776
At 31 December 2022		215,573	(5,615)	37,203	(5,482)	661,299	902,978	4,430	907,408

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Note	2022 US$'000	2021 US$'000
Cash flows from operating activities			
Profit for the year		33,186	40,350
Adjustments for:			
Depreciation of property, plant and equipment		1,129	754
Depreciation of right-of-use assets		8,052	8,628
Amortisation of intangible assets		691	154
Gain on deemed disposal of an associate		(820)	–
Loss on property, plant and equipment written off		23	33
Allowance for (Reversal of) impairment loss on doubtful debts			
– trade receivables		201	(2,280)
Fair value gain on derivative instruments		(1,052)	(9,370)
Share of profit of associates (net of tax)		(17,902)	(23,550)
Tax expense		4,521	4,079
Interest income		(3,288)	(1,564)
Interest expense		6	28
Lease interest expense		199	153
Unrealised exchange differences		1,652	72
Operating cash flows before movements in working capital		26,598	17,487
Change in inventories		(139,163)	48,449
Change in trade and other receivables		89,722	415,340
Change in trade and other payables		(64,462)	(367,940)
Cash (used in) generated from operations		(87,305)	113,336
Tax paid		(1,463)	(336)
Net cash (used in) from operating activities		(88,768)	113,000
Cash flows from investing activities			
Interest received		3,562	1,573
Acquisition of property, plant and equipment		(287)	(229)
Acquisition of intangible assets		(32)	(72)
Acquisition of subsidiary, net of cash acquired	27	571	–
Dividends from associates (net of withholding tax paid)		20,632	42,913
Net cash from investing activities		24,446	44,185
Cash flows from financing activities			
Interest paid		(6)	(28)
Interest paid on lease liabilities		(199)	(153)
Repayment of lease liabilities		(8,414)	(8,446)
Proceeds from loans and borrowings		25,000	787,116
Repayment of loans and borrowings		(31,200)	(787,116)
Dividends paid		(11,849)	(16,756)
Net cash used in financing activities		(26,668)	(25,383)
Net (decrease) increase in cash and cash equivalents		(90,990)	131,802
Cash and cash equivalents at 1 January		400,837	269,107
Effect of exchange rate fluctuations on cash held		(1,652)	(72)
Cash and cash equivalents at 31 December	13	308,195	400,837

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 30 March 2023.

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 2022 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 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

2.3 Adoption of new and revised standards

On 1 January 2022, 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 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 29.

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.

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

3.2 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition-date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

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 to 10 years
Furniture and fittings	4 to 8 years
Equipment	4 to 8 years
Renovations	5 years
Computers	4 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, and adjusted if appropriate.

Fully depreciated assets still in use are retained in the financial statements.

3.6 Right-Of-Use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

3 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
Concession operating rights	10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.8 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 2021	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
Additions	–	22	179	1	–	85	287
Adjustment	–	(47)	–	(44)	57	34	–
Acquisition of a subsidiary (Note 27)	–	2,113	4	183	–	3	2,303
Written off	–	–	(6)	(169)	–	(377)	(552)
At 31 December 2022	9,205	2,445	445	725	1,192	1,242	15,254
Accumulated depreciation							
At 1 January 2021	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
Depreciation for the year	449	371	42	72	32	163	1,129
Adjustment	–	(56)	–	(11)	64	3	–
Written off	–	–	(6)	(165)	–	(358)	(529)
At 31 December 2022	6,879	462	164	525	1,093	867	9,990
Carrying amounts							
At 31 December 2021	2,775	210	140	125	138	438	3,826
At 31 December 2022	2,326	1,983	281	200	99	375	5,264

NOTES TO THE FINANCIAL STATEMENTS

4 PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold properties 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 2021	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
Additions	–	–	170	–	–	63	233
Written off	–	–	(6)	(169)	–	(373)	(548)
At 31 December 2022	9,205	236	297	505	1,106	1,015	12,364
Accumulated depreciation							
At 1 January 2021	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
Depreciation for the year	449	29	27	33	32	131	701
Written off	–	–	(6)	(164)	–	(355)	(525)
At 31 December 2022	6,879	91	64	470	1,012	708	9,224
Carrying amounts							
At 31 December 2021	2,775	174	90	73	126	393	3,631
At 31 December 2022	2,326	145	233	35	94	307	3,140

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, equipment and airport franchise. The average lease term is 2 years.

	Storage facilities US$'000	Property US$'000	Office spaces US$'000	Equipment US$'000	Airport franchise US$'000	Total US$'000
Group						
Cost						
At 1 January 2021	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
Additions	2,597	231	1,482	–	–	4,310
Acquisition of a subsidiary (Note 27)	–	–	–	–	1,657	1,657
Written off	(2,689)	(268)	–	(194)	–	(3,151)
At 31 December 2022	40,806	552	4,453	–	1,657	47,468
Accumulated depreciation						
At 1 January 2021	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
Depreciation for the year	6,611	158	978	–	305	8,052
Written off	(2,689)	(255)	–	(194)	–	(3,138)
At 31 December 2022	31,756	335	3,101	–	305	35,497
Carrying amounts						
At 31 December 2021	13,064	157	848	–	–	14,069
At 31 December 2022	9,050	217	1,352	–	1,352	11,971

NOTES TO THE FINANCIAL STATEMENTS

5 RIGHT-OF-USE ASSETS (continued)

	Storage facilities US$'000	Property US$'000	Office spaces US$'000	Equipment US$'000	Total US$'000
Company					
Cost					
At 1 January 2021	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
Additions	–	142	1,386	–	1,528
Written off	–	(195)	–	(194)	(389)
At 31 December 2022	38,209	464	2,942	–	41,615
Accumulated depreciation					
At 1 January 2021	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
Depreciation for the year	5,740	121	529	–	6,390
Written off	–	(195)	–	(194)	(389)
At 31 December 2022	31,034	331	1,951	–	33,316
Carrying amounts					
At 31 December 2021	12,915	112	134	–	13,161
At 31 December 2022	7,175	133	991	–	8,299

