

CIRCULAR DATED 24 JUNE 2026

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by China Aviation Oil (Singapore) Corporation Ltd (“Company”). If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately inform the purchaser or transferee or bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of Extraordinary General Meeting (“EGM”) and accompanying Proxy Form) may be accessed at SGXNET at the URL <https://www.sgx.com/securities/company-announcements> or the Company’s website at <https://www.caosco.com/investors/shareholders-meetings> under “Investors-Shareholders’ Meetings”. The Singapore Exchange Securities Trading Limited (“SGX-ST”) assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

Printed copies of this Circular will not be despatched to Shareholders. Instead, printed copies of the Notice of EGM, Proxy Form and Request Form will be mailed to Shareholders. Shareholders can access this Circular, the Notice of EGM and the accompanying Proxy Form electronically via the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at <https://www.caosco.com/investors/shareholders-meetings> under “Investors-Shareholders’ Meetings”.

Shareholders who require a printed copy of this Circular can request for a copy by completing and signing the Request Form and submitting it to the Company.

Please refer to Section 10 of this Circular for further information, including the steps to be taken by Shareholders to participate in the EGM.



China Aviation Oil (Singapore) Corporation Ltd

中国航油（新加坡）股份有限公司

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PROPOSED ADDENDUM TO SUPPLEMENT THE EXISTING INTERESTED PERSONS TRANSACTIONS GENERAL MANDATE FOR ADDITIONAL INTERESTED PERSON TRANSACTIONS ARISING FROM THE PROPOSED RESTRUCTURING BETWEEN CNAF GROUP AND SINOPEC GROUP

Independent Financial Adviser in relation to the Proposed Expanded IPT General Mandate



RHT CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
Company Registration No.: 201109968H

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form : 6 July 2026 at 3:00 p.m.

Date and time of Extraordinary General Meeting : 9 July 2026 at 3:00 p.m.

Place of Extraordinary General Meeting : Room 700, Stephen Riady Auditorium @NTUC, One Marina Boulevard, Singapore 018989

Please refer to Section 9 of this Circular for further details

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:

Entities

- “CAFEU”** : China Aviation Fuel (Europe) Limited (中国航油 (欧洲) 有限公司), a wholly-owned subsidiary of the Company
- “CAO” or “Company”** : China Aviation Oil (Singapore) Corporation Ltd
- “CAO Group”** : The Company and its unlisted subsidiaries (i.e. which are not listed on the SGX-ST or an approved exchange), and the unlisted associated companies of the Company over which the Company and its subsidiaries, or the Company and its subsidiaries and its interested persons, have Control
- “CAOHK”** : China Aviation Oil (Hong Kong) Company Limited (中国航油 (香港) 有限公司), a wholly-owned subsidiary of the Company
- “China Petrochemical Corporation”** : China Petrochemical Corporation (中国石油化工集团有限公司)
- “CNAF”** : China National Aviation Fuel Group Limited (中国航空油料集团有限公司) formerly known as China National Aviation Fuel Group Corporation (中国航空油料集团公司), the holding company of the Company prior to completion of the Proposed Restructuring
- “CNAF Group”** : CNAF, its subsidiaries, associates and associated companies, prior to completion of the Proposed Restructuring
- “CNAF HKR”** : CNAF Hong Kong Refuelling Limited (中国航油香港供油有限公司), a 68-per cent. owned indirect subsidiary of the Company and an associate of CNAF
- “Expanded Sinopec Group”** : Collectively, China Petrochemical Corporation, its subsidiaries, associates and associated companies, after completion of the Proposed Restructuring, which includes CNAF, its subsidiaries, associates and associated companies
- “Sinopec Financial Group”** : Entities in the Sinopec Group (or Expanded Sinopec Group, as the case may be) from time to time providing treasury services, which may include without limitation one or more of:
- (a) Sinopec Century Bright Capital Investment Ltd. (中国石化盛骏国际投资有限公司);
 - (b) Sinopec Century Bright Capital Investment (Singapore) Pte. Ltd. (中国石化盛骏国际投资 (新加坡) 有限公司);
 - (c) Sinopec Century Bright Capital Investment (Middle East) Limited. (中国石化盛骏国际投资 (中东) 有限公司);
 - (d) Sinopec Century Bright Capital Investment (America) LLC (中国石化盛骏国际投资 (美洲) 有限公司);
 - (e) Sinopec Century Bright Capital Investment (UK) Limited (中国石化盛骏国际投资 (英国) 有限公司);

DEFINITIONS

- (f) Sinopec Finance Co., Ltd (中国石化财务有限责任公司); and/or
- (g) Sinopec Financial Holding Company (中石化产融控股有限公司)
- “Sinopec Group” : China Petrochemical Corporation, its subsidiaries, associates and associated companies, prior to completion of the Proposed Restructuring
- “Sinopec HK Aviation” : Sinopec (Hong Kong) Aviation Company Limited (中石化 (香港) 航空燃料有限公司), a subsidiary of China Petrochemical Corporation
- “Sinopec Yuncheng” : Sinopec Marketing Co. Limited Shanxi Yuncheng Petrochemical Branch (中国石化销售股份有限公司山西运城石油分公司), a subsidiary of China Petrochemical Corporation
- “Unipecc SG” : Unipecc Singapore Pte. Ltd., a subsidiary of China Petrochemical Corporation
- General**
- “2026 AGM” : The annual general meeting of the Company held on 23 April 2026
- “Additional Interested Persons” : Each of the entities listed or described in **Annex III** of this Circular (which may be varied from time to time, as a result of or arising from any corporate actions and/or internal restructuring undertaken by the Expanded Sinopec Group), and “Additional Interested Person” means any one of them
- “Additional Interested Person Transactions” : Transactions entered into, or proposed to be entered into, between the CAO Group and the Additional Interested Persons
- “Approved Entities” : The Investee Companies and other members of the Expanded Sinopec Group
- “Audit Committee” : The audit committee of the Company, comprising Independent Non-Executive Directors, Mr Teo Ser Luck, Mr Hee Theng Fong and Dr Fu Xingran, and Non-Independent, Non-Executive Directors, Mr Zhang Yuchen and Dr Richard Yang Minghui, as at the date of this Circular
- “Average Barrel Price” : The yearly average market price per barrel of KERO, which shall be the arithmetic average of the mean of the daily high and low quotations for KERO under the heading “FOB SINGAPORE – MARKET LOCATION” as published in Platts Asia-Pacific/Arab Gulf Marketscan, effective for the calendar month prior to the date of the relevant transaction
- “Board” : The board of Directors of the Company
- “CDP” : The Central Depository (Pte) Limited

DEFINITIONS

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| “CFR” | : | The acronym for the Incoterm “Cost and Freight” which indicates that the seller/exporter/manufacturer clears the goods for export and is responsible for the costs for transport of the goods to the port of destination. The buyer bears the risk of loss of the goods once the goods pass the ship’s rail at the port of shipment (and not destination) |
| “Circular” | : | This circular to Shareholders dated 24 June 2026 |
| “CNAF Directors” | : | Mr Xu Guohong (Executive Chairman of the Company, Non-Independent Director of the Company), Mr Zhang Yuchen (Non-Independent, Non-Executive Director of the Company), Mr Shi Lei (Non-Independent, Non-Executive Director of the Company) and Mr Lin Yi (Non-Independent, Executive Director of the Company), being Directors nominated by CNAF on the Board |
| “Companies Act” | : | The Companies Act 1967 of Singapore |
| “Constitution” | : | The constitution of the Company currently in force |
| “Control” | : | The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company |
| “Controlling Shareholder” | : | In relation to a listed company, a person who: (a) holds directly or indirectly fifteen per cent. (15%) or more of the total voting rights in the company. The SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder; or (b) in fact exercises Control over the company |
| “CPF” | : | The Central Provident Fund of Singapore |
| “CPF Agent Bank” | : | Any agent bank appointed by a CPF Investor to maintain his/her CPFIS account |
| “CPFIS” | : | CPF Investment Scheme |
| “CPF Investor” | : | An investor who holds Shares under the CPFIS |
| “Deposit Banks” | : | The banks which the Sinopec Financial Group holds primary accounts with from time to time |
| “Derivative Financial Instruments” | : | Derivative financial instruments including but not limited to all futures and swaps products available in the energy and freight markets |
| “Director” | : | A director of the Company as at the date of this Circular |
| “Executive Director” | : | A Director who is an employee of and performs an executive function for the Company |
| “Existing IPT General Mandate” | : | The Shareholders’ general mandate for interested persons transactions pursuant to Chapter 9 of the Listing Manual passed at the 2026 AGM |

DEFINITIONS

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| “Expanded IPT General Mandate” | : | The proposed addendum to the Existing IPT General Mandate to expand and supplement the Existing IPT General Mandate to permit the Company, its subsidiaries and associated companies which are considered to be “entities at risk” under Chapter 9 of the Listing Manual or any of them, to enter into Additional Interested Person Transactions with the Additional Interested Persons, which is proposed to be passed at the EGM. For the avoidance of doubt, the Expanded IPT General Mandate shall be construed in conjunction with, and in addition to, and supplement the Existing IPT General Mandate |
| “FOB” | : | The acronym for the Incoterm “Free on Board”, which indicates that delivery is effected by the seller when the goods pass the ship’s rail at the named port of shipment. Accordingly, the seller clears the goods for export, and all costs and risks of loss of or damage to the goods from that port are borne by the buyer |
| “FY” | : | Financial year ended or ending on 31 December |
| “HKIA” | : | The Hong Kong International Airport at Chek Lap Kok |
| “IFA Letter” | : | The letter dated 24 June 2026 issued by the IFA, as set out in Annex IV of this Circular |
| “Incoterms” | : | The International Commercial Terms as developed and issued by the International Chambers of Commerce and “ Incoterm ” means any one of such terms |
| “Interested Persons” | : | For the purposes of this Circular, the CNAF Group, and following completion of the Proposed Restructuring, the Expanded Sinopec Group |
| “Interested Person Transactions” | : | For the purposes of this Circular, transactions proposed to be entered into between the CAO Group and the CNAF Group, and following completion of the Proposed Restructuring, the Expanded Sinopec Group |
| “Into-Plane Fuelling Services Agreements” | : | Collectively, the Sinopec HK Aviation Into-Plane Fuelling Services Agreement and the Sinopec Yuncheng Agreement |
| “Investee Companies” | : | Additional Interested Persons in which the CAO Group has an equity investment |
| “KERO” | : | The abbreviation of “kerosene” as published in Platts Asia-Pacific/ Arab Gulf Marketscan under “FOB SINGAPORE – MARKET LOCATION” |
| “Latest Practicable Date” | : | The latest practicable date prior to the printing of this Circular, being 15 June 2026 |
| “Listing Manual” | : | The Listing Manual of the SGX-ST |
| “Listing Rules” | : | The listing rules of the SGX-ST set out in the Listing Manual |
| “Market Day” | : | A day on which the SGX-ST is open for trading in securities |

DEFINITIONS

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| “MOPS” | : | Mean of Platts Singapore |
| “Non-Executive Director” | : | A Director (including an Independent Director) of the Company, as the case may be, who is not an Executive Director |
| “Notice of EGM” | : | Notice for the forthcoming EGM dated 24 June 2026 |
| “OTC” | : | Over-the-counter |
| “Petroleum Products” | : | Petroleum products including but not limited to aviation fuel, gas oil, fuel oil, crude oil and other petrochemicals |
| “PRC” | : | The People’s Republic of China |
| “Proposed Restructuring” | : | The restructuring proposed to be made between CNAF Group and Sinopec Group, pursuant to which CNAF Group will become part of the Expanded Sinopec Group. For the avoidance of doubt, completion of the Proposed Restructuring is conditional on all necessary governmental and regulatory approvals and clearances being obtained, including without limitation, from the PRC State Administration for Market Regulation (中国国家市场监督管理总局) |
| “Recommending Directors” | : | The Directors who are considered independent for the purpose of making a recommendation to Shareholders on the proposed Expanded IPT General Mandate, namely, Mr Teo Ser Luck, Mr Hee Theng Fong, Dr Fu Xingran, Dr Jeffrey Goh Mau Seong and Dr Richard Yang Minghui, and “ Recommending Director ” means any one of them |
| “Resolution” | : | The resolution to be approved by Shareholders at the forthcoming EGM, being the proposed Expanded IPT General Mandate |
| “Risk Management Committee” | : | The risk management committee of the Company, comprising the Non-Executive Directors, namely Mr Hee Theng Fong (Independent Director), Mr Zhang Yuchen (Non-Independent CNAF Director), Mr Teo Ser Luck (Independent Director), Mr Shi Lei (Non-Independent CNAF Director) and Dr Jeffrey Goh Mau Seong (Independent Director) as at the date of this Circular, set up for the purposes of assisting the Board in fulfilling its oversight and approval responsibilities relating to its risk management framework and policies, as well as market, credit, operational, compliance and all other risk concerns |
| “Securities Account” | : | A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent |

DEFINITIONS

- “Senior Executives”** : The senior executives of the CAO Group who, for the purposes of undertaking the review procedures described in paragraph 6 of **Annex II** to this Circular (*Review Procedures for Additional Interested Person Transactions*), are the chief executive officer, chief financial officer, deputy chief financial officer, vice president, head of finance, deputy head of finance, head of trading, deputy head of trading, head of risk management, deputy head of risk management, head of operations, deputy head of operations, any head of department, function or business unit, assistant to the chief executive officer, or any position of equivalent rank or seniority as the foregoing, of any of the members of the CAO Group, and/or such other senior management personnel tasked to undertake the functions of the foregoing senior executives' positions from time to time
- “Services”** : Services that the member(s) of the Sinopec Group may provide to the CAO Group from time to time, whereby the member(s) of the Sinopec Group share(s) the benefit of its context, expertise or knowledge with the CAO Group or where efficiencies and economies of scale can be achieved by the member(s) of the Sinopec Group and the CAO Group through the provision of services by the former to the latter, including, without limitation, services relating to information technology (IT), risk management, information-sharing, marketing, training, secondment of staff and other corporate functions
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “Shareholders”** : The registered holders of Shares, except that where the registered holder is CDP, the term **“Shareholders”** shall, in relation to those Shares, mean the depositors whose Securities Accounts are credited with Shares
- “Shares”** : Ordinary shares in the capital of the Company
- “Sinopec HK Aviation Into-Plane Fuelling Services Agreement”** : The into-plane fuelling services agreement entered into by CNAF HKR and Sinopec HK Aviation on 27 July 2018
- “Sinopec Supply Agreement”** : The supply agreement entered into by CAOHK and Sinopec HK Aviation dated 15 August 2025 relating to the terms of the supply arrangements between CAOHK and Sinopec HK Aviation. At the time of entry into the Sinopec Supply Agreement, Sinopec HK Aviation was not an interested person of the Company. The Audit Committee has reviewed the terms of the Sinopec Supply Agreement prior to providing its statement at paragraph 3.3(a)(i) of **Annex II** to this Circular
- “Sinopec Yuncheng Agreement”** : The fuel supply and into-plane fuelling services agreement entered into by CAOHK and Sinopec Yuncheng on 6 May 2026 relating to the supply arrangements and into-plane fuelling services arrangements between Sinopec Yuncheng and CAOHK. At the time of entry into the Sinopec Yuncheng Agreement, Sinopec Yuncheng was not an interested person of the Company. The Audit Committee has reviewed the terms of the Sinopec Yuncheng Agreement prior to providing its statement at paragraph 3.3(a)(iii) of **Annex II** to this Circular

DEFINITIONS

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| “SRS” | : | Supplementary Retirement Scheme |
| “SRS Investor” | : | An investor who holds shares under the SRS |
| “SRS Operator” | : | Any agent bank appointed by a SRS Investor to operate his/her SRS account |
| “Substantial Shareholder” | : | A substantial shareholder of the Company as defined under Section 2(6) of the Securities and Futures Act 2001 of Singapore |
| “Supply Agreements” | : | Collectively, the Sinopec Supply Agreement, the Unipecc Supply Agreement, and the Sinopec Yuncheng Agreement |
| “Term Charter Party Agreement : 2026” | : | The Term Charter Party Agreement entered into by the Company and China National Aviation Fuel Logistics Co., Ltd (中国航油集团物流有限公司), a subsidiary of CNAF dated 24 December 2025 on substantially the same terms as the Term Charter Party Agreement dated 10 February 2014 relating to the provision of freight services by China National Aviation Fuel Logistics Co., Ltd (中国航油集团物流有限公司) in respect of the transportation of Petroleum Products (save for adjustments to the pricing of existing delivery routes and the inclusion of an additional delivery route and pricing) for a five (5)-year term effective from 1 May 2026 and expiring on 30 April 2031. The Audit Committee had reviewed the terms of the Term Charter Party Agreement 2026 prior to entry into the agreement |
| “Treasury Services” | : | Transactions relating to: <ul style="list-style-type: none">(a) interest-bearing placement of funds by the CAO Group with Sinopec Financial Group;(b) the borrowing of funds by the CAO Group from Sinopec Financial Group;(c) the provision of loans by the CAO Group to Approved Entities; and/or(d) the grant of guarantees and/or indemnities by the CAO Group in favour of third parties for the purposes of the Investee Companies |
| “Uninterested Senior Executive” | : | Any Senior Executive who shall have no interest (whether direct or indirect) in the Additional Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract, and who is not seconded by the Additional Interested Person or held any directorship in the Additional Interested Person |
| “Unipecc Supply Agreement” | : | The supply agreement entered into by CAFEU and Unipecc SG dated 2 December 2025 relating to the terms of the supply arrangements between CAFEU and Unipecc SG. At the time of entry into the Unipecc Supply Agreement, Unipecc SG was not an interested person of the Company. The Audit Committee had reviewed the terms of the Unipecc Supply Agreement prior to providing its statement at paragraph 3.3(a)(ii) of Annex II to this Circular |

DEFINITIONS

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| “YCU” | : | Yuncheng Yanhu International Airport, Shanxi Province, PRC |
| “%” or “per cent.” | : | Per centum or percentage |
| “S\$” | : | Singapore dollars, the lawful currency of the Republic of Singapore |
| “US\$” and “US cents” | : | U.S. dollars and cents, respectively, the lawful currency of the United States of America |

The terms “**depositor**” and “**depository agent**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore in force as at the Latest Practicable Date.

The terms “**associate**”, “**associated company**”, “**entity at risk**”, “**interested person**”, “**interested person transaction**”, “**chief executive officer**” and “**approved exchange**” shall have the meanings ascribed to them respectively in the Listing Manual.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing any one gender shall, where applicable, include the other genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Manual and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act or the Listing Manual, as the case may be, unless otherwise provided. Save as otherwise stated, summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Circular are of such laws and regulations (including the Listing Manual) in force as at the Latest Practicable Date.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

Unless otherwise stated, the following closing exchange rate as at the Latest Practicable Date has been used in this Circular:

S\$1: US\$0.780

The exchange rate as set out above is used for illustration purposes only and should not be construed as a representation that the relevant amounts have been or could be converted at the rate above or at any other rate.

The Company has appointed Rajah & Tann Singapore LLP as the legal adviser to the Company as to Singapore law in relation to the proposed Expanded IPT General Mandate.

LETTER TO SHAREHOLDERS

CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

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

Board of Directors:

| | |
|-----------------------|--|
| Xu Guohong | (Chairman – Executive, Non-Independent) |
| Teo Ser Luck | (Lead Independent Director – Non-Executive, Independent) |
| Zhang Yuchen | (Director – Non-Executive, Non-Independent) |
| Shi Lei | (Director – Non-Executive, Non-Independent) |
| Lin Yi | (Director – Executive, Non-Independent) |
| Hee Theng Fong | (Director – Non-Executive, Independent) |
| Fu Xingran | (Director – Non-Executive, Independent) |
| Jeffrey Goh Mau Seong | (Director – Non-Executive, Independent) |
| Richard Yang Minghui | (Director – Non-Executive, Non-Independent) |

Registered Office:

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

24 June 2026

To: The Shareholders of China Aviation Oil (Singapore) Corporation Ltd

Dear Sir / Madam,

PROPOSED ADDENDUM TO SUPPLEMENT THE EXISTING INTERESTED PERSONS TRANSACTIONS GENERAL MANDATE FOR ADDITIONAL INTERESTED PERSON TRANSACTIONS ARISING FROM THE PROPOSED RESTRUCTURING BETWEEN CNAF GROUP AND SINOPEC GROUP

1. INTRODUCTION

- 1.1 **The Directors propose to convene an EGM to be held on 9 July 2026 to seek Shareholders' approval for the proposed Expanded IPT General Mandate, the details of which are set out in Section 2 of this Circular.**
- 1.2 The purpose of this Circular is to provide Shareholders with information in respect of the proposed Expanded IPT General Mandate, and to seek approval of Shareholders at the EGM for the matters set out in the Notice of EGM.