NOTES TO THE FINANCIAL STATEMENTS

6 INTANGIBLE ASSETS

	Goodwill on consolidation US$'000	Customer contracts US$'000	Concession operating rights US$'000	Software US$'000	Total US$'000
Group					
Cost					
At 1 January 2021	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
Additions	–	–	–	32	32
Acquisition of a subsidiary (Note 27)	3,108	–	8,353	–	11,461
Written off	–	–	–	(105)	(105)
At 31 December 2022	4,289	634	8,353	3,973	17,249
Accumulated amortisation					
At 1 January 2021	–	–	–	3,762	3,762
Amortisation for the year	–	–	–	154	154
Written off	–	–	–	(2)	(2)
At 31 December 2021	–	–	–	3,914	3,914
Amortisation for the year	–	–	616	75	691
Written off	–		–	(105)	(105)
At 31 December 2022	–	–	616	3,884	4,500
Impairment					
At 1 January 2021, 31 December 2021 and 31 December 2022	914	634	–	–	1,548
Carrying amounts					
At 31 December 2021	267	–	–	132	399
At 31 December 2022	3,375	–	7,737	89	11,201

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 2022 US$'000	Group 2021 US$'000
China Aviation Oil (Hong Kong) Company Limited ("CAOHK")	267	267
CNAF Hong Kong Refuelling Limited ("CNAF HKR")	3,108	–
	3,375	267

NOTES TO THE FINANCIAL STATEMENTS

6 INTANGIBLE ASSETS (continued)

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.

Key assumptions used in the estimation of value-in-use were as follows:

	2022		2021
	CAOHK	CNAF HKR	CAOHK
	%	%	%
Discount rate (pre-tax)	8	11	8
Long-term growth rate	1	1	1
Forecasted earnings before interest, tax, depreciation and amortisation ("EBITDA") growth rate (average of next five to 10 years)	1	4	1

The discount rate used is estimated based on past experience and industry weighted average cost of capital.

The long-term growth rate has been determined based on the long-term compound annual growth rate estimated by management with reference to the nominal GDP growth rate for the countries in which the CGU is based.

The forecasted EBITDA growth rates are estimated based on management's past experience of managing the CGUs and their expectations of the CGUs forecasted performances.

	Software US$'000
Company	
Cost	
At 1 January 2021	3,976
Additions	72
Written off	(2)
At 31 December 2021	4,046
Additions	32
Written off	(105)
At 31 December 2022	3,973
Accumulated amortisation	
At 1 January 2021	3,762
Amortisation for the year	154
Written off	(2)
At 31 December 2021	3,914
Amortisation for the year	75
Written off	(105)
At 31 December 2022	3,884
Carrying amounts	
At 31 December 2021	132
At 31 December 2022	89

NOTES TO THE FINANCIAL STATEMENTS

7 SUBSIDIARIES

	Company 2022 US$'000	Company 2021 US$'000
Equity investment at cost	74,905	54,802
Accumulated impairment	(39,984)	(33,611)
	34,921	21,191

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activity	Company Proportion of ownership interest and voting rights held 2022 %	2021 %
CAOHK*	Hong Kong SAR	Supply of jet fuel	100	100
North American Fuel Corporation ("NAFCO")#	United States of America	Trading and supply of jet fuel	100	100
China Aviation Fuel (Europe) Limited ("CAFEU")^	United Kingdom	Trading and supply of jet fuel	100	100
CNAF HKR+	Hong Kong SAR	Into-plane fuelling service	68	–

* Audited by overseas practices of Deloitte Touche Tohmatsu Limited
\# Audited by Hu and Company Accountancy Corporation
^ Audited by Fuller & Roper Limited
\+ Audited by BDO Limited

On 31 May 2022, the Group subscribed for 97,000,000 new ordinary shares in CNAF HKR for an aggregate cash consideration of HK$97,000,000 or equivalent to US$12,435,000 (Note 27) (the "CNAF HKR Subscription"). Following the CNAF HKR Subscription, the Group's shareholding interest in CNAF HKR increased from 39% to 68%. Accordingly, CNAF HKR became a subsidiary of the Group.

The Company issued financial guarantees to banks and trading counterparties on behalf of its subsidiaries. The fair value of the financial guarantees issued during the year amounted to US$7,668,000 (2021: US$2,622,000) and is accounted for as additional investment in the subsidiaries. The fair value of the financial guarantees at the end of the financial year amounted to US$38,256,000 (2021: US$36,649,000).

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under these guarantees.

NOTES TO THE FINANCIAL STATEMENTS

7 SUBSIDIARIES (continued)

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$6,373,000 (2021: US$2,261,000) 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 the banks on behalf of its subsidiaries for banking facilities amounting to US$149,600,000 (31 December 2021: US$55,000,000). It is a continuing financial guarantee issued to the banks.

8 ASSOCIATES

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Investments in associates	259,777	283,681	259,777	283,681

Associates

The Group has one (2021: one) associate that is material and three (2021: 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	PRC
Ownership interest/Voting rights held	33% (2021: 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.

NOTES TO THE FINANCIAL STATEMENTS

8 ASSOCIATES (continued)

The following summarises the financial information of the Group's material associate based on its respective financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit and other comprehensive income of the remaining individually immaterial associates.

	SPIA US$'000	Immaterial associates US$'000	Total US$'000
31 December 2022			
Revenue	1,799,831	45,969	1,845,800
Profit (loss) for the year/Total comprehensive income	62,624	(1,150)	61,474
Non-current assets	48,198	356,508	404,706
Current assets	570,567	72,111	642,678
Non-current liabilities	–	(168,662)	(168,662)
Current liabilities	(156,072)	(34,917)	(190,989)
Net assets	462,693	225,040	687,733
Group's interest in net assets of investee at beginning of the year	169,515	76,588	246,103
Group's fair value adjustment at beginning of the year	–	14,885	14,885
Group's share of total comprehensive income (loss)	19,213	(1,311)	17,902
Group's share of profit (loss) for the year	19,213	(70)	19,143
Group's share of fair value adjustment	–	(1,241)	(1,241)
Dividend declared during the year	(21,718)	–	(21,718)
Group's share of translation differences for the year	(14,822)	(5,266)	(20,088)
Goodwill	21,709	984	22,693
Carrying amount of interest in investee at end of the year	173,897	85,880	259,777
Carrying amount of fair value adjustment at end of the year	–	13,644	13,644
31 December 2021			
Revenue	1,635,015	61,222	1,696,237
Profit for the year/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 for the year	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)
Group's share of 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

During the year, dividends declared by associates amounting to US$21,718,000 (31 December 2021: US$45,342,000) were received during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

8 ASSOCIATES (continued)

Details of immaterial associates of the Group are as follows:

Name of associate	Country of incorporation	Ownership 2022 %	Ownership 2021 %
Shenzhen Zhenghe Petrochemicals Co. Ltd ("Zhenghe")^	PRC	39	39
Oilhub Korea Yeosu Co., Ltd.	Republic of Korea	26	26
CNAF HKR#	Hong Kong SAR	–	39
China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL")	PRC	49	49

^ China Aviation Oil Xinyuan Petrochemicals Co. Ltd changed its name to Shenzhen Zhenghe Petrochemicals Co. Ltd during the current financial year.
# This associate which is held by CAOHK became a 68% owned subsidiary during the current financial year (Note 7).

9 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group 2022 US$'000	Group 2021 US$'000
Investment in equity instrument designated as at FVTOCI		
– unquoted equity shares	5,500	5,500

The investment in unquoted equity instrument represents investment in a company that is incorporated in the Netherlands which holds the concession from the Schiphol Airport Authority to manage the storage and distribution of jet fuels on behalf of its shareholders to airlines at Amsterdam Airport Schiphol.

This investment is not held for trading. Instead, it is held for medium to long-term strategic purposes. Accordingly, management has elected to designate this investment in equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in this investment's fair value in profit or loss would not be consistent with the Group's strategy of holding this investment for long-term purposes and realising its performance potential in the long run.

No investment in equity instrument measured at FVTOCI has been disposed of during the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS

10 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Deferred tax assets				
Accelerated tax depreciation	–	446	–	446
Deferred tax liabilities				
Investments in associates	(7,501)	(6,732)	(7,501)	(6,732)

Movements in temporary differences during the year are as follows:

	At 1 January 2021 US$'000	Recognised in profit or loss US$'000	At 31 December 2021 US$'000	Recognised in profit or loss US$'000	At 31 December 2022 US$'000
Group					
Tax losses carry-forward	649	(649)	–	–	–
Accelerated tax depreciation	603	(157)	446	(446)	–
Investments in associates	(6,896)	164	(6,732)	(769)	(7,501)
	(5,644)	(642)	(6,286)	(1,215)	(7,501)
Company					
Tax losses carry-forward	645	(645)	–	–	–
Accelerated tax depreciation	603	(157)	446	(446)	–
Investments in associates	(6,896)	164	(6,732)	(769)	(7,501)
	(5,648)	(638)	(6,286)	(1,215)	(7,501)

11 INVENTORIES

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Trading inventories at fair value less costs to sell	156,668	33,561	144,386	14,120
Inventories at the lower of cost and net realisable value	25,421	9,365	–	–
	182,089	42,926	144,386	14,120

The inventories recognised in cost of sales amounted to US$16,288,201,000 (31 December 2021: US$17,522,852,000) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Trade receivables	170,273	350,938	102,552	289,853
Other receivables	53,890	36,739	36,746	25,022
Amounts due from:				
– subsidiaries (trade)	–	–	170,279	32,603
– related corporations (trade)	216,155	188,834	105,192	135,635
– related corporations of a corporate shareholder (trade)	102,877	26,018	5,638	23,914
– associates (trade)	84,536	118,572	84,536	118,572
– holding company (non-trade)	2	2	2	2
– subsidiaries (non-trade)	–	–	100,238	96,032
– associate (non-trade)	–	2,000	–	–
	403,570	335,426	465,885	406,758
Loan to subsidiaries	–	–	–	5,035
	627,733	723,103	605,183	726,668
Allowance for impairment loss on doubtful debts				
– trade receivables	(6,062)	(5,852)	(5,405)	(5,508)
Loans and receivables	621,671	717,251	599,778	721,160
Derivative financial assets				
– oil commodity derivatives	39,621	18,247	40,559	17,130
	661,292	735,498	640,337	738,290
Prepayments	54,329	48,476	1,397	–
	715,621	783,974	641,734	738,290
Current	715,621	783,974	641,734	733,255
Non-current	–	–	–	5,035
	715,621	783,974	641,734	738,290

Trade receivables

Transactions with subsidiaries, associates and related corporations are priced on terms agreed between parties. Outstanding balances with subsidiaries and related corporations are unsecured.

Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables for customers that have defaulted and declared bankruptcy.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS

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 2022	Expected credit loss rate*		Estimated total gross carrying amount at default(i)		Lifetime ECL(i)	
	Group	Company	Group	Company	Group	Company
	%	%	US$'000	US$'000	US$'000	US$'000
Customer ratings						
Grade A1	0.027	0.027	58,594	308,121	–	–
Grade A2	0.096	0.096	113,644	16,406	111	16
Grade B1	0.205	0.205	59,945	–	114	–
Grade B2	0.369	0.369	347,353	274,382	1,238	1,013
Grade C1	1.041	1.041	9,036	–	25	–
Grade C2	1.635	1.635	21,750	–	53	–
Grade D1	3.313	3.313	8,548	586	86	2
Grade D2	4.996	4.996	3,130	–	47	–
Grade E	15.422	15.422	1,563	1,554	241	240
Grade F	56.296	56.296	27	–	4	–
Total			623,590	601,049	1,919	1,271

31 December 2021	Expected credit loss rate*		Estimated total gross carrying amount at default(i)		Lifetime ECL(i)	
	Group	Company	Group	Company	Group	Company
	%	%	US$'000	US$'000	US$'000	US$'000
Customer ratings						
Grade A1	0.027	0.027	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

(i) The estimated total gross carrying amount at default and lifetime ECL have excluded the individually credit-impaired customers of US$4,143,000 for the year ended 31 December 2022 (31 December 2021: US$4,134,000) of the Group and US$4,134,000 for the year ended 31 December 2022 (31 December 2021: US$4,134,000) of the 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	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Group						
At beginning of financial year	1,718	3,998	4,134	4,134	5,852	8,132
Acquisition of a subsidiary (Note 27)	–	–	9	–	9	–
Change in loss allowance	201	(2,280)	–	–	201	(2,280)
At end of financial year	1,919	1,718	4,143	4,134	6,062	5,852
Company						
At beginning of financial year	1,374	3,781	4,134	4,134	5,508	7,915
Change in loss allowance	(103)	(2,407)	–	–	(103)	(2,407)
At end of financial year	1,271	1,374	4,134	4,134	5,405	5,508

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 2022				
Probable default by the customer	201	–	(103)	–
31 December 2021				
Probable default by the customer	(2,280)	–	(2,407)	–

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, amounts due from holding company, subsidiaries and associates (non-trade)

For the purpose of impairment assessment, the other receivables, trade amounts due from certain related corporations, amounts due from subsidiaries (non-trade) and amounts due from associates (non-trade) are considered to have low credit risk as there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the financial position of the debtors, 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 (non-trade) and amounts due from associates (non-trade) are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

13 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Cash at bank				
– Interest-bearing	31,135	13,250	26,686	13,176
– Non-interest bearing	1,935	4,981	1,360	2,338
Interest-bearing fixed deposits with financial institutions	275,125	382,606	265,000	353,880
Cash and cash equivalents in the statement of cash flows	308,195	400,837	293,046	369,394

As at 31 December 2022, interest-bearing fixed deposits of US$275,125,000 (31 December 2021: US$364,004,000) were placed with a related corporation, China National Aviation Fuel Finance Co., Ltd. The related corporation is a financial institution approved by the China Banking Regulatory Commission and is based in PRC.