2. THE PROPOSED ADDENDUM TO THE EXISTING IPT GENERAL MANDATE BY WAY OF THE PROPOSED EXPANDED IPT GENERAL MANDATE

2.1 Background

- (a) CNAF, which is the majority shareholder of the Company, is China's largest state-owned aviation fuel supplier which integrates the purchase, transportation, storage, quality management, sales and into-plane service of aviation fuel. Information on the shareholdings of CNAF in the Company can be found in Section 7.2 of this Circular.
- (b) On 8 January 2026, the State Council approved a restructuring plan between CNAF and China Petrochemical Corporation. Sinopec Group is the world's largest oil refiner and China's top aviation fuel producer, processes crude into oil products, including jet fuel, supplying it to CNAF.
- (c) China Petrochemical Corporation was established in July 1998 on the basis of the former China Petrochemical Corporation, in a move by the central government to strategically restructure the petroleum and petrochemical industry. It was further incorporated as a limited liability corporation in August 2018. Headquartered in Beijing, it is a super large

LETTER TO SHAREHOLDERS

energy and petrochemical group with integrated business in upstream, downstream, production, supply, marketing, domestic and overseas trading, China Petrochemical Corporation has a registered capital of 326.5 billion yuan. Principal businesses of the Sinopec Group include petroleum and natural gas exploration, production, storage and transportation (including pipeline transmission), sales and comprehensive utilisation; oil refining; wholesale and retail of oil products; production, sales, storage, transportation of petrochemical products and other chemical products; industrial investment and investment management; design, construction and installation for petroleum and petrochemical engineering projects; overhaul and maintenance of petroleum and petrochemical equipment; manufacturing of electrical and mechanical equipment; research and development, application and consulting services of technology, information and alternative energy products; import and export. The Sinopec Group is the largest refined oil and petrochemical products supplier in China, and the largest refining company and the second largest chemical company in the world. Its total number of gas stations ranks the second place in the world. It has been ranked among the top corporations on Fortune's Global 500 List in recent years.

- (d) Upon completion of the Proposed Restructuring, the CNAF Group would become part of the Sinopec Group, which would collectively comprise the Expanded Sinopec Group. As a result, subsidiaries, associates and associated companies of China Petrochemical Corporation may come within the meanings of "interested persons" of the Company under Chapter 9 of the Listing Manual.
- (e) As at the date of this Circular, the CAO Group has, in its ordinary course of business, entered into ongoing transactions with certain members of the Sinopec Group (which upon completion of the Proposed Restructuring would comprise the Expanded Sinopec Group), further details of which are set out in paragraph 3 of **Annex II**.
- (f) Accordingly, the Company proposes to adopt the Expanded IPT General Mandate detailed in **Annex II** to supplement the Existing IPT General Mandate which was last renewed at the 2026 AGM. If approved by Shareholders, the Expanded IPT General Mandate is to be read in conjunction with, in addition to, and supplement the Existing IPT General Mandate, which will continue to be in force (as supplemented). The proposed Expanded IPT General Mandate will authorise the Company, its subsidiaries and associated companies that are considered to be "*entities at risk*" within the meaning of Chapter 9 of the Listing Manual, to enter, in the ordinary course of business, into any of the mandated transactions with the Expanded Sinopec Group (being an additional specified class of the Company's interested persons upon completion of the Proposed Restructuring), provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, and are entered into in accordance with the review procedures for such transactions.
- (g) General information relating to Chapter 9 of the Listing Manual is set out in **Annex I** to this Circular.

2.2 Validity Period of the Expanded IPT General Mandate

If approved by the Shareholders at the EGM, the Expanded IPT General Mandate shall be conditional upon completion of the Proposed Restructuring and shall only come into force with effect from the date of the completion of the Proposed Restructuring, and shall apply in respect of Additional Interested Person Transactions entered or to be entered into from the date of the completion of the Proposed Restructuring until the conclusion of the next annual general meeting of the Company or the date on which the next annual general meeting of the Company is required to be held, whichever is the earlier, unless revoked or varied by the Company in a general meeting.

LETTER TO SHAREHOLDERS

2.3 Disclosure

Pursuant to Chapter 9 of the Listing Manual, the Company will disclose in its annual report the aggregate value of interested person transactions entered into under the Expanded IPT General Mandate, during the financial year under review, and in the annual reports of subsequent financial years during which the Expanded IPT General Mandate is in force. In addition, the Company will announce the aggregate value of interested person transactions entered into pursuant to the Expanded IPT General Mandate, as renewed, for the financial periods which it is required to report pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report.¹ These disclosures will be in the form set out in Rule 907 of the Listing Manual.

3. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

- 3.1 Pursuant to Chapter 9 of the Listing Manual, RHT Capital Pte. Ltd. has been appointed by the Company as the IFA pursuant to Rule 920 of the Listing Manual as well as to advise the Recommending Directors, on whether the methods and review procedures for determining the terms of the Expanded IPT General Mandate are sufficient to ensure that all Additional Interested Person Transactions pursuant to the Expanded IPT General Mandate will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.
- 3.2 The IFA Letter, setting out the IFA's advice in full, is reproduced in **Annex IV** to this Circular.
- 3.3 The following is an extract from Section 4 of the IFA Letter to the Recommending Directors and should be read in conjunction with, and in the full context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated:

"4. OUR OPINION

In arriving at our recommendations in respect of the Expanded IPT Mandate, we have taken into consideration, inter alia, the following factors summarised below and elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

- (i) the rationale of the Expanded IPT General Mandate;*
- (ii) the classes of Additional Interested Persons and the details of the transactions to be provided under the Expanded IPT General Mandate;*
- (iii) the benefits of the Additional Interested Persons to the Group;*
- (iv) the guidelines and review procedures of the Expanded IPT General Mandate;*
- (v) the threshold limits for each transaction under the Expanded IPT General Mandate;*
- (vi) the general review procedures of the Expanded IPT General Mandate;*
- (vii) the disclosures in the Annual Report and Financial Statements; and*
- (viii) the validity period of the Expanded IPT General Mandate.*

¹ In the case of Treasury Services involving interest-bearing placement of funds by the CAO Group with Sinopec Financial Group, the Company will disclose the highest amount of funds of the CAO Group on placement with Sinopec Financial Group (including both principal and any interest which has been compounded) in aggregate at any one time during the relevant financial period covered by the announcement or annual report, as well as separate disclosure of the aggregate interest earned during the said financial period.

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Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the guidelines and review procedures under the Expanded IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Expanded IPT Mandate, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Expanded IPT Mandate, and we do not warrant the merits of the Expanded IPT Mandate.”

4. STATEMENT OF THE AUDIT COMMITTEE

- 4.1 Having considered, *inter alia*, the terms, the rationale and benefits of the Expanded IPT General Mandate, as set out in **Annex II** to this Circular and the IFA's opinion expressed in the IFA Letter, the Audit Committee confirms that it concurs with the view of the IFA in relation to the review procedures proposed by the Company, as set out in paragraph 6 of **Annex II** to this Circular are sufficient to ensure that the Additional Interested Person Transactions pursuant to the Expanded IPT General Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.
- 4.2 The Non-Independent and Non-Executive Director of the Audit Committee, Mr Zhang Yuchen, being a CNAF Director, has abstained from the Audit Committee's review and determination in relation to the above.

5. SHAREHOLDERS WHO WILL ABSTAIN FROM VOTING

- 5.1 By virtue of its interests in the Expanded IPT General Mandate, CNAF will abstain and has undertaken to ensure that its associates will abstain from voting on the Resolution. The Company will disregard any votes cast in contravention of this abstention requirement.
- 5.2 Further, CNAF has agreed to decline to accept appointment as proxy to vote and attend at the EGM, unless the Shareholder(s) concerned shall have given specific instructions as to the manner in which his votes are to be cast.

6. DIRECTORS WHO WILL ABSTAIN FROM VOTING

- 6.1 The CNAF Directors do not hold any Shares as at the Latest Practicable Date. If they subsequently become Shareholders and are entitled to vote at the EGM, they will abstain from voting on the Resolution. The Company will disregard any votes cast in contravention of this abstention requirement.
- 6.2 The CNAF Directors will also decline to accept appointment as proxy to vote and attend at the EGM in respect of the Resolution, unless the Shareholder(s) concerned shall have given specific instructions as to the manner in which his votes are to be cast.

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7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

- 7.1 The Directors do not hold any interest in the Shares, as extracted from the Register of Directors' Shareholding, as at the Latest Practicable Date.
- 7.2 The interests of the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

| Name of Substantial Shareholder | Direct Interest (No. of Shares ⁽¹⁾) | % | Deemed Interest (No. of Shares ⁽¹⁾) | % |
|---------------------------------|---|-------|---|---|
| CNAF | 441,332,912 | 51.31 | - | - |
| BPIA | 173,476,942 | 20.17 | - | - |

Notes

- (1) There are 860,183,628 issued Shares as at the Latest Practicable Date (excluding treasury shares and subsidiary holdings).

- 7.3 Upon completion of the Proposed Restructuring, China Petrochemical Corporation will replace CNAF as the controlling shareholders and the envisaged interests of the Substantial Shareholders in the Shares will be as set out below:

| Name of Substantial Shareholder | Direct Interest (No. of Shares ⁽¹⁾) | % | Deemed Interest (No. of Shares ⁽¹⁾) | % |
|---------------------------------|---|-------|---|-------|
| CNAF | 441,332,912 | 51.31 | - | - |
| China Petrochemical Corporation | - | - | 441,332,912 | 51.31 |
| BPIA | 173,476,942 | 20.17 | - | - |

Notes:

- (1) Assuming 860,183,628 issued Shares as based on the Latest Practicable Date (excluding treasury shares and subsidiary holdings).
- (2) China Petrochemical Corporation has deemed interest in the Shares held by CNAF.

8. RECOMMENDING DIRECTORS' RECOMMENDATIONS

The Recommending Directors are of the opinion that the proposed Expanded IPT General Mandate is in the best interests of the Company and is not prejudicial to the interests of minority Shareholders. Accordingly, the Recommending Directors recommend that Shareholders vote in favour of the Resolution at the forthcoming EGM.

9. EXTRAORDINARY GENERAL MEETING

- 9.1 The EGM is convened for the purpose of considering and, if thought fit, passing with or without modifications the Resolution as set out in the Notice of EGM. The members of the Company are invited to attend physically at the EGM. **There will be no option for shareholders to participate virtually.**
- 9.2 The EGM will be held on 9 July 2026 at 3:00 p.m. (Singapore time) at Room 700, Stephen Riady Auditorium @NTUC, One Marina Boulevard, Singapore 018989.

LETTER TO SHAREHOLDERS

10. ACTION TO BE TAKEN BY SHAREHOLDERS

10.1 Circular, Notice of EGM and Proxy Form

- (a) Printed copies of this Circular will not be despatched to Shareholders. Instead, printed copies of the Notice of EGM, Proxy Form, and Request Form will be mailed to Shareholders. Shareholders can access this Circular, the Notice of EGM, and the accompanying Proxy Form electronically via the website of the SGX-ST at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.caosco.com/investors/shareholders-meetings> under "Investors-Shareholders' Meetings".
- (b) Shareholders who require a printed copy of this Circular can request for a copy by completing and signing the Request Form, and submitting it to the Company.
- (c) Shareholders are advised to read this Circular carefully in order to decide whether they should vote in favour of or against, or abstain from voting on, the Resolution to be proposed at the EGM.

10.2 Submission of Proxy Form to Vote

- (a) Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete and sign the Proxy Form, before submitting it by post to the address provided below, or before scanning and sending it by email to the email address provided below.
- (b) Investors whose Shares are held with relevant intermediaries including CPF Investors and SRS Investors, who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, should approach their respective intermediaries such as CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM in order to allow sufficient time for their respective CPF Agent Banks or SRS Operators to in turn submit a Proxy Form to appoint a proxy to vote on their behalf by the cut-off date.
- (c) The duly completed Proxy Form must be submitted to the Company in the following manner:
 - (i) if submitted electronically, the Proxy Form must be received at egm_proxyforms@caosco.com (e.g. enclosing a clear scanned completed and signed Proxy Form); or
 - (ii) if sent personally or by post, the Proxy Form must be lodged at the registered office of the Company at 8 Temasek Boulevard, #31-02, Suntec Tower Three, Singapore 038988,

in either case, by 3:00 p.m. (Singapore time) on 6 July 2026 (being not less than 72 hours before the time fixed for holding the EGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

- (d) Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.

10.3 Submission of Questions in Advance

- (a) Shareholders may submit questions related to the resolutions to be tabled for approval at the EGM in advance of the EGM no later than 1 July 2026, 3:00 p.m. (Singapore time):
 - (i) by email to egm_questions@caosco.com; or

LETTER TO SHAREHOLDERS

- (ii) by post to the registered office of the Company at 8 Temasek Boulevard, #31-02, Suntec Tower Three, Singapore 038988.

Shareholders submitting questions are required to state:

- (A) their full name;
- (B) their identification/ registration number; and
- (C) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and/or scrip),

failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

- (b) All questions submitted in advance of the EGM must be received by the Company by the time and date stated above to be treated as valid.
- (c) The Company will endeavour to address all substantial and relevant questions received from Shareholders either before the EGM on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.caosco.com/investors/shareholders-meetings> under "Investors-Shareholders' Meetings" by 3:00 p.m. on 4 July 2026. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.
- (d) The Company will, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNET at URL <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.caosco.com/investors/shareholders-meetings> under "Investors-Shareholders' Meetings" and the minutes will include the responses to the substantial and relevant questions raised during the EGM.

10.4 Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to vote thereat unless his name appears on the Depository Register as certified by CDP at least 72 hours before the time appointed for holding the EGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

- 11.1 The Directors (including those who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Expanded IPT General Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.
- 11.2 Where information contained in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Circular in its proper form and context.

12. CONSENT

The IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter and all references thereto, in the form and context in which it appears in this Circular.

LETTER TO SHAREHOLDERS

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection by the Shareholders at the registered office of the Company at 8 Temasek Boulevard, #31-02, Suntec Tower Three, Singapore 038988, during normal business hours for a period of three (3) months from the date of this Circular:

- (a) the Constitution;
- (b) the annual reports of the CAO Group for FY2023, FY2024 and FY2025;
- (c) the letter to Shareholders dated 1 April 2026 in relation to, *inter alia*, the Existing IPT General Mandate;
- (d) the IFA Letter; and
- (e) the consent letter from the IFA.

Yours faithfully
For and on behalf of the Board of Directors of
China Aviation Oil (Singapore) Corporation Ltd

Mr Xu Guohong
Chairman

ANNEX I – GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

SCOPE

Chapter 9 of the Listing Manual applies to transactions which an entity at risk proposes to enter into with a counterparty who is an interested person of the entity at risk.

Shareholders are encouraged to refer to the Listing Manual for the full text of Chapter 9.

DEFINITIONS

A “**controlling shareholder**” means a person who holds (directly or indirectly) fifteen per cent. (15%) or more of the total voting rights in the listed company (provided that the SGX-ST may determine that a person who satisfies the foregoing is not a controlling shareholder) or in fact exercises control over the listed company.

A “**transaction**” includes (a) the provision or receipt of financial assistance, (b) the acquisition, disposal or leasing of assets, (c) the provision or receipt of goods or services, (d) the issuance or subscription of securities, (e) the granting of or being granted options, and (f) the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

An “**associate**” includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of a director, chief executive officer, substantial shareholder or controlling shareholder, the trustees of any trust of which such director, chief executive officer, substantial shareholder or controlling shareholder or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which such director, chief executive officer, substantial shareholder or controlling shareholder and his immediate family together have an aggregate interest (directly or indirectly) of thirty per cent. (30%) or more, and, where a substantial shareholder or controlling shareholder is a corporation, “associate” means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more.

An “**associated company**” means a company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the listed company and/or the listed company’s subsidiaries.

An “**entity at risk**” means the issuer, its subsidiary that is not listed on the SGX-ST or an approved exchange, or its associated company that is not listed on the SGX-ST or an approved exchange, (provided that the listed group, or the listed group and its interested person(s) has control over the associated company).

An “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

“**Control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.

ANNEX I – GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

GENERAL REQUIREMENTS

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement, or immediate announcement and shareholders' approval will be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction with interested persons as compared with the listed company's latest audited consolidated net tangible assets), are reached or exceeded. In particular, shareholders' approval is required where:

- (a) the value of such a transaction when aggregated with the values of all other transactions previously entered into with the same interested person (as defined in Chapter 9 of the Listing Manual) during the same financial year of the listed company is equal to or exceeds five per cent. (5%) of the latest audited consolidated net tangible assets of the listed company; or
- (b) the value of such a transaction is equal to or exceeds five per cent. (5%) of the latest audited consolidated net tangible assets of the listed company.

GENERAL MANDATE

A listed company may seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

ANNEX II – EXPANDED IPT GENERAL MANDATE

1. RATIONALE FOR THE EXPANDED IPT GENERAL MANDATE

- 1.1 CNAF, which is the majority shareholder of the Company, is China's largest state-owned aviation fuel supplier which integrates the purchase, transportation, storage, quality management, sales and into-plane service of aviation fuel. Information on the shareholdings of CNAF in the Company can be found in Section 7.2 of this Circular.
- 1.2 On 8 January 2026, the State Council approved a restructuring plan between CNAF Group and Sinopec Group. Sinopec Group is the world's largest oil refiner and China's top aviation fuel producer, processes crude into oil products, including jet fuel, supplying it to CNAF.
- 1.3 China Petrochemical Corporation was established in July 1998 on the basis of the former China Petrochemical Corporation, in a move by the central government to strategically restructure the petroleum and petrochemical industry. It was further incorporated as a limited liability corporation in August 2018. Headquartered in Beijing, it is a super large energy and petrochemical group with integrated business in upstream, downstream, production, supply, marketing, domestic and overseas trading, China Petrochemical Corporation has a registered capital of 326.5 billion yuan. Principal businesses of the Sinopec Group include petroleum and natural gas exploration, production, storage and transportation (including pipeline transmission), sales and comprehensive utilisation; oil refining; wholesale and retail of oil products; production, sales, storage, transportation of petrochemical products and other chemical products; industrial investment and investment management; design, construction and installation for petroleum and petrochemical engineering projects; overhaul and maintenance of petroleum and petrochemical equipment; manufacturing of electrical and mechanical equipment; research and development, application and consulting services of technology, information and alternative energy products; import and export. The Sinopec Group is the largest refined oil and petrochemical products supplier in China, and the largest refining company and the second largest chemical company in the world. Its total number of gas stations ranks the second place in the world. It has been ranked among the top corporations on Fortune's Global 500 List in recent years.
- 1.4 Upon completion of the Proposed Restructuring, the CNAF Group would become part of the Sinopec Group, which would collectively comprise the Expanded Sinopec Group. As a result, subsidiaries, associates and associated companies of China Petrochemical Corporation may come within the meanings of "interested persons" of the Company under Chapter 9 of the Listing Manual.
- 1.5 As at the date of this Circular, the CAO Group has, in its ordinary course of business, entered into ongoing transactions with certain members of the Sinopec Group (which upon completion of the Proposed Restructuring would comprise the Expanded Sinopec Group), further details of which are set out in paragraph 3 of this **Annex II**.
- 1.6 The Expanded IPT General Mandate is intended to facilitate transactions in the ordinary course of business of the CAO Group as described in paragraph 3 of this **Annex II** which are recurrent in nature and may be transacted from time to time with the Additional Interested Persons provided that they are carried out on normal commercial (or, in the absence of other similar comparable transactions, in the circumstances, commercially reasonable, justifiable and/or practicable) terms and are not prejudicial to the interests of the Company and its minority Shareholders.
- 1.7 The Expanded IPT General Mandate is intended to enhance the CAO Group's ability to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' approval for the entry by the CAO Group into such transactions, which would be commercially impracticable and contrary to the interest of the CAO Group. This will substantially reduce administrative time and expenses associated with the making of such announcements or the announcement and convening of general meetings from time to time, and allow manpower resources to be focused towards other corporate and business opportunities, in order to maximise profits and value for all Shareholders.

ANNEX II – EXPANDED IPT GENERAL MANDATE

2. CLASSES OF ADDITIONAL INTERESTED PERSONS

- 2.1 Under the Expanded IPT General Mandate, the Additional Interested Persons comprise (present and future) members of the Expanded Sinopec Group, each of which is deemed to be an Additional Interested Person that the Group will be transacting with.
- 2.2 The list of the Additional Interested Persons and the types of transactions which the CAO Group intends to undertake pursuant to the Expanded IPT General Mandate, are set out in **Annex III** to this Circular. Members of the Expanded Sinopec Group which are nominated by the Additional Interested Persons expressly named/listed in **Annex III** to enter into transactions with the CAO Group, are also deemed to be Additional Interested Persons listed in **Annex III** with which the CAO Group may transact under the Expanded IPT General Mandate. It is also to be noted that as the Expanded Sinopec Group undertake corporate actions and/or internal restructuring exercises from time to time, the list of members from the respective groups as well as the types of transactions to be transacted with each member will naturally be subject to change.
- 2.3 Paragraph 3 of this **Annex II** sets out the background to, and describes the nature of, the Additional Interested Person Transactions with the Expanded Sinopec Group respectively which are covered under the Expanded IPT General Mandate.

3. CATEGORIES OF ADDITIONAL INTERESTED PERSON TRANSACTIONS WITH THE EXPANDED SINOPEC GROUP

- 3.1 Transactions between the CAO Group and the Expanded Sinopec Group covered by the Expanded IPT General Mandate comprise the following categories:
- (a) the sales and purchases of Petroleum Products to/from the Additional Interested Persons;
 - (b) the provision and receipt of supply chain services including, but not limited to:
 - (i) the procurement of shipping and logistics services from the Additional Interested Persons for the transport of Petroleum Products (including, without limitation, the chartering of ships, whether on a time charter or fixed voyage basis, and the rental of tankages and/or the entry by member(s) of the CAO Group into term charter party agreement(s) with Additional Interested Person(s) on terms similar to that of the Term Charter Party Agreement 2026);
 - (ii) the provision of import agency services for Petroleum Products by the CAO Group to the Additional Interested Persons; and
 - (iii) the provision of into-plane fuelling services by the CAO Group to the Additional Interested Persons and the procurement of into-plane fuelling services by the CAO Group from the Additional Interested Persons;
 - (c) the provision of Treasury Services by the Additional Interested Persons to the CAO Group, and the provision of Treasury Services by the CAO Group to Approved Entities; and
 - (d) the provision of Services by Additional Interested Person(s).
- 3.2 The CAO Group does not presently intend to engage in the trading of Derivative Financial Instruments with the Expanded Sinopec Group. As such, the Expanded IPT General Mandate does not cover transactions involving the trading of Derivative Financial Instruments with the Expanded Sinopec Group.

ANNEX II – EXPANDED IPT GENERAL MANDATE

3.3 Sales and Purchases of Petroleum Products

(a) Supply of Aviation Fuel

As part of its business, the CAO Group may supply aviation fuel to and/or procure aviation fuel from Additional Interested Persons, based on the terms of existing agreements entered into (as elaborated below) or on an *ad hoc* basis.

(i) Sinopec Supply Agreement

On completion of the Proposed Restructuring, the sale and purchase of aviation jet fuel under the Sinopec Supply Agreement will constitute an Additional Interested Person Transaction.

The Sinopec Supply Agreement was entered into on 15 August 2025 between CAOHK (as buyer) and Sinopec HK Aviation (as seller), and unless terminated in accordance with its terms, continues to subsist.

Under the Sinopec Supply Agreement, Sinopec HK Aviation agrees to sell and deliver and CAOHK agrees to buy and take delivery of aviation jet fuel at certain airport location(s) as detailed in location contracts entered into from time to time (each, a “**Location Contract**”).

The Sinopec Supply Agreement (together with the relevant Location Contracts) sets out details regarding the procurement process, such as price of aviation jet fuel, quality specifications, delivery and nomination arrangements, payment terms, force majeure provisions and trade control and compliance obligations, as well as period of time.

For illustration purposes only, as at the Latest Practicable Date:

- (A) the pricing for aviation jet fuel supplied under the Location Contract entered into by CAOHK and Sinopec HK Aviation on 23 December 2025 (“**HKIA Location Contract**”) is updated monthly and calculated based on the “*base price*” minus a fixed differential;
- (B) the “*base price*” is calculated as the arithmetic average of the “*mean*” of the daily “*high*” and “*low*” quotations for MOPS KERO for the month immediately preceding the month of delivery. The calculation is based on trading days applicable to MOPS KERO;
- (C) Sinopec HK Aviation (as seller) grants a further fixed discount of on the total uplift volume (excluding Cathay Pacific uplift volume) if the total uplift volume by CAOHK (as buyer) in 2026 exceeds a certain amount;
- (D) there is no discount granted for any uplift supplied using CAOHK’s own cargo;
- (E) all taxes, levies, airport throughput fees, and other applicable third-party charges are for the account of CAOHK; and
- (F) the duration of the HKIA Location Contract is for a period of one (1) year commencing 1 January 2026 and ending on 31 December 2026.

While the Sinopec Supply Agreement and HKIA Location Contract were entered into prior to Sinopec HK Aviation becoming an “*interested person*” of the Company, as such arrangements contemplated under the Sinopec Supply Agreement and HKIA Location Contract are intended to continue and be undertaken from time to time in the ordinary course of the CAO Group’s business following completion of the Proposed Restructuring, the Audit Committee has for the purposes of the Expanded

ANNEX II – EXPANDED IPT GENERAL MANDATE

IPT General Mandate reviewed the rates and terms of the Sinopec Supply Agreement and HKIA Location Contract in accordance with the procedures set out in the Expanded IPT General Mandate.

Any subsequent substantive amendments to, or renewal or extension of the Sinopec Supply Agreement and the HKIA Location Contract, as well as entry into any further Location Contract, are also to be reviewed and approved by the Audit Committee in accordance with the procedures set out in this Expanded IPT General Mandate.

For the benefit of facilitating Shareholders' understanding, for purposes of Chapter 9 of the Listing Manual:

- (A) upon completion of the Proposed Restructuring, Sinopec HK Aviation will be an *"interested person"*, as it is a subsidiary of China Petrochemical Corporation and will be a member of the Expanded Sinopec Group;
- (B) CAOHK is an *"entity at risk"*, as it is wholly-owned subsidiary of the Company; and
- (C) accordingly, upon completion of the Proposed Restructuring, the Sinopec Supply Agreement, the HKIA Location Contract and any other Location Contract entered into between Sinopec HK Aviation and CAOHK in furtherance of the Sinopec Supply Agreement will constitute *"interested person transactions"*.

(ii) **Unipecc Supply Agreement**

On completion of the Proposed Restructuring, the sale and purchase of Jet A1 fuel under the Unipecc Supply Agreement will also constitute an Additional Interested Person Transaction.

The Unipecc Supply Agreement was entered into 2 December 2025 between Unipecc SG (as seller) and CAFEU (as buyer), for the sale and purchase of Jet A1 fuel delivered free into pipeline (FIP) at CEPS Vopak Rotterdam, the Netherlands. The delivery period under the Unipecc Supply Agreement runs from 1 January 2026 to 31 December 2026 (both dates inclusive), and may be mutually extended.

Under the Unipecc Supply Agreement, Unipecc SG agrees to sell and CAFEU agrees to purchase Jet A1 fuel meeting the specifications prescribed therein. The pricing at which Unipecc SG is to sell Jet A1 fuel to CAFEU under the Unipecc Supply Agreement is based on the arithmetic average of the high and low quotations for *"Jet"* published by Platts European Marketscan for *"Northwest Europe Cargoes"* under the heading *"CIF NWE/Basis ARA"* for the whole month average of the nomination month, plus a certain premium.

The Unipecc Supply Agreement further sets out other details regarding the procurement process, such as the quality specifications and inspection procedures, delivery and nomination arrangements, payment terms, force majeure provisions and trade control and compliance obligations applicable to Unipecc SG and CAFEU respectively.

While the Unipecc Supply Agreement was entered into prior to Unipecc SG becoming an *"interested person"* of the Company, as such arrangements contemplated under the Unipecc Supply Agreement are intended to continue and be undertaken from time to time in the ordinary course of the CAO Group's business following completion of the Proposed Restructuring, the Audit Committee has for the purposes of the Expanded IPT General Mandate reviewed the rates and terms of the Unipecc Supply Agreement in accordance with the procedures set out in the Expanded IPT General Mandate.

ANNEX II – EXPANDED IPT GENERAL MANDATE

Any subsequent substantive amendments to, or renewal or extension of the Unipec Supply Agreement, are also to be reviewed and approved by the Audit Committee.

Similarly, for the benefit of facilitating Shareholders' understanding, for purposes of Chapter 9 of the Listing Manual:

- (A) upon completion of the Proposed Restructuring, Unipec SG will be an “*interested person*”, as it is a subsidiary of China Petrochemical Corporation and will be a member of the Expanded Sinopec Group;
- (B) CAFEU is an “*entity at risk*”, as it is wholly-owned subsidiary of the Company; and
- (C) accordingly, upon completion of the Proposed Restructuring, the Unipec Supply Agreement constitutes an “*interested person transaction*”.

(iii) **Sinopec Yuncheng Agreement**

On completion of the Proposed Restructuring, the sale and purchase of aviation fuel under the Sinopec Yuncheng Agreement will also constitute an Additional Interested Person Transaction.

The Sinopec Yuncheng Agreement was entered into 6 May 2026 between Sinopec Yuncheng (as seller) and CAOHK (as buyer), pursuant to which Sinopec Yuncheng agrees to sell and CAOHK agrees to purchase aviation fuel meeting the specifications prescribed therein, to be delivered into the aircrafts operated by CAOHK's airline customers at YCU. The term of the Sinopec Yuncheng Agreement runs from the date of execution of the Sinopec Yuncheng Agreement to 30 April 2027 and parties may enter into a new contract within thirty (30) days prior to expiry of the existing term if they wish to continue the arrangement upon expiry.

The pricing at which Sinopec Yuncheng is to sell aviation fuel to CAOHK under the Sinopec Yuncheng Agreement is determined as follows: (a) for domestic flights, in accordance with the pricing policies set by the Civil Aviation Administration of China and the National Development and Reform Commission; and (b) for international flights, on the basis of a formula comprising the comprehensive aviation fuel procurement cost plus a prescribed buy-sell margin.

The Sinopec Yuncheng Agreement further sets out other details regarding the procurement and supply process, including quality and quantity of aviation fuel supplied, fuelling and de-fuelling procedures, payment terms, force majeure provisions and insurance obligations applicable to Sinopec Yuncheng and CAOHK respectively.

While the Sinopec Yuncheng Agreement was entered into prior to Sinopec Yuncheng becoming an “*interested person*” of the Company, as such arrangements contemplated under the Sinopec Yuncheng Agreement are intended to continue and be undertaken from time to time in the ordinary course of the CAO Group's business following completion of the Proposed Restructuring, the Audit Committee has for the purposes of the Expanded IPT General Mandate reviewed the rates and terms of the Sinopec Yuncheng Agreement in accordance with the procedures set out in the Expanded IPT General Mandate.

Any subsequent substantive amendments to, or renewal or extension of the Sinopec Yuncheng Agreement, are also to be reviewed and approved by the Audit Committee.

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Similarly, for the benefit of facilitating Shareholders' understanding, for purposes of Chapter 9 of the Listing Manual:

- (A) upon completion of the Proposed Restructuring, Sinopec Yuncheng will be an “*interested person*”, as it is a subsidiary of China Petrochemical Corporation and will be a member of the Expanded Sinopec Group;
- (B) CAOHK is an “*entity at risk*”, as it is wholly-owned subsidiary of the Company; and
- (C) accordingly, upon completion of the Proposed Restructuring, the Sinopec Yuncheng Agreement constitutes an “*interested person transaction*”.

(b) **Physical Trading in Petroleum Products**

The CAO Group may further engage in the physical trading of Petroleum Products with Additional Interested Person(s), which meets the Company's commercial eligibility requirements.

The bases for the pricing of Petroleum Products in physical trades sold or purchased by the CAO Group adopts prevailing market practices from time to time, and currently involves two (2) pricing components namely, MOPS plus a fixed premium or less a fixed discount.

MOPS refers to the mean of the high and low components of a Platts assessment for cargoes of oil products (including Petroleum Products) loading from Singapore. Platts in turn is a leading global provider of energy and metals information.

The amount of premium for a particular transaction is determined by negotiations between the trading parties which will *inter alia* depend on the quality of the Petroleum Products and other relevant market factors and conditions.

The Risk Management Committee has overall responsibility to ensure that risk management controls and processes in relation to physical trading of Petroleum Products with Additional Interested Person have been duly followed. Subject to the Risk Management Committee's oversight, the chief executive officer of the Company and head of risk management of the Company are delegated to implement such controls and processes for daily operational activities.

3.4 **Supply Chain Services**

(a) **Background**

The Company constantly seeks to optimise its supply chain capabilities beyond merely ensuring the quality and timely delivery of oil product shipments. It works closely with traders to ensure the most cost-effective ways to ship oil products in light of the Company's supply and trading portfolio as a whole. Instead of chartering ships on an individual voyage basis, it will consider based on circumstances, whether it is more efficient operationally and financially for the Company to enter into time charter agreements in respect of physical movements of oil products, or to enter into shipping arrangements with other suppliers on a collaborative basis.

(b) **Procurement of Shipping and Logistics Services**

To this end, the Company is open to working with multiple ship owners and logistics services providers.

The key attributes by which these potential suppliers are selected include their competitiveness, their respective track records in handling the quality of oil products which the Company supplies, as well as their presence in the North Asian aviation fuel shipment market.

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In the course of sourcing for such suppliers, the Company anticipates that it may enter into shipping and logistics services arrangements, such as multiple voyages or time charter contracts, rental of tankages and other aviation fuel transportation arrangements with Additional Interested Persons, if it is of the view that it/they is/are able to offer competitive terms for its/their shipping and logistics services or if it/they is/are the only shipping service provider(s) which is/are able to meet the technical and delivery specifications stipulated by CAO's end customers.

Further, the Company purchases Petroleum Products from various Additional Interested Persons and in turn sells the same to the receivers in PRC or other buyers.

In the course of its supply to such buyers, the Company will in some cases need to procure shipping and logistics services. As an example, CAO may buy Petroleum Products on FOB basis and sell the same on CFR basis, for which CAO will require freight services and it may engage one or more Additional Interested Persons to provide the freight services. In certain cases, such Additional Interested Person may be the only shipping service provider which will be able to meet the technical and delivery specifications stipulated by CAO's end customers.

If CAO buys on FOB basis and sells on FOB basis, CAO will not need freight services as CAO's buyer will be responsible for the freight arrangements. If CAO buys on CFR basis and sells on CFR basis, CAO will not need freight services.

In addition, the Company had on 24 December 2025 entered into the Term Charter Party Agreement 2026 with China National Aviation Fuel Logistics Co., Ltd (中国航油集团物流有限公司), a subsidiary of CNAF, whereby freight services will be provided by China National Aviation Fuel Logistics Co., Ltd (中国航油集团物流有限公司) to the CAO Group at certain pre-agreed rates for the transportation of Petroleum Products. The Term Charter Party Agreement 2026 is for a term of five (5) years to 30 April 2031, whereby the Company has agreed to charter ships operated by CNAF Logistics for the physical deliveries of Petroleum Products to the following delivery routes: (1) Dalian – Qinhuangdao; (2) Dalian – Tianjin; (3) Nanjing (Jinling) – Chongqing; (4) Maoming – Guangzhou (Huangpu); (5) Zhuhai (Gaolan) – Guangzhou (Huangpu); (6) Shanghai (Gaoqiao) – Shanghai (Yangshan); (7) Nanjing (Jinling) – Shanghai (Yangshan); (8) Shanghai (Yangshan) – Xiamen; (9) Shanghai (Yangshan) – Shanghai (Puhang); (10) Shanghai (Yangshan) – Tianjin; (11) Zhenhai – Shanghai (Puhang); (12) Shanghai (Jinshan) – Shanghai (Puhang); (13) Nanjing (Jinling) – Shanghai (Puhang); (14) Zhenhai – Shanghai (Yangshan); (15) Shanghai (Jinshan) – Shanghai (Yangshan); (16) Qingdao – Shanghai (Puhang); (17) Shanghai (Yangzi) – Shanghai (Puhang); (18) Quanzhou – Xiamen; (19) Jiujiang – Chongqing; (20) Huizhou – Guangzhou (Huangpu); and (21) Zhenhai – Fuzhou.

Upon the completion of the Proposed Restructuring, the Company may from time to time consider entering into new term charter party agreement(s) with Additional Interested Person(s) on terms similar to that of the Term Charter Party Agreement 2026, and procure freight services from such Additional Interested Person(s) on the terms set out therein.

(c) **Supply of Import Agency Services**

As the Group builds up its supply chain optimisation capabilities, there may be other supply-chain and logistics-related services provided or to be provided by the Group to the Expanded Sinopec Group. Under the import agency arrangements, the Company will be paid a fixed commission that is in line with the margins quoted in the markets for similar supply of import agency services and is determined by a bilateral negotiation between the Company and the relevant member of the Expanded Sinopec Group.

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(d) Supply and Procurement of Into-Plane Fuelling Services

Part of the Expanded Sinopec Group’s and the CAO Group’s business involves the supply of jet fuel to airline companies at various airports around the world.

In order to deliver jet fuel directly into the aircrafts of the customers, certain Additional Interested Persons which will be members of the Expanded Sinopec Group may be required to engage the services of an into-plane fuelling services provider. Similarly, certain members of the CAO Group may be required to engage the services of an into-plane fuelling services provider. The number of such service providers who are authorised to provide into-plane fuelling services at any airport is generally very limited.

As an example, on 27 July 2018, CNAF HKR and Sinopec HK Aviation entered into the Sinopec HK Aviation Into-Plane Fuelling Services Agreement pursuant to which CNAF HKR provides into-plane fuelling services to Sinopec HK Aviation on a non-exclusive basis (at Sinopec HK Aviation’s request) in connection with the supply of jet fuel by Sinopec HK Aviation to airline companies at HKIA.

The Sinopec HK Aviation Into-Plane Fuelling Services Agreement continues in force and effect unless terminated pursuant to its terms, with specific terms and conditions for each service period detailed in individual schedules forming an integral part of the agreement, including pricing for the into-plane fuelling services, which are subject to the maximum service charges as determined by the Airport Authority of HKIA (“**Authority**”) in accordance with the franchise agreement entered into between the Authority and CNAF HKR.

As at the Latest Practicable Date, there is one schedule to the Sinopec HK Aviation Into-Plane Fuelling Services Agreement which is in effect, which was entered into on 2 September 2024 for a service period of 18 months commencing on 1 April 2025 and expiring on 30 September 2026.

In addition, under the Sinopec Yuncheng Agreement, Sinopec Yuncheng provides into-plane fuelling services to aircrafts operated by CAOHK’s airline customers at YCU as further detailed in paragraph 3.3(a)(iii) above of this **Annex II**.

For the benefit of facilitating Shareholders’ understanding, for purposes of Chapter 9 of the Listing Manual:

- (i) upon completion of the Proposed Restructuring, each of Sinopec HK Aviation and Sinopec Yuncheng will be an “*interested person*” of the Company, as it is a subsidiary of China Petrochemical Corporation and will be a member of the Expanded Sinopec Group;
- (ii) each of CNAF HKR and CAOHK is an “*entity at risk*”, as it is a subsidiary of the Company; and
- (iii) accordingly, upon completion of the Proposed Restructuring, the Into-Plane Fuelling Services Agreements will each constitute an “*interested person transaction*”.

3.5 Provision of Treasury Services by and to Additional Interested Persons

(a) Treasury Services provided by Sinopec Financial Group

The Sinopec Financial Group entities are Additional Interested Persons.

As part of their treasury services, they may allow members of the CAO Group to place their excess funds with them from time to time, in respect of which the Sinopec Financial Group entities will pay interest at rates which are agreed between the parties.

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In turn, the Sinopec Financial Group entities will place such consolidated funds with the Deposit Banks, and it is typically able to obtain preferential terms from the Deposit Banks than what would have been generally available to the individual members, given the larger size of the placements. The Sinopec Financial Group will then be able to pass on such benefits to the CAO Group.

As such, the CAO Group is able to obtain more competitive rates and quotes in an expeditious manner from the Sinopec Financial Group for placement of funds, than what would have been generally available to the CAO Group in the market.

Additionally, the CAO Group may from time to time borrow funds from the Sinopec Financial Group. When it does so, the CAO Group is able to obtain more competitive rates and quotes for such borrowing of funds provided in an expeditious manner by the Sinopec Financial Group, than what would have been generally available to the CAO Group, as the CAO Group forms part of the Expanded Sinopec Group.

(b) **Treasury Services provided by CAO Group to Approved Entities**

As part of its treasury services, the CAO Group may from time to time provide loans to the Approved Entities and grant guarantees in favour of third parties for the purposes of the Investee Companies, which may or may not be in proportion to the CAO Group's equity interest in the relevant Investee Company. Such Investee Companies may be Additional Interested Persons.

The CAO Group will look to charge interest for providing such loans, at rates which are higher than what is offered in the market, and will also charge fees as appropriate for the grant of such guarantees.

Where an Approved Entity is not an Investee Company, a loan is provided by the CAO Group in the form of a “*cashflow or credit support*” facility, and is further subject to the following requirements:

- (i) the funds can only be used solely for the acquisition of additional goods and services from the CAO Group;
- (ii) the CAO Group will undertake a credit assessment process to ascertain the creditworthiness of the said Approved Entity before accepting it as a counterparty; and
- (iii) the credit assessment process must be undertaken by a person who has no interest, whether direct or indirect, in the facility nor the acquisition of goods and services by such Approved Entity.

Similarly, for the benefit of facilitating Shareholders' understanding, for purposes of Chapter 9 of the Listing Manual:

- (i) upon completion of the Proposed Restructuring, the Sinopec Financial Group entities will each be an “*interested person*” of the Company, being a member of the Expanded Sinopec Group;
- (ii) CAO Group is an “entity at risk”; and
- (iii) accordingly, upon completion of the Proposed Restructuring, the provision of treasury services described in this paragraph 3.5 will constitute “*interested person transactions*”.

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3.6 Provisions of Services by Additional Interested Person(s)

In line with the Company's continuing plans to build on and strengthen its position in the relevant markets, the CAO Group may from time to time opt to tap on the relevant expertise, industry knowhow (such as information technology (IT), information-sharing, marketing, training and risk management, secondment of staff and other related services) and business networks of member(s) of the Sinopec Group by entering into agreements for the provision of Services with Additional Interested Person(s).