NOTES TO THE FINANCIAL STATEMENTS

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):

	2022 Interest rate %	2022 Carrying amount US$'000	2021 Interest rate %	2021 Carrying amount US$'000
Group				
Cash at bank	2.8	31,135	0.1	13,250
US$ fixed deposits	4.5	275,125	0.1	351,206
RMB fixed deposit	–	–	1.9	31,400
		306,260		395,856
Company				
Cash at bank	3.2	26,686	0.1	13,176
US$ fixed deposits	4.7	265,000	0.2	322,480
RMB fixed deposit	–	–	1.9	31,400
		291,686		367,056

The Group's and the Company's exposure to foreign currency, interest rate risks and fair values of derivatives are disclosed in Note 19.

14 SHARE CAPITAL

	Group and Company			
	2022 Number of shares ('000)	2021 Number of shares ('000)	2022 US$ ('000)	2021 US$ ('000)
Fully paid ordinary shares, with no par value inclusive of:				
In issue at 31 December	866,184	866,184	215,573	215,573

The Company's share capital includes 6,000,000 (2021: 6,000,000) treasury shares amounting to US$5,482,000 (2021: US$5,482,000).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

All rights attached to the ordinary shares are suspended for the Company's own shares bought back and held by the Group. Such rights are reinstated when these shares are reissued.

NOTES TO THE FINANCIAL STATEMENTS

14 SHARE CAPITAL (continued)

Capital management

The Company defines capital as share capital and reserves. The consolidated share capital and reserves attributable to equity owners of the Company amounted to US$902,978,000 (31 December 2021: US$901,369,000). The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board also monitors the level of dividends declared to ordinary shareholders.

From time to time, the Company may purchase its own shares in the market; the timing of these purchases depends on market prices. The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the shares is determined by the Directors or such authorised personnel as appointed by the Board of Directors for the purposes of effecting purchases or acquisitions of shares by the Company under the Share Purchase Mandate.

There were no changes in the Group's approach to capital management during the year.

15 RESERVES

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Foreign currency translation reserve[(a)]	(5,615)	14,459	(5,615)	14,475
Statutory reserves[(b)]	37,203	37,163	37,203	37,163
Reserve for own shares[(c)]	(5,482)	(5,482)	(5,482)	(5,482)
Accumulated profits	661,299	639,656	647,615	630,772
	687,405	685,796	673,721	676,928

(a) The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

(b) The associates of the Group ("PRC Associates") established in PRC follow the accounting principles and relevant financial regulations of the PRC applicable to enterprises established in the PRC (PRC GAAP) in the preparation of the accounting records and its financial statements. Under the relevant PRC regulations, the PRC Associates transferred a portion of their accumulated profits to statutory reserve for the following purposes:

Statutory reserves

Pursuant to accounting regulations for foreign-invested PRC enterprises and the PRC Company Law, the associates are required to appropriate 10% of the profit arrived at in accordance with PRC GAAP for each year to a statutory reserve. The profit arrived at must be used to set off against any accumulated losses. The appropriation to statutory reserve, after offsetting against any accumulated losses, must be made before the distribution of dividends to shareholders. The appropriation is required until the statutory reserve reaches 50% of the registered capital. This statutory reserve is not distributable in the form of cash dividends. During the current and immediate preceding financial year, SPIA did not appropriate any profit to the statutory reserve as the statutory reserve of SPIA has reached 50% of its registered capital. The movement in statutory reserve in the current year is contributed by TSN-PEKCL and Zhenghe.

NOTES TO THE FINANCIAL STATEMENTS

15 RESERVES (continued)

(c) The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2022, the Group held 6,000,000 (31 December 2021: 6,000,000) of the Company's shares.

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

	Group and Company	
	2022 US$'000	2021 US$'000
Final exempt dividends paid in respect of the previous financial year of S$0.019 (2021: S$0.0258) per share	11,849	16,756

(e) After the respective reporting date, the Directors have proposed a final (one-tier tax exempt) ordinary dividend of S$0.016 (2021: S$0.019) per share, amounting to US$10,198,000 (2021: US$12,078,000). The dividends have not been provided for.

16 TRADE AND OTHER PAYABLES

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Trade payables	377,783	509,605	332,207	472,023
Other payables and accruals	54,716	33,692	52,593	31,977
Amounts due to:				
– holding company (non-trade)	10,125	10,124	–	–
– subsidiary (trade)	–	–	12,249	1,819
– related corporation (trade)	–	3,680	–	3,138
– related corporation of a corporate shareholder (trade)	78,887	24,636	39,332	–
– associate (trade)	–	9	–	–
Derivative financial liabilities:				
– oil commodity derivatives	43,373	23,051	41,890	22,302
	564,884	604,797	478,271	531,259

Amounts due to holding company, subsidiary, related corporation and associate are unsecured, interest-free and repayable on demand.

The Group's and the Company's exposures to foreign currency, liquidity risks and fair values of derivatives are disclosed in Note 19.