Similarly, for the benefit of facilitating Shareholders' understanding, for purposes of Chapter 9 of the Listing Manual, upon completion of the Proposed Restructuring, China Petrochemical Corporation will be a Controlling Shareholder of the Company, each member of the Sinopec Group will therefore be an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

4. BENEFITS OF THE ADDITIONAL INTERESTED PERSON TRANSACTIONS TO THE CAO GROUP

4.1 Increase in business trading relationships

Sinopec Group is one of the major players in the energy markets, and one of the key benefits of obtaining the Expanded IPT General Mandate is that it provides the CAO Group with an increased number of potential trading partners, thereby giving the CAO Group additional options and flexibility in managing its business and trading strategy in relation to Petroleum Products.

In addition, this is aligned with CAO Group's aim to trade with all the major players in the energy markets such that the Company can obtain the most competitive prices for its transactions.

Accepting Services from Additional Interested Persons who are member(s) of the Sinopec Group will also provide the CAO Group with an invaluable resource as the CAO Group will be able to tap on the relevant expertise, industry know-how (such as information technology (IT), information-sharing, marketing, training, risk management, secondment of staff and other related services) and business networks of such member(s) of the Sinopec Group or to reap the benefits of efficiencies and economies of scale through the provision of Services by the member(s) of the Sinopec Group for the CAO Group's and the Sinopec Group's mutual benefits. In this way, the Company can continue to build on and strengthen its position in the relevant markets.

The CAO Group also expects to benefit from the synergies arising from the collaboration with the Sinopec Group on supply chain services.

As a service provider for into-plane fuelling services to the Sinopec Group, CAO Group will be able to leverage its existing operational infrastructure and expertise in into-plane fuelling, broadening its customer base and generating additional revenue streams and enhancing the utilisation of its assets at airports where it maintains a presence.

In procuring into-plane fuelling services at any airport, there are typically very limited number of services providers at any airport, and not all of them may be available to take on assignments or to even provide fee quotations, due to commercial or other reasons, at the request of the CAO Group. Thus, there would be situations where it would be very difficult for the CAO Group to secure the requisite into-plane fuelling services in order to deliver jet fuel to its customers at the affected airport. By enabling the CAO Group to engage the services of a service provider which happens to be a member of the Expanded Sinopec Group, the CAO Group's range of alternatives in this restricted and specialised market would be significantly expanded. Further, the CAO Group will be able to continue delivering jet fuel to its customers at the affected airport through the relevant member of the Expanded Sinopec Group, even if the other third party service providers are unable or unwilling to meet the CAO Group's service requests. Such flexibility will therefore be of commercial benefit to the CAO Group.

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Moreover, the establishment of a sustained commercial relationship with the Sinopec Group in respect of into-plane fuelling services will strengthen the CAO Group's market position and reputation as a reliable service provider, which may in turn facilitate further business opportunities with other industry participants.

4.2 Utilisation of Sinopec Group's Infrastructure for Reliable and Punctual Supply

Sinopec Group possesses logistics facilities for the transportation of aviation fuel, including tanker, jetty, pipeline and shipping facilities.

Through cooperation between CAO Group and Sinopec Group, jet fuel can be delivered directly from Sinopec Group's refineries to airports via pipelines, rail, or bonded coastal vessels, i.e. from production source to end-users. This efficient direct transmission of jet fuel eliminates intermediary storage and long-haul international shipping, thereby significantly reducing logistics costs and delivery time.

As result, the CAO Group will stand to benefit from a reliable and punctual supply of jet fuel, which is critical to the CAO Group for operational stability and mitigating supply disruption risks.

As part of such cooperation, CAO Group is able to utilise its capabilities to carry out active matching of domestic refinery output (including from Sinopec Group) with airport demand from a macro perspective. This builds an efficient market value chain and lowers overall market risk by reducing reliance on volatile international spot supply.

Importantly, the domestic supply provides the Company with a clear and granular view of the PRC's total jet fuel demand. Such visibility supports robust analysis of supply/demand fundamentals and market trends, enabling the Company to better integrate aviation fuel resources across the Asia-Pacific region and thereby strengthening strategic positioning and decision-making.

4.3 Expansion of Range of Product Offerings

The provision of import agency services to members of the Expanded Sinopec Group provides the CAO Group with an opportunity to develop its capabilities and expand the range of products offered to its customers.

5. TRANSACTIONS NOT COVERED BY EXPANDED IPT GENERAL MANDATE

- 5.1 Transactions with the Additional Interested Persons which do not fall within the ambit of the Expanded IPT General Mandate remain subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.
- 5.2 The Expanded IPT General Mandate also does not extend to the trading of Derivative Financial Instruments between the CAO Group and the Expanded Sinopec Group, which the CAO Group has no present intention to carry out.
- 5.3 The Expanded IPT General Mandate does not cover any transaction by a company in the CAO Group with Additional Interested Persons that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions.
- 5.4 In addition, the Expanded IPT General Mandate does not include transactions for the purchase or sale of assets, undertakings or businesses with the Additional Interested Persons.

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6. REVIEW PROCEDURES FOR ADDITIONAL INTERESTED PERSON TRANSACTIONS

6.1 To ensure that the Additional Interested Person Transactions are conducted on normal commercial (or, in the absence of other similar comparable transactions, commercially reasonable, justifiable and/or practicable) terms and will not be prejudicial to the interests of the Company and its minority Shareholders, as a general rule, the CAO Group will only enter into transactions with the Additional Interested Persons if the terms offered by or extended to the Additional Interested Persons are respectively no less or more favourable than the terms that may be obtainable from or extended to unrelated third parties. Where such terms are not available, such transactions must be supportable by reference to circumstances and demonstrated to be in the interest of the CAO Group.

6.2 Review Procedures in relation to Sales and Purchases of Petroleum Products to/from Additional Interested Persons

(a) Determination of Premium or Amendment of Premium or Margin under the Supply Agreements and for Extension or Renewal of the Supply Agreements

To ensure that any determination of the premium payable under the Supply Agreements, any amendment to the premium or margin under the Supply Agreements, and any future extension or renewal of the Supply Agreements (collectively “**Supply Agreements Variations**”) will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Audit Committee has adopted the following review procedures:

- (i) If, as of the date on which the CAO Group proposes any Supply Agreements Variation, the CAO Group does not supply or purchase aviation fuel, the product being supplied under the relevant contract, of the same or similar specifications as specified under the relevant contract, in any significant amount to or from other unrelated third parties (as the case may be), so that it is not possible to compare the Supply Agreements Variations against those of other transactions with unrelated third parties, the Supply Agreements Variations will be verified by any two (2) Uninterested Senior Executives or such other persons as may be appointed by the Audit Committee.

In undertaking such verification, the two (2) Uninterested Senior Executives or other appointed persons will, on a best efforts basis, obtain reference prices and/or quotations from the external markets via the CAO Group’s existing aviation fuel suppliers (for example, by obtaining from such suppliers indicative margins and premiums that they are charging for their sales and estimates of freight charges for delivering the aviation fuel of the relevant specifications to the relevant destination).

They will then verify that the proposed margin and/or premium is/are consistent with or better than such indicative market rates as a rough benchmark or gauge of the then applicable pricing of aviation fuel.

It is to be noted that there are limitations on making meaningful and fair comparisons of reference prices and quotations for aviation fuel imports into the PRC, as CAO currently only supplies aviation fuel (sourced from outside the PRC) in substantial amounts to a small number of counterparties for imports into the PRC and does not supply aviation fuel in any significant amount to other unrelated third parties, and it is difficult to obtain comparable reference prices and quotations on a like-for-like basis due to differences in sizes, delivery dates, quantity loads and locations of cargoes.

It may not be possible to obtain meaningful comparable reference prices and/or quotations from the external markets via the CAO Group’s existing aviation fuel suppliers, in order for verification by the two (2) Uninterested Senior Executives (or other appointed persons) to be meaningfully conducted.

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In such circumstances, any Supply Agreements Variation will be reviewed and approved by the Audit Committee.

- (ii) If, as of the date on which the CAO Group proposes any Supply Agreement Variation, the CAO Group does supply or purchase aviation fuel, the product being supplied or purchased under the relevant contract, of the same or similar specifications as specified under the relevant contract, in a significant amount to or from other unrelated third parties (as the case may be), the price and terms of at least two (2) other successful sales or purchases of aviation fuel of the relevant specifications to or from unrelated third parties (as the case may be) will be used as a basis for comparison, whenever possible, to determine whether the Supply Agreements Variations are comparable to those offered by unrelated third parties for such successful sales or purchases (as the case may be), taking into account all pertinent factors including, but not limited to, price, quality, delivery time and track record, to ensure that the interests of its minority Shareholders are not disadvantaged.

(b) **Transactions with Additional Interested Persons involving Purchases and/or Sales of Petroleum Products (other than under the Supply Agreements)**

In respect of transactions comprising purchases and/or sales of Petroleum Products by the CAO Group from or to any Additional Interested Person (other than under the Supply Agreements), in addition to the credit assessment process undertaken by the CAO Group on all potential parties for Petroleum Products before accepting that Additional Interested Person as a counterparty:

- (i) When selling and purchasing Petroleum Products to and from an Additional Interested Person, any two (2) Uninterested Senior Executives shall, where practicable or possible, compare the terms offered by or to the Additional Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties of similar quantities and/or quality of the relevant Petroleum Products, prior to the entering into of the contract or transaction with the Additional Interested Person, as a basis for comparison, and such comparisons, if any, are to be documented.

In determining the competitiveness of the quotations (including those by and to the Additional Interested Person), all pertinent factors, including but not limited to pricing, quality, delivery time and track record, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases will be taken into consideration.

For the purposes of this review procedure in determining whether it is practicable or possible to compare the terms offered by or to the Additional Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties, any two (2) Uninterested Senior Executives shall follow the existing control guidelines approved by the Audit Committee.

Amendments to the control guidelines shall be made in accordance with any subsequent changes to the Expanded IPT General Mandate, and will be subject to review by the internal auditors from time to time.

- (A) Where such quotations are not obtainable, the transactions with the Additional Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or otherwise publicly available, applicable or comparable. In determining the competitiveness of these published terms, the two (2) Uninterested Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.

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- (B) In situations wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or otherwise public are not available, applicable or comparable, the transaction will be reviewed and approved by any two (2) Uninterested Senior Executives, after taking into consideration factors such as, but not limited to, delivery schedules, market pricing, quantity, credit terms, and the business or regulatory environment in which the CAO Group operates and the transaction is undertaken etc.

Each submission to the two (2) Uninterested Senior Executives will be copied to the Company's Head of Legal & Compliance, for the Company's compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the review procedures have been complied with.

In the event that no Uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.

- (ii) Due to the nature of the markets in which the CAO Group operates, involving purchases and/or sales of Petroleum Products, situations will commonly occur wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or as on recognised commodities exchanges are not available, applicable or comparable.

Where such quotations are not obtainable, the transactions with the Additional Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or otherwise publicly available, applicable or comparable. In determining the competitiveness of these published terms, the two (2) Uninterested Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.

In situations wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or otherwise public are not available, applicable or comparable, the transaction will be reviewed and approved by any two (2) Uninterested Senior Executives, after taking into consideration factors such as, but not limited to, delivery schedules, market pricing, quantity, credit terms, and the business or regulatory environment in which the CAO Group operates and the transaction is undertaken etc.

Each submission to the two (2) Uninterested Senior Executives will be copied to the Company's Head of Legal & Compliance, for the Company's compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the review procedures have been complied with.

In the event that no Uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.

- (iii) Due to the nature of the markets in which the CAO Group operates, involving purchases and sales of Petroleum Products, situations will also commonly occur where a trader acting for the CAO Group may conduct purchases and/or sales of Petroleum Products via a voice-based, online or electronic telecommunication-based

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trading platform where transactions are fast-paced and undertaken in a series of buy or sell prices offered by traders or brokers which are accepted by other traders or brokers participating in the trading platform.

In the case of the voice-based trading platform, the CAO Group appoints broker(s) to source for quotes from the market which are then provided to the CAO Group's traders for confirmation.

In all these cases, the CAO Group's trader in practice may be required to enter into an almost instantaneous transaction based on his assessment of the best available price then quoted on the trading platform. The counterparty may or may not be identified at the time of commitment to the transaction, and accordingly, it may not be possible for the CAO Group to determine whether the counterparty is or is not an Additional Interested Person until the transaction is completed. In the cases where broker(s) are appointed by the CAO Group to source for quotes, the broker will be an independent party with no interest (whether direct or indirect) in the transaction save for the receipt of commission. At the time of commitment to the transaction, the transaction shall only be entered into: (i) in the case of a purchase of Petroleum Products by the CAO Group, at the trader's assessment of the lowest available price quoted on the trading platform for the CAO Group's order at the material time, and (ii) in the case of a sale of Petroleum Products by the CAO Group, at the trader's assessment of the highest available price quoted on the trading platform for volume of Petroleum Products intended to be sold by the CAO Group at the material time. Each trade confirmation will be forwarded to the Company's Head of Legal and Compliance, for the Company's compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the procedures set out in this paragraph 6.2(b)(iv) have been complied with.

6.3 Review Procedures for the Provision and Receipt of Supply Chain Services

(a) Procurement of Shipping and Logistics Services and Provision of Import Agency Services

- (i) When procuring shipping and logistics services or providing import agency services from and to an Additional Interested Person (including (if applicable) the entry into any term charter party agreement with any Additional Interested Person(s)), any two (2) Uninterested Senior Executives shall, where practicable or possible, compare the terms offered by or to the Additional Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties of similar services (or in the case of entry into any term charter party agreement with any Additional Interested Person(s), against the terms of the Term Charter Party Agreement 2026), prior to the entering into of the contract or transaction with the Additional Interested Person, as a basis for comparison, and such comparisons, if any, are to be documented.

In determining the competitiveness of the quotations or (if applicable) the Term Charter Party Agreement 2026 (including those by and to the Additional Interested Person), all pertinent factors, including but not limited to pricing, quality, delivery time and track record, and where applicable, preferential rates, rebates or discounts accorded will be taken into consideration.

For the purposes of this review procedure in determining whether it is practicable or possible to compare the terms offered by or to the Additional Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties or (if applicable) the Term Charter Party Agreement 2026, any two (2) Uninterested Senior Executives shall follow the existing control guidelines approved by the Audit Committee.

ANNEX II – EXPANDED IPT GENERAL MANDATE

Amendments to the control guidelines shall be made in accordance with any subsequent changes to the Expanded IPT General Mandate, and will be subject to review by the internal auditors from time to time.

- (ii) Where such quotations are not obtainable, the transactions with the Additional Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or otherwise publicly available or comparable.

In determining the competitiveness of these published terms, the two (2) Uninterested Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.

- (iii) In situations wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or otherwise public are not available, applicable or comparable, the transaction will be reviewed and approved by any two (2) Uninterested Senior Executives after taking into consideration factors such as, but not limited to, delivery schedules, market pricing, quantity, credit terms, and the business or regulatory environment in which the CAO Group operates and the transaction is undertaken etc.

Each submission to the two (2) Uninterested Senior Executives will be copied to the Company's Head of Legal & Compliance, for the Company's compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the review procedures have been complied with.

In the event that no Uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.

(b) **Supply and Procurement of into-plane fuelling services to/from the Expanded Sinopec Group**

Due to the limited number of into-plane fuelling agents which are authorised to provide into-plane fuelling services at an airport, it is usual that the CAO Group or the Expanded Sinopec Group (as the case may be) will be directed by the relevant airline to provide into-plane fuelling services to an Additional Interested Person or a member of the CAO Group respectively and in such situation, the CAO Group may be unable to obtain quotations from unrelated third party service providers, due to commercial or other reasons, or where no unrelated third party service providers are able to meet the Additional Interested Person(s) service request due to unavailability or lack of capacity.

When supplying or procuring into-plane fuelling services at any airport to/from any member of the Expanded Sinopec Group:

- (i) The transaction will be reviewed and approved by any two (2) Uninterested Senior Executives shall, where practicable or possible, compare the terms offered by or to the Additional Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties of similar services, prior to the entering into of the contract or transaction with the Additional Interested Person, as a basis for comparison, and such comparisons, if any, are to be documented.
- (ii) Where such quotations are not obtainable, the transactions with the Additional Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or otherwise publicly available,

ANNEX II – EXPANDED IPT GENERAL MANDATE

applicable or comparable. In determining the competitiveness of these published terms, the two (2) Uninterested Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.

- (iii) In situations wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or otherwise public are not available, applicable or comparable, the transaction will be reviewed and approved by any two (2) Uninterested Senior Executives, after taking into consideration factors such as, but not limited to, delivery schedules, market pricing, quantity, credit terms, and the business or regulatory environment in which the CAO Group operates and the transaction is undertaken etc.
- (iv) Each submission to the two (2) Uninterested Senior Executives will be copied to the Company's Head of Legal and Compliance, for the Company's compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the review procedures have been complied with.
- (v) In the event that no Uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.

For the avoidance of doubt, as the terms of each of the Into-Plane Fuelling Services Agreements were reviewed by the Audit Committee (instead of two (2) Uninterested Senior Executives) in accordance with paragraph 6.5(b) of the proposed Expanded IPT General Mandate, the review procedures under this paragraph 6.3(b) shall not separately apply in respect of any individual transactions conducted subject to and in accordance with the pre-agreed rates and terms of each of the Into-Plane Fuelling Services Agreements.

Any subsequent substantive amendments to, or renewal or extension of, the Into-Plane Fuelling Services Agreements, must be subject to prior review and approval by the Audit Committee.

6.4 Review Procedures for Treasury Services

- (a) The following review procedures will be applied in respect of the receipt and provision of Treasury Services between the CAO Group and an Additional Interested Person:
 - (i) Prior to entering into any contract or transaction with the Sinopec Financial Group entities in respect of any placement of funds by the CAO Group with the Sinopec Financial Group entities, any two (2) Uninterested Senior Executives or such other persons as may be appointed by the Audit Committee shall compare the interest rates for such placements offered by the Sinopec Financial Group entities with the interest rates quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be) for deposits of an equivalent amount and for an equivalent period. The request made to the principal bankers of the Company or the relevant member of the CAO Group (as the case may be) shall also be made by a person who shall have no interest (whether direct or indirect) in the Additional Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction. The CAO Group will only place funds with the Sinopec Financial Group entities, if the interest rate quoted by the Sinopec Financial Group is higher than the highest of the interest rates quoted by such principal bankers.
 - (ii) Prior to entering into any contract or transaction with the Sinopec Financial Group in respect of any borrowing of funds by the CAO Group from the Sinopec Financial Group, any two (2) Uninterested Senior Executives or such other persons as may be appointed by the Audit Committee shall compare the interest rates for such

ANNEX II – EXPANDED IPT GENERAL MANDATE

borrowings offered by the Sinopec Financial Group entities with the interest rates quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be) for borrowings of an equivalent amount and for an equivalent period. The request made to the principal bankers of the Company or the relevant member of the CAO Group (as the case may be) for the quote shall also be made by a person who shall have no interest (whether direct or indirect) in the Additional Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction. The CAO Group will only borrow funds from the Sinopec Financial Group entities if the interest rate quoted by the Sinopec Financial Group entities is lower than the lowest of the interest rates quoted by such principal bankers.

- (iii) Prior to entering into any contract or transaction with any Approved Entity in respect of any provision of loans to the Approved Entity, any two (2) Uninterested Senior Executives or such other persons as may be appointed by the Audit Committee shall compare the interest rates for such loans charged by the CAO Group with the equivalent lending interest rates quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be). The CAO Group will only provide loans in favour of Approved Entities if the interest rate charged by the CAO Group is higher than the highest rate quoted by such principal bankers. A loan shall only be provided to an Approved Entity which is not also an Investee Company in the form of a “cashflow or credit support” facility, and shall be subject to the following requirements: (i) the terms of the said facility shall expressly restrict the said Approved Entity to use the funds solely for the acquisition of additional goods and services from the CAO Group; and (ii) a credit assessment process has been undertaken to ascertain the creditworthiness of the said Approved Entity before accepting it as a counterparty. The credit assessment process must be undertaken by a person who shall have no interest (whether direct or indirect) in said facility or the acquisition by the said Approved Entity of goods and services from the CAO Group.
 - (iv) Prior to entering into any contract or transaction with any Investee Company in respect of any grant of guarantees in favour of third parties for the purposes of the Investee Companies, any two (2) Uninterested Senior Executives or such other persons as may be appointed by the Audit Committee shall compare the fees for the grant of such guarantees charged by the CAO Group with the equivalent fees quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be). The CAO Group will only provide guarantees in favour of third parties for the purposes of the Investee Companies if the fees charged by the CAO Group are higher than the highest rate quoted by such principal bankers.
- (b) Where such quotations are not obtainable, the transactions with the Additional Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or otherwise publicly available, applicable or comparable. In determining the competitiveness of these published terms, the two (2) Uninterested Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.
 - (c) In situations wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or otherwise public are not available, applicable or comparable, the transaction will be reviewed and approved by any two (2) Uninterested Senior Executives, after taking into consideration factors such as, but not limited to, pricing (including, where applicable, interest margins, fees and other financing costs), credit terms or tenure, counterparty risk, track record, and the business or regulatory environment in which the CAO Group operates and the transaction is undertaken etc.

ANNEX II – EXPANDED IPT GENERAL MANDATE

- (d) In each case above, each submission to the two (2) Uninterested Senior Executives will be copied to the Company's Head of Legal and Compliance, for the Company's compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the review procedures have been complied with.
- (e) In the event that no Uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.

6.5 Review procedures for the provision of Services by Additional Interested Persons

When procuring Services to be provided by Additional Interested Person(s):

- (a) Two (2) other quotations obtained from unrelated third party providers of similar services will be obtained for comparison to ensure that such Interested Person Transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Any fee to be paid by member(s) of the CAO Group for the Services shall not be higher than the most competitive fee of the two (2) other quotations obtained from unrelated third parties of similar services.
- (b) In determining the most competitive fee, all pertinent factors, including but not limited to quality, reliability in delivery and track record will be taken into consideration. In addition, the credit terms obtained from the member(s) of the Sinopec Group shall not be less favourable than those obtained from unrelated third parties.
- (c) For the purposes of this review procedure in determining whether it is practicable or possible to compare the terms offered by or to the Additional Interested Person against the terms of at least two (2) other quotations obtained from unrelated third parties, any two (2) Uninterested Senior Executives shall follow the existing control guidelines approved by the Audit Committee.
- (d) Amendments to the control guidelines shall be made in accordance with any subsequent changes to the Expanded IPT General Mandate, and will be subject to review by the internal auditors from time to time.
- (e) Where such quotations are not obtainable, the transaction with the Additional Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or otherwise publicly available, applicable or comparable.
- (f) In determining whether the fees and terms offered by the member(s) of the Sinopec Group are fair and reasonable, the two (2) Uninterested Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.
- (g) In situations wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or otherwise public are not available, applicable or comparable, the transaction will be reviewed and approved by any two (2) Uninterested Senior Executives, after taking into consideration factors such as, but not limited to, market pricing, quantity, credit terms, and the business or regulatory environment in which the CAO Group operates and the transaction is undertaken etc.
- (h) Each submission to the two (2) Uninterested Senior Executives will be copied to the Company's Head of Legal & Compliance, for the Company's compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the review procedures have been complied with.

ANNEX II – EXPANDED IPT GENERAL MANDATE

- (i) In the event that no Uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.

The entry into any agreement by the Company and/or by any other member(s) of the CAO Group for the provision of Services by member(s) of the Sinopec Group, and any review or amendment of the terms of the provision of Services, will be approved by the Board. As required under Regulation 106 of the Constitution of the Company, Directors with a direct or indirect personal material interest in the agreement will abstain from voting on the resolution.

6.6 Review Procedures for Other Categories of Transactions with Additional Interested Persons

In respect of any goods and/or services obtained from or provided to any Additional Interested Person (other than expressly provided otherwise:

- (a) All contracts entered into or transactions with an Additional Interested Person are to be carried out by obtaining quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for similar quality services, prior to entry into the transaction with the Additional Interested Person, as a basis for comparison to determine whether the price and terms offered by or to the Additional Interested Person is comparable to those offered by unrelated third parties for the same or substantially similar type of services.
- (b) Where such quotations are not possible, available or commercially feasible to obtain given that there are no unrelated third party suppliers of similar services (for instance, where there is no unrelated third party service provider which will be able to meet the technical and delivery specifications stipulated by CAO's customers) or the commercial sensitivity of the subject matter, any two (2) Uninterested Senior Executives or such other persons as may be appointed by the Audit Committee, will determine whether the price and terms offered by or to the Additional Interested Person are fair and reasonable. In determining whether the price and terms offered by or to the Additional Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, quality of advice or training and track record will be taken into account.

- 6.7 For the avoidance of doubt, as supply of aviation fuel under the Supply Agreements and *ad hoc* procurement and/or supply of aviation fuel to/by Additional Interested Persons which will be members of the Expanded Sinopec Group are conducted at the predetermined terms and pricing set out in the Supply Agreements and the premium and margin as determined in accordance with paragraph 6.2(b) of this **Annex II**, and purchase and supply of aviation fuel under any term contract is conducted at such predetermined terms and pricing and in line with the terms of the said term contract which has been reviewed by the Audit Committee in accordance with paragraph 6.2(b) of this **Annex II**, such individual supply and purchase transactions are not separately subject to transactional review procedures nor are they taken into account and aggregated together with prior Additional Interested Person Transactions entered into with members of the Expanded Sinopec Group for a given month for the purposes of determining if the relevant thresholds as set out in the table in paragraph 7 of this **Annex II** have been crossed (and hence not be subject to further review and approval by the Audit Committee prior to the entry into such transactions).

7. THRESHOLD LIMITS

- 7.1 The Audit Committee will review all of the CAO Group's Interested Person Transactions, including transactions covered under the Expanded IPT General Mandate, on a quarterly basis. Where the value of an Additional Interested Person Transaction with the same group of Additional Interested Persons i.e. the Expanded Sinopec Group (when aggregated together with prior Additional Interested Person Transactions entered into for a given month (apart from the last threshold which is computed on a prevailing value basis in a given month as elaborated on in paragraph 7.2(b)

ANNEX II – EXPANDED IPT GENERAL MANDATE

(ii) of this **Annex II**) exceeds the relevant threshold as set out in the table below, the Additional Interested Person Transaction will be reviewed and approved by the Audit Committee prior to the entry into such transaction.

In respect of the Additional Interested Person Transactions entered into with the Additional Interested Persons only:

| Transaction Type | Applicable Threshold* |
|---|--|
| Purchase of Petroleum Products | US\$3.8 billion per month if the Average Barrel Price for the immediately preceding month is US\$70 or less |
| | US\$10.8 billion per month if the Average Barrel Price for the immediately preceding month exceeds US\$70 |
| Sale of Petroleum Products | US\$3.8 billion per month if the Average Barrel Price for the immediately preceding month is US\$70 or less |
| | US\$10.8 billion per month if the Average Barrel Price for the immediately preceding month exceeds US\$70 |
| Supply Chain Services | US\$50 million per month for all Supply Chain Services provided (other than pursuant to the term charter party agreement(s) and the Into-Plane Fuelling Services Agreements) |
| Supply Chain Services – term charter party agreement(s) | US\$50 million per month for all Supply Chain Services provided pursuant to any term charter party agreement(s) to be entered into |
| Into-plane fuelling services provided to/by Additional Interested Person(s) | US\$2 million per month for all into-plane fuelling services provided pursuant to the Into-Plane Fuelling Services Agreements |
| Treasury Services | US\$1.5 billion |
| Services by Additional Interested Person(s) | US\$2 million per month |

* Threshold based on aggregate value of the relevant type of transaction, calculated over a given month (apart from the threshold which in relation to Treasury Services involving interest-bearing placement of funds by the CAO Group with the Sinopec Financial Group entities is computed on a prevailing value basis in a given month as elaborated on in paragraph 7.2(b)(ii) of this **Annex II**).

7.2 For the purpose of determining whether the above thresholds have been exceeded, the value of a transaction relating to:

- (a) a purchase or sale of Petroleum Products, shall be the aggregate value of the Petroleum Products payable or receivable from the Additional Interested Person, determined as set out in paragraph 7.3 of this **Annex II**; and
- (b) Treasury Services, shall be:
 - (i) in the case of Treasury Services other than interest-bearing placement of funds by the CAO Group with the Sinopec Financial Group entities, shall be the gross aggregate value of the Treasury Services received or provided by the CAO Group for each month of the Company's financial year. In line with Rule 909 of the Listing Manual, the value of Treasury Services involving (A) the borrowing of funds from an Additional Interested Person is the interest payable on the borrowing; (B) the lending of funds to an Additional Interested Person is the aggregate of the interest payable

ANNEX II – EXPANDED IPT GENERAL MANDATE

and the value of the funds lent or placed; and (C) the provision of guarantees is the aggregate of the value of the obligations guaranteed and the fees payable for such guarantees; and

- (ii) in the case of Treasury Services involving interest-bearing placement of funds by the CAO Group with the Sinopec Financial Group entities, shall be based on the principal amount of funds to be placed with the Sinopec Financial Group entities in that transaction, when added to the prevailing aggregate amount of funds of the CAO Group then on placement with the Sinopec Financial Group entities, taking into account amounts placed with the Sinopec Financial Group entities in the relevant month of the Company's financial year (including both principal and any interest which has been compounded); if the sum of those two amounts exceeds the relevant threshold in paragraph 7.1 of this **Annex II**, that transaction will be subject to review and approval by the Audit Committee prior to the entry into such transaction.

7.3 For the purposes of paragraph 7.2(a) of this **Annex II**, the aggregate value of the Petroleum Products payable or receivable from the Additional Interested Persons under a transaction is determined by taking the aggregate estimated total price payable under the transaction, based on the volume to be delivered as estimated at the time of entry into the transaction and set out in the contract. The price in turn may be pegged to:

- (a) the forward price quotations obtained from two (2) or more brokers or dealers for the relevant Petroleum Product traded on an OTC basis;
- (b) the forward price quotation for the relevant Petroleum Product obtained from Platts;
- (c) the forward price quotation for the relevant Petroleum Product as published by relevant commodities exchange(s) such as the New York Mercantile Exchange, as at the time of entry into the contract, for delivery in the month of the contracted delivery date or in the preceding month or specified number of months prior to the contracted delivery date; or
- (d) otherwise as agreed in the contract, and incorporating any agreed premium or margin as set out in the contract or otherwise as agreed between the parties.

8. GENERAL REVIEW PROCEDURES

8.1 Apart from the review procedures specific to the relevant transactions above, the following general review procedures will apply to all Additional Interested Person Transactions under the Expanded IPT General Mandate:

- (a) The compliance team of the Legal & Compliance Department for the Company will maintain a register of transactions carried out with the Additional Interested Persons pursuant to the Expanded IPT General Mandate and the Company's internal audit plan will incorporate a review of all Additional Interested Person Transactions transacted in the relevant FY pursuant to the Expanded IPT General Mandate. Further, to ensure that all Additional Interested Person Transactions are duly recorded, the compliance team of the Legal & Compliance Department shall maintain another list of all Additional Interested Persons to enable it to check the Additional Interested Person Transactions concluded against this list of Additional Interested Persons;
- (b) The Audit Committee shall have overall responsibility for monitoring and approving the Additional Interested Person Transactions and for determining the review procedures, with the authority to delegate such responsibility to individuals within the Company as it deems appropriate; and

ANNEX II – EXPANDED IPT GENERAL MANDATE

- (c) If any member of the Audit Committee has an interest in any of the Additional Interested Person Transactions to be reviewed, such member shall abstain from any decision-making in respect of those transactions. The review and approval of those transactions will be undertaken by the remaining members of the Audit Committee.
- 8.2 If during any reviews by the Audit Committee, it is of the view that the established review procedures are no longer appropriate or are inadequate to ensure that the Additional Interested Person Transactions will not be prejudicial to the interests of the Company and its minority Shareholders or any change of circumstances results in the assumptions underlying its opinion being no longer true, the Company will seek a fresh mandate from Shareholders based on new review procedures. All Additional Interested Person Transactions shall be reviewed and approved by at least one (1) member of the Audit Committee prior to entry pending a fresh mandate to be sought from Shareholders. In the event that a member of the Audit Committee is interested in any such Additional Interested Person Transaction, that member will abstain from reviewing that particular transaction.
- 8.3 For the avoidance of doubt, in the event there are any questions or ambiguities relating to the interpretation and/or application of any review procedures in relation to Interested Person Transactions (including Additional Interested Person Transactions), the Audit Committee, in consultation with professional advisers (as necessary) shall have the final determination and decision of the same.

ANNEX III – LIST OF ADDITIONAL INTERESTED PERSONS

The list of Additional Interested Persons, with which the CAO Group intends to undertake transactions, as well as the type of transactions to be undertaken pursuant to the Expanded IPT General Mandate, includes but are not limited to the following:

| Entity Name | Nature of Transactions |
|--|---|
| 1. Sinopec (Hong Kong) Aviation Company Limited (中石化 (香港) 航空燃料有限公司) | – Trading of Petroleum Products – Supply of Into-Plane Fuelling Services |
| 2. Sinopec (Hong Kong) Petroleum Co., Ltd. (中石化 (香港) 石油有限公司) | – Trading of Petroleum Products |
| 3. Sinopec Fuel Oil (Singapore) Pte Ltd (中石化燃料油 (新加坡) 私人有限公司) | – Trading of Petroleum Products |
| 4. Sinopec Fuel Oil Sales Co., Ltd (中国石化燃料油销售有限公司) | – Trading of Petroleum Products |
| 5. Sinopec Hong Kong (Singapore) Pte Ltd (中石化香港 (新加坡) 有限公司) | – Trading of Petroleum Products – Procurement of Shipping and Logistics Services |
| 6. Sinopec Marketing Co. Limited Shanxi Yuncheng Petrochemical Branch (中国石化销售股份有限公司山西运城石油分公司) | – Trading of Petroleum Products – Supply of Into-Plane Fuelling Services |
| 7. China International United Petroleum & Chemicals Co., Ltd. (中国国际石油化工联合有限责任公司) | – Trading of Petroleum Products |
| 8. Unipec Asia Company Limited (联合石化亚洲有限公司) | – Trading of Petroleum Products |
| 9. Unipec Singapore Pte Ltd (联合石化 (新加坡) 私人有限公司) | – Trading of Petroleum Products – Procurement of Shipping and Logistics Services |
| 10. Sinopec Sales Co., Ltd (中国石化销售股份有限公司) | – Trading of Petroleum Products |
| 11. Sinopec Kantons Holdings Limited (中石化冠德控股有限公司) | – Procurement of Shipping and Logistics Services |
| 12. Sinopec Century Bright Capital Investment Ltd. (中国石化盛骏国际投资有限公司) | – Provision of Treasury services |
| 13. Sinopec Century Bright Capital Investment (Singapore) Pte. Ltd. (中国石化盛骏国际投资 (新加坡) 有限公司) | – Provision of Treasury services |
| 14. Sinopec Century Bright Capital Investment (Middle East) Limited. (中国石化盛骏国际投资 (中东) 有限公司) | – Provision of Treasury services |
| 15. Sinopec Century Bright Capital Investment (America) LLC (中国石化盛骏国际投资 (美洲) 有限公司) | – Provision of Treasury services |

ANNEX III – LIST OF ADDITIONAL INTERESTED PERSONS

| Entity Name | Nature of Transactions |
|--|----------------------------------|
| 16. Sinopec Century Bright Capital Investment (UK) Limited (中国石化盛骏国际投资 (英国) 有限公司) | – Provision of Treasury services |
| 17. Sinopec Finance Co., Ltd (中国石化财务有限责任公司) | – Provision of Treasury services |
| 18. Sinopec Financial Holding Company (中石化产融控股有限公司) | – Provision of Treasury services |

In addition to the Additional Interested Persons listed above, members of the Expanded Sinopec Group which are nominated by the Additional Interested Persons named above (which may include CNAF Group) to enter into transactions with the CAO Group, are also deemed to be Additional Interested Persons listed in this **Annex III** with which the CAO Group may transact under the Expanded IPT General Mandate. The list of Additional Interested Persons, as well as the type of transactions to be undertaken, may therefore change from time to time as a result of any corporate actions and/or internal restructurings that the Expanded Sinopec Group may undertake.

As such, to the extent Interested Persons Transactions fall within the scope and categories comprised in the Existing IPT General Mandate and/or Expanded IPT General Mandate, the Company will not seek any separate approval from Shareholders in relation to any such nominated entities or any such addition of new entities to the list of Additional Interested Persons set out in this **Annex III**.

ANNEX IV – IFA LETTER

RHT CAPITAL PTE. LTD.

(Company Registration Number: 201109968H)
(Incorporated in the Republic of Singapore)

36 Robinson Road, #10-06
City House, Singapore 068877

24 June 2026

To: The Non-Interested Directors of China Aviation Oil (Singapore) Corporation Ltd.
(in respect of the Proposed Expanded IPT Mandate)

| | |
|--------------------------|---|
| Mr Teo Ser Luck | (Lead Independent Director) |
| Mr Hee Theng Fong | (Independent Director) |
| Mr Fu Xingran | (Independent Director) |
| Mr Jeffrey Goh Mau Seong | (Independent Director) |
| Mr Richard Yang Minghui | (Non-Executive, Non-Independent Director) |

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE PROPOSED EXPANDED INTERESTED PERSON TRANSACTION (“IPT”) GENERAL MANDATE

Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to shareholders of the Company dated 24 June 2026 (the “Circular”).

1. INTRODUCTION

China Aviation Oil (Singapore) Corporation Limited (“**CAO**” or the “**Company**”, together with its subsidiaries and associated companies, the “**CAO Group**”) is seeking shareholders’ approval for the proposed adoption of the Expanded IPT General Mandate (“**Expanded IPT General Mandate**”) in an extraordinary general meeting (“**EGM**”). CAO Group is considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”), or any member of the CAO Group, to enter into certain interested person transactions (the “**Interested Person Transactions**”) with the interested persons (the “**Interested Persons**”).

The Company is a subsidiary of China National Aviation Fuel Group (“**CNAF**”), a state-owned enterprise in China. CNAF has commercial and strategic links with China Petrochemical Corporation (together with its subsidiaries and associated companies, the “**Sinopec Group**”), including fuel supply arrangements.

On 8 January 2026, the State Council approved a restructuring plan between CNAF and China Petrochemical Corporation. Sinopec Group is the world’s largest oil refiner and China’s top aviation fuel producer, processes crude into oil products, including jet fuel, supplying it to CNAF.

It is envisaged that upon the completion of the Proposed Restructuring, the CNAF Group would become part of the Sinopec Group, which would collectively comprise the Expanded Sinopec Group. As a result, such subsidiaries and associated companies within the Sinopec Group may come within the meanings of “interested persons” and/or “entities at risk” of the Company under Chapter 9 of the Listing Manual. Information on the shareholdings of CNAF in the Company can be found in Section 7.2 of this Circular.

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Under the definitions set out in the Listing Manual of the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), China Petrochemical Corporation is a shareholder of the CNAF which in turn is a controlling shareholder of the Company. As such, China Petrochemical Corporation is regarded as an associate of a controlling shareholder of the Company. Pursuant to Rule 904(4) of the Listing Manual, China Petrochemical Corporation is an Interested Person and pursuant to Rule 904(5) of the Listing Manual, transactions between an entity at risk and interested persons are deemed to be an Interested Person Transactions. Accordingly, any transactions entered into by the Group with China Petrochemical Corporation would be deemed as Interested Person Transactions which would be subjected to approval by shareholders of the Company (“**Shareholders**”) should the aggregate value of such Interested Person Transactions exceed 5.0% of the Group’s audited net tangible assets for the latest audited financial year.

The Group would, in its ordinary course of business, enter into transactions including but not limited to the transactions set out in **Annex III** of the Circular with persons who are considered “Interested Persons” as defined in Chapter 9 of the Listing Manual.

Chapter 9 of the Listing Manual allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, such as the purchase and sale of supplies and materials, but not the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

The Company will be seeking approval from the Shareholders at the forthcoming EGM for the adoption of the Expanded IPT General Mandate with China Petrochemical Corporation which may be entered into by the Group in its ordinary course of business with a high degree of frequency.

Pursuant to Rule 920(1)(b)(v) of the Listing Manual, the Company is required to appoint an independent financial adviser (“**IFA**”) to opine on whether the methods or procedures for determining transaction prices are sufficient to ensure that the Interested Person Transactions pursuant to the Expanded IPT General Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

In addition, CNAF, being the controlling shareholder which the Interested Persons are associates of, will abstain from voting and has undertaken to ensure its associates will abstain from voting on the resolution for the Expanded IPT General Mandate at the extraordinary general meeting (“**EGM**”) of the Company to be convened. CNAF and its associates will also decline any appointment to act as proxies to vote at the EGM in respect of the ordinary resolution pertaining to the Financial Services under the Expanded IPT General Mandate unless the Shareholders concerned have given specific voting instructions as to the manner in which their votes are to be cast for the said resolution.

In compliance with the requirements of Chapter 9 of the Listing Manual, RHT Capital Pte. Ltd. (“**RHTC**”) has been appointed by the Company as the IFA pursuant to Rule 920(1)(b)(v) of the Listing Manual as well as to the directors of the Company (the “**Directors**”) who are deemed to be independent in respect of the Expanded IPT General Mandate (the “**Non-Interested Directors**”) to render the following opinions on whether the guidelines and review procedures under the Expanded IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the Expanded IPT Mandate. Further, the Expanded IPT General Mandate will not cover any transaction entered into by a member of the Group with an Interested Person that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions.

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In addition, transactions with other interested persons (other than the Interested Persons) that do not fall within the ambit of the Expanded IPT General Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other provisions of the Listing Manual.

This letter (“**Letter**”) is addressed to the Non-Interested Directors and sets out, *inter alia*, our evaluation and recommendation on the Expanded IPT General Mandate. This Letter forms part of the Circular which provides, *inter alia*, the details of the Expanded IPT General Mandate and the recommendation of the Non-Interested Directors thereon.