17 CONTRACT LIABILITIES

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Current	4,916	7,626	–	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	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Analysed as				
Non-current	4,281	7,661	2,026	7,306
Current	8,283	6,689	6,432	6,111
	12,564	14,350	8,458	13,417
Maturity analysis of lease liabilities based on undiscounted gross cash flows:				
Year 1	8,365	6,846	6,512	6,208
Year 2	3,505	6,091	1,899	5,895
Year 3	807	1,455	96	1,455
	12,677	14,392	8,507	13,558

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	
	2022 US$'000	2021 US$'000
1 January	14,350	4,743
Financing cash flow	(8,613)	(8,599)
New leases	5,967	18,062
Other changes	860	144
31 December	12,564	14,350

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

Financial assets

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Amortised cost				
Trade and other receivables	621,671	717,251	599,778	721,160
Cash and cash equivalents	308,195	400,837	293,046	369,394
	929,866	1,118,088	892,824	1,090,554
Fair value through profit or loss				
Derivative financial assets	39,621	18,247	40,559	17,130
Fair value through other comprehensive income				
Equity instrument	5,500	5,500	–	–

Financial liabilities

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Amortised cost				
Trade and other payables	521,511	581,746	436,381	508,957
Fair value through profit or loss				
Derivative financial liabilities	43,373	23,051	41,890	22,302

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	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Trade and other receivables	621,671	717,251	599,778	721,160
Cash and cash equivalents	308,195	400,837	293,046	369,394
Derivative financial assets	39,621	18,247	40,559	17,130
	969,487	1,136,335	933,383	1,107,684

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:

	2022 Gross US$'000	2022 Impairment losses US$'000	2021 Gross US$'000	2021 Impairment losses US$'000
Group				
Not past due	606,346	(1,868)	691,482	(1,627)
1 to 30 days	17,244	(51)	27,487	(91)
31 to 90 days	–	–	–	–
Over 90 days	4,143	(4,143)	4,134	(4,134)
	627,733	(6,062)	723,103	(5,852)
Company				
Not past due	601,049	(1,271)	698,017	(1,284)
1 to 30 days	–	–	24,517	(90)
31 to 90 days	–	–	–	–
Over 90 days	4,134	(4,134)	4,134	(4,134)
	605,183	(5,405)	726,668	(5,508)

The Group's and the Company's loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses and individually assessed credit impaired.

The movements in the allowance for impairment loss in respect of trade and other receivables during the year are as follows:

	Group 2022 US$'000	Group 2021 US$'000
At 1 January	5,852	8,132
Acquired on acquisition of a subsidiary	9	–
Allowance (Reversal of) for impairment loss – net	201	(2,280)
At 31 December	6,062	5,852

	Company 2022 US$'000	Company 2021 US$'000
At 1 January	5,508	7,915
Reversal of allowance for impairment loss – net	(103)	(2,407)
At 31 December	5,405	5,508

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 2022		
Non-derivative financial liabilities		
Trade and other payables(i)	(521,511)	(521,511)
Oil commodity derivatives		
Gross outflows(ii)		
– Oil physical derivative instruments purchase contracts	(698,554)	(698,554)
Net outflows		
– Oil paper derivative instruments	(7,516)	(7,516)
	(1,227,581)	(1,227,581)
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)

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 2022		
Non-derivative financial liabilities		
Trade and other payables[i]	(436,381)	(436,381)
Oil commodity derivatives		
Gross outflows[ii]		
– Oil physical derivative instruments purchase contracts	(642,787)	(642,787)
Net outflows		
– Oil paper derivative instruments	(6,960)	(6,960)
	(1,086,128)	(1,086,128)
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)

(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 2022					
Trade and other receivables	270	127	1,085	385	63
Cash and cash equivalents	911	108	547	444	65
Trade and other payables	(6,823)	(624)	(538)	(745)	(242)
	(5,642)	(389)	1,094	84	(114)
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

	Singapore dollar US$'000	Renminbi US$'000
Company		
31 December 2022		
Trade and other receivables	270	87
Cash and cash equivalents	911	41
Trade and other payables	(6,823)	(564)
	(5,642)	(436)
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

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	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Singapore dollar	513	563	513	563
Renminbi	35	(2,847)	40	(2,849)
Hong Kong dollar	(99)	177	–	–
Euro	(8)	(384)	–	–
British pound	10	(8)	–	–

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	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Financial assets	306,260	395,856	291,686	367,056

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 2022				
Financial asset at FVTOCI*	–	–	5,500	5,500
Derivative financial assets	–	39,621	–	39,621
Derivative financial liabilities	–	(43,373)	–	(43,373)
	–	(3,752)	5,500	1,748
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
Company				
31 December 2022				
Derivative financial assets	–	40,559	–	40,559
Derivative financial liabilities	–	(41,890)	–	(41,890)
	–	(1,331)	–	(1,331)
31 December 2021				
Derivative financial assets	–	17,130	–	17,130
Derivative financial liabilities	–	(22,302)	–	(22,302)
	–	(5,172)	–	(5,172)

* There was no movement to the Level 3 fair value measurement of the financial asset during the financial year.

The valuation techniques and the inputs used in the fair value measurements of the financial instruments are disclosed in Notes 26 and 29.

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting agreement or similar agreement.

The Group's paper derivative transactions are all transacted on an exchange.

In certain circumstances - for example, only when a credit event such as a default occurs, the non-defaulting party can choose to exercise the right of set-off. As such, the above master netting agreements do not meet the criteria for offsetting in the statement of financial position.

	Gross amounts of recognised financial instruments included in the statement of financial position US$'000	Related amounts that are not offset US$'000	Net amounts US$'000
Group			
31 December 2022			
Financial assets			
Oil physical derivative instruments	34,738	(340)	34,398
Oil paper derivative instruments	4,883	(4,883)	–
Total	39,621	(5,223)	34,398
Financial liabilities			
Oil physical derivative instruments	35,857	(340)	35,517
Oil paper derivative instruments	7,516	(4,883)	2,633
Total	43,373	(5,223)	38,150
31 December 2021			
Financial assets			
Oil physical derivative instruments	17,488	–	17,488
Oil paper derivative instruments	759	(759)	–
Total	18,247	(759)	17,488
Financial liabilities			
Oil physical derivative instruments	21,784	–	21,784
Oil paper derivative instruments	1,267	(759)	508
Total	23,051	(759)	22,292

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS (continued)

Offsetting financial assets and financial liabilities (continued)

	Gross amounts of recognised financial instruments included in the statement of financial position US$'000	Related amounts that are not offset US$'000	Net amounts US$'000
Company			
31 December 2022			
Financial assets			
Oil physical derivative instruments	34,459	(222)	34,237
Oil paper derivative instruments	6,100	(4,883)	1,217
Total	40,559	(5,105)	35,454
Financial liabilities			
Oil physical derivative instruments	34,930	(222)	34,708
Oil paper derivative instruments	6,960	(4,883)	2,077
Total	41,890	(5,105)	36,785
31 December 2021			
Financial assets			
Oil physical derivative instruments	15,751	–	15,751
Oil paper derivative instruments	1,379	(1,121)	258
Total	17,130	(1,121)	16,009
Financial liabilities			
Oil physical derivative instruments	21,181	–	21,181
Oil paper derivative instruments	1,121	(1,121)	–
Total	22,302	(1,121)	21,181

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	
	2022 US$'000	2021 US$'000
Revenue from middle distillates	8,529,418	8,115,774
Revenue from other oil products	7,934,706	9,520,883
	16,464,124	17,636,657

The revenue from middle distillates and other oil products are recognised at a point in time.