2. TERMS OF REFERENCE

RHTC has been appointed as the IFA as required under Rule 920(1)(b)(v) of the Listing Manual to advise the Non-Interested Directors in respect of the Expanded IPT General Mandate as an Interested Person Transactions. The purpose of this Letter is to provide independent opinions, for the purpose of Chapter 9 of the Listing Manual, on whether the guidelines and review procedures under the Expanded IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

We were neither a party to the negotiations entered into by the Company in relation to the Expanded IPT General Mandate nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Expanded IPT General Mandate. We do not, by this Letter, warrant the merits of the Expanded IPT General Mandate other than to form an opinion on whether the guidelines and review procedures under the Expanded IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the Expanded IPT General Mandate or to compare its relative merits vis-à-vis alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comment. Such evaluation or comment, if any, remains the sole responsibility of the Directors and/or the management of the Company (“**Management**”) although we may draw upon the views of the Directors and/or the Management or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company and/or the Group. We have also relied on information provided and representations made by the Directors, Management and the Company’s advisers, including but not limited to its solicitors, valuers and/or auditors. We have not independently verified such information or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have nevertheless made reasonable enquiries and exercised our judgement on the reasonable use of such information as we deemed necessary and have found no reason to doubt the accuracy and reliability of the information.

We have relied upon the assurance of the Directors (including those who may have delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their respective knowledge and belief, all facts stated and opinions expressed in the Circular which relate to the Expanded IPT General Mandate and the Company and/or the Group are fair and accurate and that there are no material facts or omissions of which would make any statement in the Circular misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

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For the purpose of assessing the guidelines and reviewing procedures under the Expanded IPT General Mandate and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company and/or the Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Company and/or the Group in connection with our opinion in this Letter.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment) We will be relying on the disclosures and representations made by the Company on the value of the assets, liabilities and profitability of the Company and/or the Group.

Our opinion as set out in this IFA Letter is based upon the market, economic, industry, monetary and other conditions in effect on, and the information provided to us as of the Latest Practicable Date, being 15 June 2026. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Minority Shareholders should further take note of any announcements relevant to their consideration of the Expanded IPT General Mandate which may be released by the Company after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we advise the Non-Interested Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter and the extract of our opinion and recommendation set out in the Circular). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this Letter and the extract of our opinion and recommendation set out in the Circular).

Whilst a copy of this Letter may be reproduced in the Circular and made available for inspection at the registered office of the Company during normal business hours from the date of this Circular up to the date of the EGM, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any purposes other than for the purposes of any matter relating to the Expanded IPT General Mandate as an Interested Person Transactions at any time and in any manner without the prior written consent of RHTC in each specific case.

This Letter sets out, *inter alia*, our opinions on whether the guidelines and review procedures under the Expanded IPT General Mandate, as an Interested Person Transactions, will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders and should be considered in the context of the entirety of this Letter and the Circular.

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3. EVALUATION OF THE METHODS AND PROCEDURES FOR THE IPT MANDATE

3.1 Rationale of the Expanded IPT General Mandate

Details of the rationale of the Expanded IPT General Mandate is set out in paragraph 1 of **Annex II** of the Circular, extracted and set out below for your reference.

“1. RATIONALE FOR THE EXPANDED IPT GENERAL MANDATE

- 1.1 *CNAF, which is the majority shareholder of the Company, is China’s largest state-owned aviation fuel supplier which integrates the purchase, transportation, storage, quality management, sales and into-plane service of aviation fuel. Information on the shareholdings of CNAF in the Company can be found in Section 7.2 of this Circular.*
- 1.2 *On 8 January 2026, the State Council approved a restructuring plan between CNAF Group and Sinopec Group. Sinopec Group is the world’s largest oil refiner and China’s top aviation fuel producer, processes crude into oil products, including jet fuel, supplying it to CNAF.*
- 1.3 *China Petrochemical Corporation was established in July 1998 on the basis of the former China Petrochemical Corporation, in a move by the central government to strategically restructure the petroleum and petrochemical industry. It was further incorporated as a limited liability corporation in August 2018. Headquartered in Beijing, it is a super large energy and petrochemical group with integrated business in upstream, downstream, production, supply, marketing, domestic and overseas trading, China Petrochemical Corporation has a registered capital of 326.5 billion yuan. Principal businesses of the Sinopec Group include petroleum and natural gas exploration, production, storage and transportation (including pipeline transmission), sales and comprehensive utilisation; oil refining; wholesale and retail of oil products; production, sales, storage, transportation of petrochemical products and other chemical products; industrial investment and investment management; design, construction and installation for petroleum and petrochemical engineering projects; overhaul and maintenance of petroleum and petrochemical equipment; manufacturing of electrical and mechanical equipment; research and development, application and consulting services of technology, information and alternative energy products; import & export. The Sinopec Group is the largest refined oil and petrochemical products supplier in China, and the largest refining company and the second largest chemical company in the world. Its total number of gas stations ranks the second place in the world. It has been ranked among the top corporations on Fortune’s Global 500 List in recent years.*
- 1.4 *Upon completion of the Proposed Restructuring, the CNAF Group would become part of the Sinopec Group, which would collectively comprise the Expanded Sinopec Group. As a result, subsidiaries, associates and associated companies of China Petrochemical Corporation may come within the meanings of “interested persons” of the Company under Chapter 9 of the Listing Manual.*
- 1.5 *As at the date of this Circular, the CAO Group has, in its ordinary course of business, entered into ongoing transactions with certain members of the Sinopec Group (which upon completion of the Proposed Restructuring would comprise the Expanded Sinopec Group), further details of which are set out in paragraph 3 of this **Annex II**.*
- 1.6 *The Expanded IPT General Mandate is intended to facilitate transactions in the ordinary course of business of the CAO Group as described in paragraph 3 of this **Annex II** which are recurrent in nature and may be transacted from time to time with the Additional Interested Persons provided that they are carried out on normal commercial (or, in the absence of other similar comparable transactions, in the circumstances, commercially reasonable, justifiable and/or practicable) terms and are not prejudicial to the interests of the Company and its minority Shareholders.*

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- 1.7 *The Expanded IPT General Mandate is intended to enhance the CAO Group's ability to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' approval for the entry by the CAO Group into such transactions, which would be commercially impracticable and contrary to the interest of the CAO Group. This will substantially reduce administrative time and expenses associated with the making of such announcements or the announcement and convening of general meetings from time to time, and allow manpower resources to be focused towards other corporate and business opportunities, in order to maximise profits and value for all Shareholders."*

3.2 Classes of Additional Interested Persons

The classes of additional Interested Persons which will be covered by the IPT Mandate is set out in paragraph 2 of **Annex II** of the Circular, extracted and set out below for your reference.

"2. CLASSES OF ADDITIONAL INTERESTED PERSONS

- 2.1 *Under the Expanded IPT General Mandate, the Additional Interested Persons comprise (present and future) members of the Expanded Sinopec Group, each of which is deemed to be an Additional Interested Person that the Group will be transacting with.*
- 2.2 *The list of the Additional Interested Persons and the types of transactions which the CAO Group intends to undertake pursuant to the Expanded IPT General Mandate, are set out in **Annex III** to this Circular. Members of the Expanded Sinopec Group which are nominated by the Additional Interested Persons expressly named/listed in **Annex III** to enter into transactions with the CAO Group, are also deemed to be Additional Interested Persons listed in **Annex III** with which the CAO Group may transact under the Expanded IPT General Mandate. It is also to be noted that as the Expanded Sinopec Group undertake corporate actions and/or internal restructuring exercises from time to time, the list of members from the respective groups as well as the types of transactions to be transacted with each member will naturally be subject to change.*
- 2.3 *Paragraph 3 of this **Annex II** sets out the background to, and describes the nature of, the Additional Interested Person Transactions with the Expanded Sinopec Group respectively which are covered under the Expanded IPT General Mandate."*

3.3 Details of the transactions to be provided under the Expanded IPT General Mandate

Details of the transactions to be provided is set out in paragraph 3 of **Annex II** of the Circular, extracted and set out below for your reference.

"3. CATEGORIES OF ADDITIONAL INTERESTED PERSON TRANSACTIONS WITH THE EXPANDED SINOPEC GROUP

- 3.1 *Transactions between the CAO Group and the Expanded Sinopec Group covered by the Expanded IPT General Mandate comprise the following categories:*
- (a) *the sales and purchases of Petroleum Products to/from the Additional Interested Persons;*
 - (b) *the provision and receipt of supply chain services including, but not limited to:*
 - (i) *the procurement of shipping and logistics services from the Additional Interested Persons for the transport of Petroleum Products (including, without limitation, the chartering of ships, whether on a time charter or fixed voyage basis, and the rental of tankages and/or the entry by member(s) of the CAO Group into term charter party agreement(s) with Additional Interested Person(s) on terms similar to that of the Term Charter Party Agreement 2026);*

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- (ii) *the provision of import agency services for Petroleum Products by the CAO Group to the Additional Interested Persons; and*
 - (iii) *the provision of into-plane fuelling services by the CAO Group to the Additional Interested Persons and the procurement of into-plane fuelling services by the CAO Group from the Additional Interested Persons;*
 - (c) *the provision of Treasury Services by the Additional Interested Persons to the CAO Group, and the provision of Treasury Services by the CAO Group to Approved Entities; and*
 - (d) *the provision of Services by Additional Interested Person(s).*
- 3.2 *The CAO Group does not presently intend to engage in the trading of Derivative Financial Instruments with the Expanded Sinopec Group. As such, the Expanded IPT General Mandate does not cover transactions involving the trading of Derivative Financial Instruments with the Expanded Sinopec Group.”*

3.3 Sales and Purchases of Petroleum Products

(a) Supply of Aviation Fuel

As part of its business, the CAO Group may supply aviation fuel to and/or procure aviation fuel from Additional Interested Persons, based on the terms of existing agreements entered into (as elaborated below) or on an ad hoc basis.

(i) Sinopec Supply Agreement

On completion of the Proposed Restructuring, the sale and purchase of aviation jet fuel under the Sinopec Supply Agreement will constitute an Additional Interested Person Transaction.

The Sinopec Supply Agreement was entered into on 15 August 2025 between CAOHK (as buyer) and Sinopec HK Aviation (as seller), and unless terminated in accordance with its terms, continues to subsist.

*Under the Sinopec Supply Agreement, Sinopec HK Aviation agrees to sell and deliver and CAOHK agrees to buy and take delivery of aviation jet fuel at certain airport location(s) as detailed in location contracts entered into from time to time (each, a “**Location Contract**”).*

The Sinopec Supply Agreement (together with the relevant Location Contracts) sets out details regarding the procurement process, such as price of aviation jet fuel, quality specifications, delivery and nomination arrangements, payment terms, force majeure provisions and trade control and compliance obligations, as well as period of time.

For illustration purposes only, as at the Latest Practicable Date:

- (A) *the pricing for aviation jet fuel supplied under the Location Contract entered into by CAOHK and Sinopec HK Aviation on 23 December 2025 (“**HKIA Location Contract**”) is updated monthly and calculated based on the “base price” minus a fixed differential;*
- (B) *the “base price” is calculated as the arithmetic average of the “mean” of the daily “high” and “low” quotations for MOPS KERO for the month immediately preceding the month of delivery. The calculation is based on trading days applicable to MOPS KERO;*

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- (C) *Sinopec HK Aviation (as seller) grants a further fixed discount of on the total uplift volume (excluding Cathay Pacific uplift volume) if the total uplift volume by CAOHK (as buyer) in 2026 exceeds a certain amount;*
- (D) *there is no discount granted for any uplift supplied using CAOHK's own cargo;*
- (E) *all taxes, levies, airport throughput fees, and other applicable third-party charges are for the account of CAOHK; and*
- (F) *the duration of the HKIA Location Contract is for a period of one (1) year commencing 1 January 2026 and ending on 31 December 2026.*

While the Sinopec Supply Agreement and HKIA Location Contract were entered into prior to Sinopec HK Aviation becoming an "interested person" of the Company, as such arrangements contemplated under the Sinopec Supply Agreement and HKIA Location Contract are intended to continue and be undertaken from time to time in the ordinary course of the CAO Group's business following completion of the Proposed Restructuring, the Audit Committee has for the purposes of the Expanded IPT General Mandate reviewed the rates and terms of the Sinopec Supply Agreement and HKIA Location Contract in accordance with the procedures set out in the Expanded IPT General Mandate.

Any subsequent substantive amendments to, or renewal or extension of the Sinopec Supply Agreement and the HKIA Location Contract, as well as entry into any further Location Contract, are also to be reviewed and approved by the Audit Committee in accordance with the procedures set out in this Expanded IPT General Mandate.

For the benefit of facilitating Shareholders' understanding, for purposes of Chapter 9 of the Listing Manual:

- (A) *upon completion of the Proposed Restructuring, Sinopec HK Aviation will be an "interested person", as it is a subsidiary of China Petrochemical Corporation and will be a member of the Expanded Sinopec Group;*
- (B) *CAOHK is an "entity at risk", as it is wholly-owned subsidiary of the Company; and*
- (C) *accordingly, upon completion of the Proposed Restructuring, the Sinopec Supply Agreement, the HKIA Location Contract and any other Location Contract entered into between Sinopec HK Aviation and CAOHK in furtherance of the Sinopec Supply Agreement will constitute "interested person transactions".*

(ii) Unipec Supply Agreement

On completion of the Proposed Restructuring, the sale and purchase of Jet A1 fuel under the Unipec Supply Agreement will also constitute an Additional Interested Person Transaction.

The Unipec Supply Agreement was entered into 2 December 2025 between Unipec SG (as seller) and CAFEU (as buyer), for the sale and purchase of Jet A1 fuel delivered free into pipeline (FIP) at CEPS Vopak Rotterdam, the Netherlands. The delivery period under the Unipec Supply Agreement runs from 1 January 2026 to 31 December 2026 (both dates inclusive), and may be mutually extended.

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Under the Unipecc Supply Agreement, Unipecc SG agrees to sell and CAFEU agrees to purchase Jet A1 fuel meeting the specifications prescribed therein. The pricing at which Unipecc SG is to sell Jet A1 fuel to CAFEU under the Unipecc Supply Agreement is based on the arithmetic average of the high and low quotations for “Jet” published by Platts European Marketscan for “Northwest Europe Cargoes” under the heading “CIF NWE/Basis ARA” for the whole month average of the nomination month, plus a certain premium.

The Unipecc Supply Agreement further sets out other details regarding the procurement process, such as the quality specifications and inspection procedures, delivery and nomination arrangements, payment terms, force majeure provisions and trade control and compliance obligations applicable to Unipecc SG and CAFEU respectively.

While the Unipecc Supply Agreement was entered into prior to Unipecc SG becoming an “interested person” of the Company, as such arrangements contemplated under the Unipecc Supply Agreement are intended to continue and be undertaken from time to time in the ordinary course of the CAO Group’s business following completion of the Proposed Restructuring, the Audit Committee has for the purposes of the Expanded IPT General Mandate reviewed the rates and terms of the Unipecc Supply Agreement in accordance with the procedures set out in the Expanded IPT General Mandate.

Any subsequent substantive amendments to, or renewal or extension of the Unipecc Supply Agreement, are also to be reviewed and approved by the Audit Committee.

Similarly, for the benefit of facilitating Shareholders’ understanding, for purposes of Chapter 9 of the Listing Manual:

- (A) upon completion of the Proposed Restructuring, Unipecc SG will be an “interested person”, as it is a subsidiary of China Petrochemical Corporation and will be a member of the Expanded Sinopec Group;*
- (B) CAFEU is an “entity at risk”, as it is wholly-owned subsidiary of the Company; and*
- (C) accordingly, upon completion of the Proposed Restructuring, the Unipecc Supply Agreement constitutes an “interested person transaction”.*

(iii) Sinopec Yuncheng Agreement

On completion of the Proposed Restructuring, the sale and purchase of aviation fuel under the Sinopec Yuncheng Agreement will also constitute an Additional Interested Person Transaction.

The Sinopec Yuncheng Agreement was entered into 6 May 2026 between Sinopec Yuncheng (as seller) and CAOHK (as buyer), pursuant to which Sinopec Yuncheng agrees to sell and CAOHK agrees to purchase aviation fuel meeting the specifications prescribed therein, to be delivered into the aircrafts operated by CAOHK’s airline customers at YCU. The term of the Sinopec Yuncheng Agreement runs from the date of execution of the Sinopec Yuncheng Agreement to 30 April 2027 and parties may enter into a new contract within thirty (30) days prior to expiry of the existing term if they wish to continue the arrangement upon expiry.

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The pricing at which Sinopec Yuncheng is to sell aviation fuel to CAOHK under the Sinopec Yuncheng Agreement is determined as follows: (a) for domestic flights, in accordance with the pricing policies set by the Civil Aviation Administration of China and the National Development and Reform Commission; and (b) for international flights, on the basis of a formula comprising the comprehensive aviation fuel procurement cost plus a prescribed buy-sell margin.

The Sinopec Yuncheng Agreement further sets out other details regarding the procurement and supply process, including quality and quantity of aviation fuel supplied, fuelling and de-fuelling procedures, payment terms, force majeure provisions and insurance obligations applicable to Sinopec Yuncheng and CAOHK respectively.

While the Sinopec Yuncheng Agreement was entered into prior to Sinopec Yuncheng becoming an “interested person” of the Company, as such arrangements contemplated under the Sinopec Yuncheng Agreement are intended to continue and be undertaken from time to time in the ordinary course of the CAO Group’s business following completion of the Proposed Restructuring, the Audit Committee has for the purposes of the Expanded IPT General Mandate reviewed the rates and terms of the Sinopec Yuncheng Agreement in accordance with the procedures set out in the Expanded IPT General Mandate.

Any subsequent substantive amendments to, or renewal or extension of the Sinopec Yuncheng Agreement, are also to be reviewed and approved by the Audit Committee.

Similarly, for the benefit of facilitating Shareholders’ understanding, for purposes of Chapter 9 of the Listing Manual:

- (A) upon completion of the Proposed Restructuring, Sinopec Yuncheng will be an “interested person”, as it is a subsidiary of China Petrochemical Corporation and will be a member of the Expanded Sinopec Group;*
- (B) CAOHK is an “entity at risk”, as it is wholly-owned subsidiary of the Company; and*
- (C) accordingly, upon completion of the Proposed Restructuring, the Sinopec Yuncheng Agreement constitutes an “interested person transaction”.*

(b) Physical Trading in Petroleum Products

The CAO Group may further engage in the physical trading of Petroleum Products with Additional Interested Person(s), which meets the Company’s commercial eligibility requirements.

The bases for the pricing of Petroleum Products in physical trades sold or purchased by the CAO Group adopts prevailing market practices from time to time, and currently involves two (2) pricing components namely, MOPS plus a fixed premium or less a fixed discount.

MOPS refers to the mean of the high and low components of a Platts assessment for cargoes of oil products (including Petroleum Products) loading from Singapore. Platts in turn is a leading global provider of energy and metals information.

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The amount of premium for a particular transaction is determined by negotiations between the trading parties which will inter alia depend on the quality of the Petroleum Products and other relevant market factors and conditions.

The Risk Management Committee has overall responsibility to ensure that risk management controls and processes in relation to physical trading of Petroleum Products with Additional Interested Person have been duly followed. Subject to the Risk Management Committee's oversight, the chief executive officer of the Company and head of risk management of the Company are delegated to implement such controls and processes for daily operational activities.

3.4 Supply Chain Services

(a) Background

The Company constantly seeks to optimise its supply chain capabilities beyond merely ensuring the quality and timely delivery of oil product shipments. It works closely with traders to ensure the most cost-effective ways to ship oil products in light of the Company's supply and trading portfolio as a whole. Instead of chartering ships on an individual voyage basis, it will consider based on circumstances, whether it is more efficient operationally and financially for the Company to enter into time charter agreements in respect of physical movements of oil products, or to enter into shipping arrangements with other suppliers on a collaborative basis.

(b) Procurement of Shipping and Logistics Services

To this end, the Company is open to working with multiple ship owners and logistics services providers.

The key attributes by which these potential suppliers are selected include their competitiveness, their respective track records in handling the quality of oil products which the Company supplies, as well as their presence in the North Asian aviation fuel shipment market.

In the course of sourcing for such suppliers, the Company anticipates that it may enter into shipping and logistics services arrangements, such as multiple voyages or time charter contracts, rental of tankages and other aviation fuel transportation arrangements with Additional Interested Persons, if it is of the view that it/they is/are able to offer competitive terms for its/their shipping and logistics services or if it/they is/are the only shipping service provider(s) which is/are able to meet the technical and delivery specifications stipulated by CAO's end customers.

Further, the Company purchases Petroleum Products from various Additional Interested Persons and in turn sells the same to the receivers in PRC or other buyers.

In the course of its supply to such buyers, the Company will in some cases need to procure shipping and logistics services. As an example, CAO may buy Petroleum Products on FOB basis and sell the same on CFR basis, for which CAO will require freight services and it may engage one or more Additional Interested Persons to provide the freight services. In certain cases, such Additional Interested Person may be the only shipping service provider which will be able to meet the technical and delivery specifications stipulated by CAO's end customers.

If CAO buys on FOB basis and sells on FOB basis, CAO will not need freight services as CAO's buyer will be responsible for the freight arrangements. If CAO buys on CFR basis and sells on CFR basis, CAO will not need freight services.

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In addition, the Company had on 24 December 2025 entered into the Term Charter Party Agreement 2026 with China National Aviation Fuel Logistics Co., Ltd (中国航油集团物流有限公司), a subsidiary of CNAF, whereby freight services will be provided by China National Aviation Fuel Logistics Co., Ltd (中国航油集团物流有限公司) to the CAO Group at certain pre-agreed rates for the transportation of Petroleum Products. The Term Charter Party Agreement 2026 is for a term of five (5) years to 30 April 2031, whereby the Company has agreed to charter ships operated by CNAF Logistics for the physical deliveries of Petroleum Products to the following delivery routes: (1) Dalian – Qinhuangdao; (2) Dalian – Tianjin; (3) Nanjing (Jinling) – Chongqing; (4) Maoming – Guangzhou (Huangpu); (5) Zhuhai (Gaolan) – Guangzhou (Huangpu); (6) Shanghai (Gaoqiao) – Shanghai (Yangshan); (7) Nanjing (Jinling) – Shanghai (Yangshan); (8) Shanghai (Yangshan) – Xiamen; (9) Shanghai (Yangshan) – Shanghai (Puhang); (10) Shanghai (Yangshan) – Tianjin; (11) Zhenhai – Shanghai (Puhang); (12) Shanghai (Jinshan) – Shanghai (Puhang); (13) Nanjing (Jinling) – Shanghai (Puhang); (14) Zhenhai – Shanghai (Yangshan); (15) Shanghai (Jinshan) – Shanghai (Yangshan); (16) Qingdao – Shanghai (Puhang); (17) Shanghai (Yangzi) – Shanghai (Puhang); (18) Quanzhou – Xiamen; (19) Jiujiang – Chongqing; (20) Huizhou – Guangzhou (Huangpu); and (21) Zhenhai – Fuzhou.

Upon the completion of the Proposed Restructuring, the Company may from time to time consider entering into new term charter party agreement(s) with Additional Interested Person(s) on terms similar to that of the Term Charter Party Agreement 2026, and procure freight services from such Additional Interested Person(s) on the terms set out therein.

(c) Supply of Import Agency Services

As the Group builds up its supply chain optimisation capabilities, there may be other supply-chain and logistics-related services provided or to be provided by the Group to the Expanded Sinopec Group. Under the import agency arrangements, the Company will be paid a fixed commission that is in line with the margins quoted in the markets for similar supply of import agency services and is determined by a bilateral negotiation between the Company and the relevant member of the Expanded Sinopec Group.

(d) Supply and Procurement of Into-Plane Fuelling Services

Part of the Expanded Sinopec Group's and the CAO Group's business involves the supply of jet fuel to airline companies at various airports around the world.

In order to deliver jet fuel directly into the aircrafts of the customers, certain Additional Interested Persons which will be members of the Expanded Sinopec Group may be required to engage the services of an into-plane fuelling services provider. Similarly, certain members of the CAO Group may be required to engage the services of an into-plane fuelling services provider. The number of such service providers who are authorised to provide into-plane fuelling services at any airport is generally very limited.

As an example, on 27 July 2018, CNAF HKR and Sinopec HK Aviation entered into the Sinopec HK Aviation Into-Plane Fuelling Services Agreement pursuant to which CNAF HKR provides into-plane fuelling services to Sinopec HK Aviation on a non-exclusive basis (at Sinopec HK Aviation's request) in connection with the supply of jet fuel by Sinopec HK Aviation to airline companies at HKIA.

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*The Sinopec HK Aviation Into-Plane Fuelling Services Agreement continues in force and effect unless terminated pursuant to its terms, with specific terms and conditions for each service period detailed in individual schedules forming an integral part of the agreement, including pricing for the into-plane fuelling services, which are subject to the maximum service charges as determined by the Airport Authority of HKIA (“**Authority**”) in accordance with the franchise agreement entered into between the Authority and CNAF HKR.*

As at the Latest Practicable Date, there is one schedule to the Sinopec HK Aviation Into-Plane Fuelling Services Agreement which is in effect, which was entered into on 2 September 2024 for a service period of 18 months commencing on 1 April 2025 and expiring on 30 September 2026.

*In addition, under the Sinopec Yuncheng Agreement, Sinopec Yuncheng provides into-plane fuelling services to aircrafts operated by CAOHK’s airline customers at YCU as further detailed in paragraph 3.3(a)(iii) above of this **Annex II**.*

For the benefit of facilitating Shareholders’ understanding, for purposes of Chapter 9 of the Listing Manual:

- (i) upon completion of the Proposed Restructuring, each of Sinopec HK Aviation and Sinopec Yuncheng will be an “interested person” of the Company, as it is a subsidiary of China Petrochemical Corporation and will be a member of the Expanded Sinopec Group;*
- (ii) each of CNAF HKR and CAOHK is an “entity at risk”, as it is a subsidiary of the Company; and*
- (iii) accordingly, upon completion of the Proposed Restructuring, the Into-Plane Fuelling Services Agreements will each constitute an “interested person transaction”.*

3.5 Provision of Treasury Services by and to Additional Interested Persons

(a) Treasury Services provided by Sinopec Financial Group

The Sinopec Financial Group entities are Additional Interested Persons.

As part of their treasury services, they may allow members of the CAO Group to place their excess funds with them from time to time, in respect of which the Sinopec Financial Group entities will pay interest at rates which are agreed between the parties.

In turn, the Sinopec Financial Group entities will place such consolidated funds with the Deposit Banks, and it is typically able to obtain preferential terms from the Deposit Banks than what would have been generally available to the individual members, given the larger size of the placements. The Sinopec Financial Group will then be able to pass on such benefits to the CAO Group.

As such, the CAO Group is able to obtain more competitive rates and quotes in an expeditious manner from the Sinopec Financial Group for placement of funds, than what would have been generally available to the CAO Group in the market.

Additionally, the CAO Group may from time to time borrow funds from the Sinopec Financial Group. When it does so, the CAO Group is able to obtain more competitive rates and quotes for such borrowing of funds provided in an expeditious manner by the Sinopec Financial Group, than what would have been generally available to the CAO Group, as the CAO Group forms part of the Expanded Sinopec Group.

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(b) Treasury Services provided by CAO Group to Approved Entities

As part of its treasury services, the CAO Group may from time to time provide loans to the Approved Entities and grant guarantees in favour of third parties for the purposes of the Investee Companies, which may or may not be in proportion to the CAO Group's equity interest in the relevant Investee Company. Such Investee Companies may be Additional Interested Persons.

The CAO Group will look to charge interest for providing such loans, at rates which are higher than what is offered in the market, and will also charge fees as appropriate for the grant of such guarantees.

Where an Approved Entity is not an Investee Company, a loan is provided by the CAO Group in the form of a "cashflow or credit support" facility, and is further subject to the following requirements:

- (i) the funds can only be used solely for the acquisition of additional goods and services from the CAO Group;*
- (ii) the CAO Group will undertake a credit assessment process to ascertain the creditworthiness of the said Approved Entity before accepting it as a counterparty; and*
- (iii) the credit assessment process must be undertaken by a person who has no interest, whether direct or indirect, in the facility nor the acquisition of goods and services by such Approved Entity.*

Similarly, for the benefit of facilitating Shareholders' understanding, for purposes of Chapter 9 of the Listing Manual:

- (i) upon completion of the Proposed Restructuring, the Sinopec Financial Group entities will each be an "interested person" of the Company, being a member of the Expanded Sinopec Group;*
- (ii) CAO Group is an "entity at risk"; and*
- (iii) accordingly, upon completion of the Proposed Restructuring, the provision of treasury services described in this paragraph 3.5 will constitute "interested person transactions."*

3.6 Provisions of Services by Additional Interested Person(s)

In line with the Company's continuing plans to build on and strengthen its position in the relevant markets, the CAO Group may from time to time opt to tap on the relevant expertise, industry knowhow (such as information technology (IT), information-sharing, marketing, training and risk management, secondment of staff and other related services) and business networks of member(s) of the Sinopec Group by entering into agreements for the provision of Services with Additional Interested Person(s).

Similarly, for the benefit of facilitating Shareholders' understanding, for purposes of Chapter 9 of the Listing Manual, upon completion of the Proposed Restructuring, China Petrochemical Corporation will be a Controlling Shareholder of the Company, each member of the Sinopec Group will therefore be an interested person of the Company for the purposes of Chapter 9 of the Listing Manual."

3.4 Benefits of the Additional Interested Persons to the Group

Details of the benefits of the Additional Interested Persons to the Group is set out in paragraph 4 of **Annex II** of the Circular, extracted and set out below for your reference.

“4 BENEFITS OF THE ADDITIONAL INTERESTED PERSON TRANSACTIONS TO THE CAO GROUP

4.1 Increase in business trading relationships

Sinopec Group is one of the major players in the energy markets, and one of the key benefits of obtaining the Expanded IPT General Mandate is that it provides the CAO Group with an increased number of potential trading partners, thereby giving the CAO Group additional options and flexibility in managing its business and trading strategy in relation to Petroleum Products.

In addition, this is aligned with CAO Group’s aim to trade with all the major players in the energy markets such that the Company can obtain the most competitive prices for its transactions. Accepting Services from Additional Interested Persons who are member(s) of the Sinopec Group will also provide the CAO Group with an invaluable resource as the CAO Group will be able to tap on the relevant expertise, industry know-how (such as information technology (IT), information-sharing, marketing, training, risk management, secondment of staff and other related services) and business networks of such member(s) of the Sinopec Group or to reap the benefits of efficiencies and economies of scale through the provision of Services by the member(s) of the Sinopec Group for the CAO Group’s and the Sinopec Group’s mutual benefits. In this way, the Company can continue to build on and strengthen its position in the relevant markets.

The CAO Group also expects to benefit from the synergies arising from the collaboration with the Sinopec Group on supply chain services.

As a service provider for into-plane fuelling services to the Sinopec Group, CAO Group will be able to leverage its existing operational infrastructure and expertise in into-plane fuelling, broadening its customer base and generating additional revenue streams and enhancing the utilisation of its assets at airports where it maintains a presence.

In procuring into-plane fuelling services at any airport, there are typically very limited number of services providers at any airport, and not all of them may be available to take on assignments or to even provide fee quotations, due to commercial or other reasons, at the request of the CAO Group. Thus, there would be situations where it would be very difficult for the CAO Group to secure the requisite into-plane fuelling services in order to deliver jet fuel to its customers at the affected airport. By enabling the CAO Group to engage the services of a service provider which happens to be a member of the Expanded Sinopec Group, the CAO Group’s range of alternatives in this restricted and specialised market would be significantly expanded. Further, the CAO Group will be able to continue delivering jet fuel to its customers at the affected airport through the relevant member of the Expanded Sinopec Group, even if the other third party service providers are unable or unwilling to meet the CAO Group’s service requests. Such flexibility will therefore be of commercial benefit to the CAO Group.

Moreover, the establishment of a sustained commercial relationship with the Sinopec Group in respect of into-plane fuelling services will strengthen the CAO Group’s market position and reputation as a reliable service provider, which may in turn facilitate further business opportunities with other industry participants.

4.2 Utilisation of Sinopec Group’s Infrastructure for Reliable and Punctual Supply

Sinopec Group possesses logistics facilities for the transportation of aviation fuel, including tanker, jetty, pipeline and shipping facilities.

Through cooperation between CAO Group and Sinopec Group, jet fuel can be delivered directly from Sinopec Group’s refineries to airports via pipelines, rail, or bonded coastal vessels, i.e. from production source to end-users. This efficient direct transmission of jet fuel eliminates intermediary storage and long-haul international shipping, thereby significantly reducing logistics costs and delivery time.

As result, the CAO Group will stand to benefit from a reliable and punctual supply of jet fuel, which is critical to the CAO Group for operational stability and mitigating supply disruption risks.

As part of such cooperation, CAO Group is able to utilise its capabilities to carry out active matching of domestic refinery output (including from Sinopec Group) with airport demand from a macro perspective. This builds an efficient market value chain and lowers overall market risk by reducing reliance on volatile international spot supply.

Importantly, the domestic supply provides the Company with a clear and granular view of the PRC’s total jet fuel demand. Such visibility supports robust analysis of supply/demand fundamentals and market trends, enabling the Company to better integrate aviation fuel resources across the Asia-Pacific region and thereby strengthening strategic positioning and decision-making.

4.3 Expansion of Range of Product Offerings

The provision of import agency services to members of the Expanded Sinopec Group provides the CAO Group with an opportunity to develop its capabilities and expand the range of products offered to its customers.”

3.5 Transaction not covered by the Expanded IPT General Mandate

Details of the transaction not covered by the Expanded IPT General Mandate is set out in paragraph 5 of **Annex II** of the Circular, extracted and set out below for your reference.

“5. TRANSACTIONS NOT COVERED BY EXPANDED IPT GENERAL MANDATE

- 5.1 *Transactions with the Additional Interested Persons which do not fall within the ambit of the Expanded IPT General Mandate remain subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.*
- 5.2 *The Expanded IPT General Mandate also does not extend to the trading of Derivative Financial Instruments between the CAO Group and the Expanded Sinopec Group, which the CAO Group has no present intention to carry out.*
- 5.3 *The Expanded IPT General Mandate does not cover any transaction by a company in the CAO Group with Additional Interested Persons that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions.*
- 5.4 *In addition, the Expanded IPT General Mandate does not include transactions for the purchase or sale of assets, undertakings or businesses with the Additional Interested Persons.”*

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3.6 Guidelines and review procedures of the Expanded IPT General Mandate

Details of the guidelines and review procedure of the Expanded IPT General Mandate is set out in paragraph 6 of **Annex II** of the Circular, extracted and set out below for your reference.

“6. REVIEW PROCEDURES FOR ADDITIONAL INTERESTED PERSON TRANSACTIONS

6.1 *To ensure that the Additional Interested Person Transactions are conducted on normal commercial (or, in the absence of other similar comparable transactions, commercially reasonable, justifiable and/or practicable) terms and will not be prejudicial to the interests of the Company and its minority Shareholders, as a general rule, the CAO Group will only enter into transactions with the Additional Interested Persons if the terms offered by or extended to the Additional Interested Persons are respectively no less or more favourable than the terms that may be obtainable from or extended to unrelated third parties. Where such terms are not available, such transactions must be supportable by reference to circumstances and demonstrated to be in the interest of the CAO Group.*

6.2 Review Procedures in relation to Sales and Purchases of Petroleum Products to/from Additional Interested Persons

(a) Determination of Premium or Amendment of Premium or Margin under the Supply Agreements and for Extension or Renewal of the Supply Agreements

*To ensure that any determination of the premium payable under the Supply Agreements, any amendment to the premium or margin under the Supply Agreements, and any future extension or renewal of the Supply Agreements (collectively “**Supply Agreements Variations**”) will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Audit Committee has adopted the following review procedures:*

(i) *If, as of the date on which the CAO Group proposes any Supply Agreements Variation, the CAO Group does not supply or purchase aviation fuel, the product being supplied under the relevant contract, of the same or similar specifications as specified under the relevant contract, in any significant amount to or from other unrelated third parties (as the case may be), so that it is not possible to compare the Supply Agreements Variations against those of other transactions with unrelated third parties, the Supply Agreements Variations will be verified by any two (2) Uninterested Senior Executives or such other persons as may be appointed by the Audit Committee.*

In undertaking such verification, the two (2) Uninterested Senior Executives or other appointed persons will, on a best efforts basis, obtain reference prices and/or quotations from the external markets via the CAO Group’s existing aviation fuel suppliers (for example, by obtaining from such suppliers indicative margins and premiums that they are charging for their sales and estimates of freight charges for delivering the aviation fuel of the relevant specifications to the relevant destination).

They will then verify that the proposed margin and/or premium is/are consistent with or better than such indicative market rates as a rough benchmark or gauge of the then applicable pricing of aviation fuel.

It is to be noted that there are limitations on making meaningful and fair comparisons of reference prices and quotations for aviation fuel imports into the PRC, as CAO currently only supplies aviation fuel (sourced from outside the PRC) in substantial amounts to a small number of counterparties for imports into the PRC and does not supply aviation fuel in any significant amount to other unrelated third parties, and it is difficult to obtain comparable reference prices and quotations on a like-for-like basis due to differences in sizes, delivery dates, quantity loads and locations of cargoes.

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It may not be possible to obtain meaningful comparable reference prices and/or quotations from the external markets via the CAO Group's existing aviation fuel suppliers, in order for verification by the two (2) Uninterested Senior Executives (or other appointed persons) to be meaningfully conducted.

In such circumstances, any Supply Agreements Variation will be reviewed and approved by the Audit Committee.

- (ii) *If, as of the date on which the CAO Group proposes any Supply Agreement Variation, the CAO Group does supply or purchase aviation fuel, the product being supplied or purchased under the relevant contract, of the same or similar specifications as specified under the relevant contract, in a significant amount to or from other unrelated third parties (as the case may be), the price and terms of at least two (2) other successful sales or purchases of aviation fuel of the relevant specifications to or from unrelated third parties (as the case may be) will be used as a basis for comparison, whenever possible, to determine whether the Supply Agreements Variations are comparable to those offered by unrelated third parties for such successful sales or purchases (as the case may be), taking into account all pertinent factors including, but not limited to, price, quality, delivery time and track record, to ensure that the interests of its minority Shareholders are not disadvantaged.*

(b) Transactions with Additional Interested Persons involving Purchases and/or Sales of Petroleum Products (other than under the Supply Agreements)

In respect of transactions comprising purchases and/or sales of Petroleum Products by the CAO Group from or to any Additional Interested Person (other than under the Supply Agreements), in addition to the credit assessment process undertaken by the CAO Group on all potential parties for Petroleum Products before accepting that Additional Interested Person as a counterparty:

- (i) *When selling and purchasing Petroleum Products to and from an Additional Interested Person, any two (2) Uninterested Senior Executives shall, where practicable or possible, compare the terms offered by or to the Additional Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties of similar quantities and/or quality of the relevant Petroleum Products, prior to the entering into of the contract or transaction with the Additional Interested Person, as a basis for comparison, and such comparisons, if any, are to be documented.*

In determining the competitiveness of the quotations (including those by and to the Additional Interested Person), all pertinent factors, including but not limited to pricing, quality, delivery time and track record, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases will be taken into consideration.

For the purposes of this review procedure in determining whether it is practicable or possible to compare the terms offered by or to the Additional Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties, any two (2) Uninterested Senior Executives shall follow the existing control guidelines approved by the Audit Committee.

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Amendments to the control guidelines shall be made in accordance with any subsequent changes to the Expanded IPT General Mandate, and will be subject to review by the internal auditors from time to time.

- (A) Where such quotations are not obtainable, the transactions with the Additional Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or otherwise publicly available, applicable or comparable. In determining the competitiveness of these published terms, the two (2) Uninterested Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.*
- (B) In situations wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or otherwise public are not available, applicable or comparable, the transaction will be reviewed and approved by any two (2) Uninterested Senior Executives, after taking into consideration factors such as, but not limited to, delivery schedules, market pricing, quantity, credit terms, and the business or regulatory environment in which the CAO Group operates and the transaction is undertaken etc.*

Each submission to the two (2) Uninterested Senior Executives will be copied to the Company's Head of Legal & Compliance, for the Company's compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the review procedures have been complied with.

In the event that no Uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.

- (ii) Due to the nature of the markets in which the CAO Group operates, involving purchases and/or sales of Petroleum Products, situations will commonly occur wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or as on recognised commodities exchanges are not available, applicable or comparable.*

Where such quotations are not obtainable, the transactions with the Additional Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or otherwise publicly available, applicable or comparable. In determining the competitiveness of these published terms, the two (2) Uninterested Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.

In situations wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or otherwise public are not available, applicable or comparable, the transaction will be reviewed and approved by any two (2) Uninterested Senior Executives, after taking into consideration factors such as, but not limited to, delivery schedules, market pricing, quantity, credit terms, and the business or regulatory environment in which the CAO Group operates and the transaction is undertaken etc.

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Each submission to the two (2) Uninterested Senior Executives will be copied to the Company's Head of Legal & Compliance, for the Company's compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the review procedures have been complied with.

In the event that no Uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.

- (iii) *Due to the nature of the markets in which the CAO Group operates, involving purchases and sales of Petroleum Products, situations will also commonly occur where a trader acting for the CAO Group may conduct purchases and/or sales of Petroleum Products via a voice-based, online or electronic telecommunication-based trading platform where transactions are fast-paced and undertaken in a series of buy or sell prices offered by traders or brokers which are accepted by other traders or brokers participating in the trading platform.*

In the case of the voice-based trading platform, the CAO Group appoints broker(s) to source for quotes from the market which are then provided to the CAO Group's traders for confirmation.