Included in revenue is net loss of US$119,254,000 (2021: loss of US$66,283,000) 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	
	2022 US$'000	2021 US$'000
Other income		
Interest income	3,288	1,564
Foreign exchange (loss) gain – net	(3,708)	351
Gain on deemed disposal of an associate	820	–
Others	605	309
	1,005	2,224
Audit fees paid and payable to:		
– auditor of the Company	(222)	(216)
– other auditors	(190)	(212)
Non-audit fees paid and payable to auditor of the Company	(6)	(24)
(Allowance for) Reversal of impairment loss on doubtful debts – net	(201)	2,280
Depreciation of property, plant and equipment	(1,129)	(754)
Depreciation of right-of-use assets	(8,052)	(8,628)
Amortisation of intangible assets	(691)	(154)
Expense relating to short-term leases	(4,969)	(15,041)
Expense relating to leases of low value assets	(5)	(5)
Staff costs	(15,827)	(12,247)
Contributions to defined contribution plans, included in staff costs	(1,560)	(1,142)

NOTES TO THE FINANCIAL STATEMENTS

22 FINANCE COSTS

	Group 2022 US$'000	Group 2021 US$'000
Bank charges	945	1,514
Interest expenses	6	28
Interest expenses on lease liabilities	199	153
	1,150	1,695

23 TAX EXPENSE

	Group 2022 US$'000	Group 2021 US$'000
Current tax expense		
Current year	2,688	717
Underprovision in prior year	284	–
	2,972	717
Deferred tax expense	446	806
Withholding tax expense	1,103	2,556
Total tax expense	4,521	4,079
Reconciliation of effective tax rate		
Profit before tax	37,707	44,429
Tax using Singapore tax rate of 17% (2021: 17%)	6,411	7,554
Effects of tax rates in foreign jurisdictions	199	(16)
Tax exempt income	(337)	(228)
Tax effects of revenue at concessionary tax rate	(1,662)	(1,255)
Effects of results of associates presented net of tax	(3,043)	(4,004)
Effect of (income not taxable) expenses not deductible	1,404	(1,334)
Utilisation of previously unused tax assets	446	806
Withholding tax expense	1,103	2,556
	4,521	4,079

The Company was granted concessionary rate of tax for a period of 5 years from 1 August 2020 to 31 July 2025. Income derived from qualifying trading transactions of approved products by the Company is taxed at the concessionary rate instead of the normal statutory rate of 17%. This incentive is granted subject to the achievement of certain business volume and other terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS

24 EARNINGS PER SHARE

Basic earnings per share

At the reporting date, the calculation of basic earnings per share was based as follows:

Profit attributable to ordinary shareholders

	2022 US$'000	2021 US$'000
Basic and diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	33,532	40,350

Weighted average number of ordinary shares

	2022 Number of shares ('000)	2021 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
2022				
Revenue	8,529,418	7,934,706	–	16,464,124
Gross profit	33,760	1,631	–	35,391
Other administrative/operating expenses	(12,734)	(615)	–	(13,349)
Depreciation and amortisation	(1,996)	(96)	–	(2,092)
Foreign exchange loss	(3,537)	(171)	–	(3,708)
Interest income	3,137	151	–	3,288
Gain on deemed disposal of an associate	–	–	820	820
Other income	577	28	–	605
Finance costs	(354)	(796)	–	(1,150)
Share of profit of associates (net of tax)	–	–	17,902	17,902
Tax expense	(3,446)	(24)	(1,051)	(4,521)
Reportable segment profit after tax	15,407	108	17,671	33,186
Reportable segment total assets	1,181,909	52,433	265,276	1,499,618
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 profit 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

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
2022		
People's Republic of China	8,777,851	215,544
Republic of Korea	213,048	44,232
United States of America	933,620	229
Hong Kong SAR	494,977	14,613
Malaysia	351,972	–
Japan	663,321	–
Australia	212,308	–
Singapore	1,906,497	11,529
Philippines	147,481	–
Netherlands	1,426,923	7,566
Myanmar	158,915	–
Germany	316,132	–
Indonesia	181,262	–
Bangladesh	142,848	–
Belgium	95,839	–
Other countries	441,130	–
	16,464,124	293,713
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

* Excludes deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

25 OPERATING SEGMENTS (continued)

Major customers

Revenue from six customers (2021: six customers) for the supply and trading of jet fuel and other oil products amounting to approximately US$7,688,258,000 (2021: US$7,762,167,000), represents 47% (2021: 44%) 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 2022						
Trade receivables	12	(i)	Lifetime ECL (simplified approach)	170,273	(5,478)	164,795
Other receivables	12	Performing	12-month ECL	53,890	–	53,890
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)	216,155	(171)	215,984
Amount due from related corporations of a corporate shareholder (trade)	12	(i)	Lifetime ECL (simplified approach)	102,877	(101)	102,776
Amount due from associates (trade)	12	(i)	Lifetime ECL (simplified approach)	84,536	(312)	84,224
				627,733	(6,062)	621,671
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
				723,103	(5,852)	717,251

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 2022						
Trade receivables	12	(i)	Lifetime ECL (simplified approach)	102,552	(4,698)	97,854
Other receivables	12	Performing	12-month ECL	36,746	–	36,746
Amount due from subsidiaries (trade)	12	(i)	Lifetime ECL (simplified approach)	170,279	–	170,279
Amount due from subsidiaries (non-trade)	12	Performing	12-month ECL	100,238	–	100,238
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)	105,192	(388)	104,804
Amount due from related corporations of a corporate shareholder (trade)	12	(i)	Lifetime ECL (simplified approach)	5,638	(7)	5,631
Amount due from associates (trade)	12	(i)	Lifetime ECL (simplified approach)	84,536	(312)	84,224
				605,183	(5,405)	599,778
31 December 2021						
Trade receivables	12	(i)	Lifetime ECL (simplified approach)	289,853	(4,759)	285,094
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
				726,668	(5,508)	721,160

(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 2022, there was no significant concentration of credit risk except for amounts receivable due from 3 (31 December 2021: 3) major customers amounting to US$264,736,000 (31 December 2021: US$291,874,000) which accounted for 46% (2021: 43%) of the Group's gross trade receivables.

At 31 December 2022, the Company has a significant concentration of credit risk with subsidiaries and related corporations which accounted for 49% (2021: 28%) 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 banks 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 2022 and 2021.

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 2021.

	Profit or loss	
	10% increase US$'000	10% decrease US$'000
2022		
Oil physical and paper derivative instruments	(59)	59
2021		
Oil physical and paper derivative instruments	(4,339)	4,339

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$15,462,000 (2021: US$1,401,000). 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% (2021: 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.

NOTES TO THE FINANCIAL STATEMENTS

27 ACQUISITION OF SUBSIDIARIES

On 31 May 2022, CAOHK, a wholly owned subsidiary of the Company, had subscribed for, and was allotted 97 million ordinary shares in the capital of CNAF HKR at a cash consideration of HK$1.00 per share.

Following the aforesaid allotment, the Company's deemed interest in the issued shares of CNAF HKR, held through CAOHK, by virtue of the provisions of Section 4 of the Securities and Futures Act 2001, has increased from 39 million ordinary shares in CNAF HKR to 136 million ordinary shares in CNAF HKR, representing 68% of the total issued shares in CNAF HKR.

Assets acquired and liabilities assumed at the date of acquisition and consideration transferred

The following summarises the consideration transferred and the recognised amount of assets acquired and liabilities assumed based on determined fair values at the date of acquisition:

	Note	Total US$'000
CNAF Hong Kong Refuelling Limited		
Property, plant and equipment	4	2,303
Intangible assets	6	8,353
Right-of-use assets	5	1,657
Current assets		13,480
Non-current liabilities		(1,575)
Current liabilities		(9,295)
Net identifiable assets and liabilities acquired		14,923
Goodwill on acquisition	6	3,108
Gain on deemed disposal of associate	21	(820)
Non-controlling interests		(4,776)
Cash consideration paid, satisfied in cash		12,435
Cash acquired		(13,006)
Net cash inflow		(571)

Had the acquisition occurred at the beginning of the year, the Group's revenue would have been US$16,464,556,000 and the Group's profit before tax would have been US$36,839,000.

28 RELATED PARTIES

Key management personnel compensation

Key management personnel compensation comprises:

	Group 2022 US$'000	Group 2021 US$'000
Directors' fees	324	366
Directors' remuneration	264	276
Key executive officers' remuneration	1,288	1,333
	1,876	1,975

The key management personnel compensation for the financial years ended 31 December 2022 and 2021 were made up of short-term employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

28 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 2022, the Group's sales and purchases of physical oil commodities with government-related entities account for approximately 48% (2021: 49%) of the Group's total sales and 49% (2021: 36%) of the Group's total purchases. During the year, approximately 45% (2021: 56%) of the Group's banking fees and Nil % (2021: 7%) 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	
	2022 US$'000	2021 US$'000
Related parties under CNAF:		
Related corporations		
Sale of jet fuel	2,413,836	1,542,927
Purchase of jet fuel	(899,258)	(969,410)
Interest income	176	908
Related corporations of a corporate shareholder:		
Sale of fuel oil	34,024	35,847
Sale of jet fuel	1,257,926	52,826
Sale of gas oil	55,481	160,394
Purchase of jet fuel	(413,812)	(261,967)
Purchase of gas oil	–	(41,559)
Purchase of fuel oil	(161,796)	(572,276)
Associate:		
Sale of jet fuel	1,278,294	964,061
Purchase of jet fuel	(14,981)	(21,799)
Storage tank rental expense	(6,052)	(6,702)

NOTES TO THE FINANCIAL STATEMENTS

29 ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group believes the following critical accounting policies involved the most significant judgements and estimates used in the preparation of the financial statements.

Key source of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amounts of the Group's and the Company's trade and other receivables are disclosed in Note 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

29 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	
		2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Sales to related corporations	Associates of Controlling Shareholder, China National Aviation Fuel Group Limited	–	–	2,525,780	1,381,767
Purchases from related corporations		–	–	1,461,363	770,505
Supply chain services rendered from related corporation		–	–	5,476	2,136
Services rendered from a related corporation		333	392	–	–
Transportation revenue earned by associate from related corporations*		–	–	1,963	3,241
Into-plane refueling services rendered by a related corporation		–	–	105	69
Principal deposited with related corporations		–	–	1,212,524	906,611
Interest income earned from principal deposited with related corporations		–	–	2,339	332
Subscription of additional shares in associate of controlling shareholder		12,435	–	–	–
Loan to associate		–	812	–	–
Sales to related corporation of a corporate shareholder	Associates of Controlling Shareholder, BP Investments Asia Limited	–	–	425,417	203,214
Purchases from related corporation of a corporate shareholder		–	–	395,261	625,531
Supply chain services rendered from related corporation of a corporate shareholder		–	–	3,313	5,999

* Based on the shareholders' approval obtained at the Annual General Meeting of the Company held on 18 April 2017 for the jet fuel transportation services framework agreement entered into between China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd ("TSN-PEKCL") and China National Aviation Fuel Corporation Ltd ("CNAFCL") relating to the provision of pipeline transportation services by TSN-PEKCL to CNAFCL.

STATISTICS OF SHAREHOLDINGS

As at 8 March 2023

Number of Issued Shares	:	866,183,628
Number of Issued Shares (excluding Treasury Shares)	:	860,183,628 ordinary shares
Number/Percentage of Treasury Shares	:	6,000,000 (0.69%)
Number/Percentage of Subsidiary Holdings +	:	0 (0%)
Class of Shares	:	Ordinary Shares
Voting Rights (excluding Treasury Shares and Subsidiary Holdings)	:	1 vote per share

Based on information available to the Company as at 8 March 2023, 28.53% (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	657	5.23	32,777	0.00
100 – 1,000	1,894	15.06	1,112,210	0.13
1,001 – 10,000	6,651	52.90	29,727,377	3.46
10,001 – 1,000,000	3,349	26.64	130,559,367	15.18
1,000,001 and above	21	0.17	698,751,897	81.23
Total	**12,572**	**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	DBS Nominees (Private) Limited	18,929,246	2.20
4	Citibank Nominees Singapore Pte Ltd	15,288,610	1.78
5	Raffles Nominees (Pte.) Limited	8,708,184	1.01
6	HSBC (Singapore) Nominees Pte Ltd	8,251,177	0.96
7	United Overseas Bank Nominees (Private) Limited	4,807,204	0.56
8	Phillip Securities Pte Ltd	3,388,299	0.39
9	Lee Fook Choy	3,200,000	0.37
10	OCBC Nominees Singapore Private Limited	2,565,241	0.30
11	OCBC Securities Private Limited	2,399,189	0.28
12	BPSS Nominees Singapore (Pte.) Ltd.	2,362,878	0.27
13	Jack Investment Pte Ltd	2,005,100	0.23
14	Maybank Securities Pte. Ltd.	1,961,547	0.23
15	UOB Kay Hian Private Limited	1,887,496	0.22
16	iFast Financial Pte Ltd	1,751,515	0.20
17	DBSN Services Pte. Ltd.	1,573,966	0.18
18	CGS-CIMB Securities (Singapore) Pte Ltd	1,417,891	0.16
19	Kang Hian Soon or Keh Siu Kim	1,240,000	0.14
20	Lam Yew Chong	1,113,800	0.13
	Total	**697,661,197**	**81.09**

SUBSTANTIAL ORDINARY SHAREHOLDERS

(As shown in the Register of Substantial Shareholders as at 8 March 2023)

		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 2023

Name of Director	Gong Feng
Date of appointment	9 December 2020
Date of last re-appointment (if applicable)	28 April 2021
Age	58
Country of principal residence	China
The Board's comments on this re-election/appointment	After reviewing the recommendation of the Nominating Committee and Mr Gong's qualifications and experience (as set out below), the Board has approved that Mr Gong stands for re-election as a Non-executive, Non-independent Director. Mr Gong will, upon re-election, continue to serve as Chairman of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive, Non-Independent Chairman of the Board
Professional Qualifications	Master of Business Administration, National University of Singapore Qualified Senior Engineer (Professor Level), China

	Zhang Yuchen	Lin Yi	Richard Yang Minghui
	1 November 2020	15 March 2023	31 May 2021
	28 April 2021	N.A.	27 April 2022
	49	53	53
	China	China	China
	After reviewing the recommendation of the Nominating Committee and Mr Zhang's qualifications and experience (as set out below), the Board has approved that Mr Zhang stands for re-election as a Non-executive and Non-independent Director. Mr Zhang will, upon re-election, continue to serve as Vice Chairman of the Audit Committee, Vice Chairman of Risk Management Committee, Vice Chairman of Sustainability Committee and a member of Nominating Committee.	After reviewing the recommendation of the Nominating Committee and Mr Lin's qualifications and experience (as set out below), the Board has approved that Mr Lin stands for re-election as an Executive, Non-Independent Director. Mr Lin will, upon re-election, continue to serve as Chief Executive Officer/ Executive Director of the Company.	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	Executive As Chief Executive Officer/Executive Director, Mr Lin is responsible for the overall management of the business operations of the Company.	Non-executive
	Non-executive and Non-Independent Director; Vice Chairman of Audit Committee; Vice Chairman of Risk Management Committee; Vice Chairman of Sustainability Committee and Member of Nominating Committee.	Chief Executive Officer/Executive Director	Non-executive and Non-Independent Director; Member of Audit Committee and Remuneration Committee
	Bachelor of Engineering Qualified Senior Engineer, China	Bachelor of Engineering Studies Qualified Senior Engineer, China	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 2023

Name of Director	Gong Feng
Working experience and occupation(s) during the past 10 years	October 2001 to Present: Deputy General Manager China National Aviation Fuel Group Limited (formerly known as China National Aviation Fuel Group Corporation/ China Aviation Oil Holding Company/ China Aviation Oil Supply Corporation)
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes. Mr Gong is a nominee Director of China National Aviation Fuel Group Limited, a substantial shareholder of the Company.
Conflict of interest (including any competing business)	No
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7))	Yes

	Zhang Yuchen	Lin Yi	Richard Yang Minghui
	August 2021 to Present: Safety Director and General Manager of Safety, Quality and Environment Department of China National Aviation Fuel Group Limited July 2018 to August 2021: General Manager of Procurement Management Department China National Aviation Fuel Group Limited April 2015 to July 2018: General Manager of South China Bluesky Corporation Ltd, Hubei branch January 2013 to April 2015: Deputy General Manager of South China Bluesky Corporation Ltd, Hubei branch August 2009 to January 2013: Manager of Safety Monitoring Technology Development Department South China Bluesky Corporation Ltd	March 2023 to Present: Chief Executive Officer/Executive Director, China Aviation Oil (Singapore) Corporation Ltd September 2022 to March 2023: Chief Executive Officer, China Aviation Oil (Singapore) Corporation Ltd November 2018 to September 2022: General Manager, China National Aviation Fuel South China Bluesky Corporation Ltd May 2013 to November 2018: General Manager, China National Aviation Fuel South China Bluesky Corporation Ltd, Guangdong Branch September 2010 to May 2013: Adviser, China National Aviation Fuel South China Bluesky Corporation Ltd, Guangdong Branch	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
	Yes. Mr Zhang is a nominee Director of China National Aviation Fuel Group Limited, a substantial shareholder of the Company.	Yes. Mr Lin is a nominee Director of China National Aviation Fuel Group Limited, a substantial shareholder of the Company.	Yes. Dr Yang is a nominee Director of BP Investments Asia Limited, a substantial shareholder of the Company.
	No	No	No
	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

As of 31 March 2023

Name of Director	Gong Feng
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)	Nil
Present	Deputy General Manager of China National Aviation Fuel Group Limited **Other Principal Commitments** Nil
Information required Disclose the following matters concerning an appointment of director	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgement against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty, which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(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

	Zhang Yuchen	Lin Yi	Richard Yang Minghui
	Nil	Nil	Board Director, General Manager – ABC Company Part-time Consultant – Automobile Business
	Safety Director and General Manager of Safety, Quality and Environment Department of China National Aviation Fuel Group Limited **<u>Other Principal Commitments</u>** Nil	Chairman/Director of China Aviation Oil (Hong Kong) Company Limited Chairman/Director of North American Fuel Corporation Chairman of Oilhub Korea Yeosu Co., Ltd Deputy Chairman of Shanghai Pudong International Airport Aviation Fuel Supply Corporation Ltd **<u>Other Principal Commitments</u>** Nil	General Manager (China Aviation Sector) – BP (China) Holding Company Limited **<u>Other Principal Commitments</u>** Vice Chairman/Director of Shenzhen Cheng Yuan Aviation Oil Co., Ltd Vice Chairman/Director of South China Bluesky Aviation Oil Co., Ltd
	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 2023

Name of Director	Gong Feng	
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust?	No	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	

	Zhang Yuchen	Lin Yi	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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