In all these cases, the CAO Group's trader in practice may be required to enter into an almost instantaneous transaction based on his assessment of the best available price then quoted on the trading platform. The counterparty may or may not be identified at the time of commitment to the transaction, and accordingly, it may not be possible for the CAO Group to determine whether the counterparty is or is not an Additional Interested Person until the transaction is completed. In the cases where broker(s) are appointed by the CAO Group to source for quotes, the broker will be an independent party with no interest (whether direct or indirect) in the transaction save for the receipt of commission. At the time of commitment to the transaction, the transaction shall only be entered into: (i) in the case of a purchase of Petroleum Products by the CAO Group, at the trader's assessment of the lowest available price quoted on the trading platform for the CAO Group's order at the material time, and (ii) in the case of a sale of Petroleum Products by the CAO Group, at the trader's assessment of the highest available price quoted on the trading platform for volume of Petroleum Products intended to be sold by the CAO Group at the material time. Each trade confirmation will be forwarded to the Company's Head of Legal and Compliance, for the Company's compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the procedures set out in this paragraph 6.2(b)(iv) have been complied with.

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6.3 Review Procedures for the Provision and Receipt of Supply Chain Services

(a) Procurement of Shipping and Logistics Services and Provision of Import Agency Services

- (i) *When procuring shipping and logistics services or providing import agency services from and to an Additional Interested Person (including (if applicable) the entry into any term charter party agreement with any Additional Interested Person(s)), any two (2) Uninterested Senior Executives shall, where practicable or possible, compare the terms offered by or to the Additional Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties of similar services (or in the case of entry into any term charter party agreement with any Additional Interested Person(s), against the terms of the Term Charter Party Agreement 2026), prior to the entering into of the contract or transaction with the Additional Interested Person, as a basis for comparison, and such comparisons, if any, are to be documented.*

In determining the competitiveness of the quotations or (if applicable) the Term Charter Party Agreement 2026 (including those by and to the Additional Interested Person), all pertinent factors, including but not limited to pricing, quality, delivery time and track record, and where applicable, preferential rates, rebates or discounts accorded will be taken into consideration.

For the purposes of this review procedure in determining whether it is practicable or possible to compare the terms offered by or to the Additional Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties or (if applicable) the Term Charter Party Agreement 2026, any two (2) Uninterested Senior Executives shall follow the existing control guidelines approved by the Audit Committee.

Amendments to the control guidelines shall be made in accordance with any subsequent changes to the Expanded IPT General Mandate, and will be subject to review by the internal auditors from time to time.

- (ii) *Where such quotations are not obtainable, the transactions with the Additional Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or otherwise publicly available or comparable.*

In determining the competitiveness of these published terms, the two (2) Uninterested Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.

- (iii) *In situations wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or otherwise public are not available, applicable or comparable, the transaction will be reviewed and approved by any two (2) Uninterested Senior Executives after taking into consideration factors such as, but not limited to, delivery schedules, market pricing, quantity, credit terms, and the business or regulatory environment in which the CAO Group operates and the transaction is undertaken etc.*

Each submission to the two (2) Uninterested Senior Executives will be copied to the Company's Head of Legal & Compliance, for the Company's compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the review procedures have been complied with.

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In the event that no Uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.

(b) Supply and Procurement of into-plane fuelling services to/from the Expanded Sinopec Group

Due to the limited number of into-plane fuelling agents which are authorised to provide into-plane fuelling services at an airport, it is usual that the CAO Group or the Expanded Sinopec Group (as the case may be) will be directed by the relevant airline to provide into-plane fuelling services to an Additional Interested Person or a member of the CAO Group respectively and in such situation, the CAO Group may be unable to obtain quotations from unrelated third party service providers, due to commercial or other reasons, or where no unrelated third party service providers are able to meet the Additional Interested Person(s) service request due to unavailability or lack of capacity.

When supplying or procuring into-plane fuelling services at any airport to/from any member of the Expanded Sinopec Group:

- (i) The transaction will be reviewed and approved by any two (2) Uninterested Senior Executives shall, where practicable or possible, compare the terms offered by or to the Additional Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties of similar services, prior to the entering into of the contract or transaction with the Additional Interested Person, as a basis for comparison, and such comparisons, if any, are to be documented.*
- (ii) Where such quotations are not obtainable, the transactions with the Additional Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or otherwise publicly available, applicable or comparable. In determining the competitiveness of these published terms, the two (2) Uninterested Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.*
- (iii) In situations wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or otherwise public are not available, applicable or comparable, the transaction will be reviewed and approved by any two (2) Uninterested Senior Executives, after taking into consideration factors such as, but not limited to, delivery schedules, market pricing, quantity, credit terms, and the business or regulatory environment in which the CAO Group operates and the transaction is undertaken etc.*
- (iv) Each submission to the two (2) Uninterested Senior Executives will be copied to the Company's Head of Legal and Compliance, for the Company's compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the review procedures have been complied with.*
- (v) In the event that no Uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.*

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For the avoidance of doubt, as the terms of each of the Into-Plane Fuelling Services Agreements were reviewed by the Audit Committee (instead of two (2) Uninterested Senior Executives) in accordance with paragraph 6.5(b) of the proposed Expanded IPT General Mandate, the review procedures under this paragraph 6.3(b) shall not separately apply in respect of any individual transactions conducted subject to and in accordance with the pre-agreed rates and terms of each of the Into-Plane Fuelling Services Agreements.

Any subsequent substantive amendments to, or renewal or extension of, the Into-Plane Fuelling Services Agreements, must be subject to prior review and approval by the Audit Committee.

6.4 Review Procedures for Treasury Services

- (a) *The following review procedures will be applied in respect of the receipt and provision of Treasury Services between the CAO Group and an Additional Interested Person:*
- (i) *Prior to entering into any contract or transaction with the Sinopec Financial Group entities in respect of any placement of funds by the CAO Group with the Sinopec Financial Group entities, any two (2) Uninterested Senior Executives or such other persons as may be appointed by the Audit Committee, shall compare the interest rates for such placements offered by the Sinopec Financial Group entities with the interest rates quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be) for deposits of an equivalent amount and for an equivalent period. The request made to the principal bankers of the Company or the relevant member of the CAO Group (as the case may be) shall also be made by a person who shall have no interest (whether direct or indirect) in the Additional Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction. The CAO Group will only place funds with the Sinopec Financial Group entities, if the interest rate quoted by the Sinopec Financial Group is higher than the highest of the interest rates quoted by such principal bankers.*
 - (ii) *Prior to entering into any contract or transaction with the Sinopec Financial Group in respect of any borrowing of funds by the CAO Group from the Sinopec Financial Group, any two (2) Uninterested Senior Executives or such other persons as may be appointed by the Audit Committee, shall compare the interest rates for such borrowings offered by the Sinopec Financial Group entities with the interest rates quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be) for borrowings of an equivalent amount and for an equivalent period. The request made to the principal bankers of the Company or the relevant member of the CAO Group (as the case may be) for the quote shall also be made by a person who shall have no interest (whether direct or indirect) in the Additional Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction. The CAO Group will only borrow funds from the Sinopec Financial Group entities if the interest rate quoted by the Sinopec Financial Group entities is lower than the lowest of the interest rates quoted by such principal bankers.*

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- (iii) *Prior to entering into any contract or transaction with any Approved Entity in respect of any provision of loans to the Approved Entity, any two (2) Uninterested Senior Executives or such other persons as may be appointed by the Audit Committee, shall compare the interest rates for such loans charged by the CAO Group with the equivalent lending interest rates quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be). The CAO Group will only provide loans in favour of Approved Entities if the interest rate charged by the CAO Group is higher than the highest rate quoted by such principal bankers. A loan shall only be provided to an Approved Entity which is not also an Investee Company in the form of a “cashflow or credit support” facility, and shall be subject to the following requirements: (i) the terms of the said facility shall expressly restrict the said Approved Entity to use the funds solely for the acquisition of additional goods and services from the CAO Group; and (ii) a credit assessment process has been undertaken to ascertain the creditworthiness of the said Approved Entity before accepting it as a counterparty. The credit assessment process must be undertaken by a person who shall have no interest (whether direct or indirect) in said facility or the acquisition by the said Approved Entity of goods and services from the CAO Group.*
- (iv) *Prior to entering into any contract or transaction with any Investee Company in respect of any grant of guarantees in favour of third parties for the purposes of the Investee Companies, any two (2) Uninterested Senior Executives or such other persons as may be appointed by the Audit Committee shall compare the fees for the grant of such guarantees charged by the CAO Group with the equivalent fees quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be). The CAO Group will only provide guarantees in favour of third parties for the purposes of the Investee Companies if the fees charged by the CAO Group are higher than the highest rate quoted by such principal bankers.*
- (b) *Where such quotations are not obtainable, the transactions with the Additional Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or otherwise publicly available, applicable or comparable. In determining the competitiveness of these published terms, the two (2) Uninterested Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.*
- (c) *In situations wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or otherwise public are not available, applicable or comparable, the transaction will be reviewed and approved by any two (2) Uninterested Senior Executives, after taking into consideration factors such as, but not limited to, pricing (including, where applicable, interest margins, fees and other financing costs), credit terms or tenure, counterparty risk, track record, and the business or regulatory environment in which the CAO Group operates and the transaction is undertaken etc.*
- (d) *In each case above, each submission to the two (2) Uninterested Senior Executives will be copied to the Company’s Head of Legal and Compliance, for the Company’s compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the review procedures have been complied with.*
- (e) *In the event that no Uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.*

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6.5 Review procedures for the provision of Services by Additional Interested Persons

When procuring Services to be provided by Additional Interested Person(s):

- (a) Two (2) other quotations obtained from unrelated third party providers of similar services will be obtained for comparison to ensure that such Interested Person Transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Any fee to be paid by member(s) of the CAO Group for the Services shall not be higher than the most competitive fee of the two (2) other quotations obtained from unrelated third parties of similar services.*
- (b) In determining the most competitive fee, all pertinent factors, including but not limited to quality, reliability in delivery and track record will be taken into consideration. In addition, the credit terms obtained from the member(s) of the Sinopec Group shall not be less favourable than those obtained from unrelated third parties*
- (c) For the purposes of this review procedure in determining whether it is practicable or possible to compare the terms offered by or to the Additional Interested Person against the terms of at least two (2) other quotations obtained from unrelated third parties, any two (2) Uninterested Senior Executives shall follow the existing control guidelines approved by the Audit Committee.*
- (d) Amendments to the control guidelines shall be made in accordance with any subsequent changes to the Expanded IPT General Mandate, and will be subject to review by the internal auditors from time to time.*
- (e) Where such quotations are not obtainable, the transaction with the Additional Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or otherwise publicly available, applicable or comparable.*
- (f) In determining whether the fees and terms offered by the member(s) of the Sinopec Group are fair and reasonable, the two (2) Uninterested Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.*
- (g) In situations wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or otherwise public are not available, applicable or comparable, the transaction will be reviewed and approved by any two (2) Uninterested Senior Executives, after taking into consideration factors such as, but not limited to, market pricing, quantity, credit terms, and the business or regulatory environment in which the CAO Group operates and the transaction is undertaken etc.*
- (h) Each submission to the two (2) Uninterested Senior Executives will be copied to the Company's Head of Legal & Compliance, for the Company's compliance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Additional Interested Person Transaction and to ascertain that the review procedures have been complied with.*
- (i) In the event that no Uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.*

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The entry into any agreement by the Company and/or by any other member(s) of the CAO Group for the provision of Services by member(s) of the Sinopec Group, and any review or amendment of the terms of the provision of Services, will be approved by the Board. As required under Regulation 106 of the Constitution of the Company, Directors with a direct or indirect personal material interest in the agreement will abstain from voting on the resolution.

6.6 Review Procedures for Other Categories of Transactions with Additional Interested Persons

In respect of any goods and/or services obtained from or provided to any Additional Interested Person (other than expressly provided otherwise:

- (a) All contracts entered into or transactions with an Additional Interested Person are to be carried out by obtaining quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for similar quality services, prior to entry into the transaction with the Additional Interested Person, as a basis for comparison to determine whether the price and terms offered by or to the Additional Interested Person is comparable to those offered by unrelated third parties for the same or substantially similar type of services.*
- (b) Where such quotations are not possible, available or commercially feasible to obtain given that there are no unrelated third party suppliers of similar services (for instance, where there is no unrelated third party service provider which will be able to meet the technical and delivery specifications stipulated by CAO's customers) or the commercial sensitivity of the subject matter, any two (2) Uninterested Senior Executives or such other persons as may be appointed by the Audit Committee, will determine whether the price and terms offered by or to the Additional Interested Person are fair and reasonable. In determining whether the price and terms offered by or to the Additional Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, quality of advice or training and track record will be taken into account.*

- 6.7 For the avoidance of doubt, as supply of aviation fuel under the Supply Agreements and ad hoc procurement and/or supply of aviation fuel to/by Additional Interested Persons which will be members of the Expanded Sinopec Group are conducted at the predetermined terms and pricing set out in the Supply Agreements and the premium and margin as determined in accordance with paragraph 6.2(b) of this **Annex II**, and purchase and supply of aviation fuel under any term contract is conducted at such predetermined terms and pricing and in line with the terms of the said term contract which has been reviewed by the Audit Committee in accordance with paragraph 6.2(b) of this **Annex II**, such individual supply and purchase transactions are not separately subject to transactional review procedures nor are they taken into account and aggregated together with prior Additional Interested Person Transactions entered into with members of the Expanded Sinopec Group for a given month for the purposes of determining if the relevant thresholds as set out in the table in paragraph 7 of this **Annex II** have been crossed (and hence not be subject to further review and approval by the Audit Committee prior to the entry into such transactions).”*

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3.7 Threshold limits for each transaction under the Expanded IPT General Mandate

Details of the threshold limits for each transaction under the Expanded IPT General Mandate is set out in paragraph 7 of **Annex II** of the Circular, extracted and set out below for your reference.

“7. THRESHOLD LIMITS

7.1 *The Audit Committee will review all of the CAO Group’s Interested Person Transactions, including transactions covered under the Expanded IPT General Mandate, on a quarterly basis. Where the value of an Additional Interested Person Transaction with the same group of Additional Interested Persons i.e. the Expanded Sinopec Group (when aggregated together with prior Additional Interested Person Transactions entered into for a given month (apart from the last threshold which is computed on a prevailing value basis in a given month as elaborated on in paragraph 7.2(b)(ii) of this **Annex II**)) exceeds the relevant threshold as set out in the table below, the Additional Interested Person Transaction will be reviewed and approved by the Audit Committee prior to the entry into such transaction.*

In respect of the Additional Interested Person Transactions entered into with the Additional Interested Persons only:

| Transaction Type | Applicable Threshold* |
|--|---|
| <i>Purchase of Petroleum Products</i> | <i>US\$3.8 billion per month if the Average Barrel Price for the immediately preceding month is US\$70 or less</i> |
| | <i>US\$10.8 billion per month if the Average Barrel Price for the immediately preceding month exceeds US\$70</i> |
| <i>Sale of Petroleum Products</i> | <i>US\$3.8 billion per month if the Average Barrel Price for the immediately preceding month is US\$70 or less</i> |
| | <i>US\$10.8 billion per month if the Average Barrel Price for the immediately preceding month exceeds US\$70</i> |
| <i>Supply Chain Services</i> | <i>US\$50 million per month for all Supply Chain Services provided (other than pursuant to the term charter party agreement(s) and the Into-Plane Fuelling Services Agreements)</i> |
| <i>Supply Chain Services – term charter party agreement(s)</i> | <i>US\$50 million per month for all Supply Chain Services provided pursuant to any term charter party agreement(s) to be entered into</i> |
| <i>Into-plane fuelling services provided to/by Additional Interested Person(s)</i> | <i>US\$2 million per month for all into-plane fuelling services provided pursuant to the Into-Plane Fuelling Services Agreements</i> |
| <i>Treasury Services</i> | <i>US\$1.5 billion</i> |
| <i>Services by Additional Interested Person(s)</i> | <i>US\$2 million per month</i> |

* *Threshold based on aggregate value of the relevant type of transaction, calculated over a given month (apart from the threshold which in relation to Treasury Services involving interest-bearing placement of funds by the CAO Group with the Sinopec Financial Group entities is computed on a prevailing value basis in a given month as elaborated on in paragraph 7.2(b)(ii) of this **Annex II**).*

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- 7.2 For the purpose of determining whether the above thresholds have been exceeded, the value of a transaction relating to:
- (a) a purchase or sale of Petroleum Products, shall be the aggregate value of the Petroleum Products payable or receivable from the Additional Interested Person, determined as set out in paragraph 7.3 of this **Annex II**; and
 - (b) Treasury Services, shall be:
 - (i) in the case of Treasury Services other than interest-bearing placement of funds by the CAO Group with the Sinopec Financial Group entities, shall be the gross aggregate value of the Treasury Services received or provided by the CAO Group for each month of the Company's financial year. In line with Rule 909 of the Listing Manual, the value of Treasury Services involving (A) the borrowing of funds from an Additional Interested Person is the interest payable on the borrowing; (B) the lending of funds to an Additional Interested Person is the aggregate of the interest payable and the value of the funds lent or placed; and (C) the provision of guarantees is the aggregate of the value of the obligations guaranteed and the fees payable for such guarantees; and
 - (ii) in the case of Treasury Services involving interest-bearing placement of funds by the CAO Group with the Sinopec Financial Group entities, shall be based on the principal amount of funds to be placed with the Sinopec Financial Group entities in that transaction, when added to the prevailing aggregate amount of funds of the CAO Group then on placement with the Sinopec Financial Group entities, taking into account amounts placed with the Sinopec Financial Group entities in the relevant month of the Company's financial year (including both principal and any interest which has been compounded); if the sum of those two amounts exceeds the relevant threshold in paragraph 7.1 of this **Annex II**, that transaction will be subject to review and approval by the Audit Committee prior to the entry into such transaction.
- 7.3 For the purposes of paragraph 7.2(a) of this **Annex II**, the aggregate value of the Petroleum Products payable or receivable from the Additional Interested Persons under a transaction is determined by taking the aggregate estimated total price payable under the transaction, based on the volume to be delivered as estimated at the time of entry into the transaction and set out in the contract. The price in turn may be pegged to:
- (a) the forward price quotations obtained from two (2) or more brokers or dealers for the relevant Petroleum Product traded on an OTC basis;
 - (b) the forward price quotation for the relevant Petroleum Product obtained from Platts;
 - (c) the forward price quotation for the relevant Petroleum Product as published by relevant commodities exchange(s) such as the New York Mercantile Exchange, as at the time of entry into the contract, for delivery in the month of the contracted delivery date or in the preceding month or specified number of months prior to the contracted delivery date; or
 - (d) otherwise as agreed in the contract, and incorporating any agreed premium or margin as set out in the contract or otherwise as agreed between the parties."

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3.8 General review procedures of the Expanded IPT General Mandate

Details of the general review procedure of the Expanded IPT General Mandate is set out in paragraph 8 of **Annex II** of the Circular, extracted and set out below for your reference.

“8. GENERAL REVIEW PROCEDURES

8.1 *Apart from the review procedures specific to the relevant transactions above, the following general review procedures will apply to all Additional Interested Person Transactions under the Expanded IPT General Mandate:*

- (a) *The compliance team of the Legal & Compliance Department for the Company will maintain a register of transactions carried out with the Additional Interested Persons pursuant to the Expanded IPT General Mandate and the Company’s internal audit plan will incorporate a review of all Additional Interested Person Transactions transacted in the relevant FY pursuant to the Expanded IPT General Mandate. Further, to ensure that all Additional Interested Person Transactions are duly recorded, the compliance team of the Legal & Compliance Department shall maintain another list of all Additional Interested Persons to enable it to check the Additional Interested Person Transactions concluded against this list of Additional Interested Persons;*
- (b) *The Audit Committee shall have overall responsibility for monitoring and approving the Additional Interested Person Transactions and for determining the review procedures, with the authority to delegate such responsibility to individuals within the Company as it deems appropriate; and*
- (c) *If any member of the Audit Committee has an interest in any of the Additional Interested Person Transactions to be reviewed, such member shall abstain from any decision-making in respect of those transactions. The review and approval of those transactions will be undertaken by the remaining members of the Audit Committee.*

8.2 *If, during any reviews by the Audit Committee, it is of the view that the established review procedures are no longer appropriate or are inadequate to ensure that the Additional Interested Person Transactions will not be prejudicial to the interests of the Company and its minority Shareholders or any change of circumstances results in the assumptions underlying its opinion being no longer true, the Company will seek a fresh mandate from Shareholders based on new review procedures. All Additional Interested Person Transactions shall be reviewed and approved by at least one (1) member of the Audit Committee prior to entry pending a fresh mandate to be sought from Shareholders. In the event that a member of the Audit Committee is interested in any such Additional Interested Person Transaction, that member will abstain from reviewing that particular transaction.*

8.3 *For the avoidance of doubt, in the event there are any questions or ambiguities relating to the interpretation and/or application of any review procedures in relation to Interested Person Transactions (including Additional Interested Person Transactions), the Audit Committee, in consultation with professional advisers (as necessary) shall have the final determination and decision of the same.”*

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3.9 Disclosures in the Annual Report and Financial Statements

Details of the disclosure in Annual Report and Financial Statements is set out in Section 2.3 of the Circular, extracted and set out below for your reference.

“Pursuant to Chapter 9 of the Listing Manual, the Company will disclose in its annual report the aggregate value of interested person transactions entered into under the Expanded IPT General Mandate, during the financial year under review, and in the annual reports of subsequent financial years during which the Expanded IPT General Mandate is in force. In addition, the Company will announce the aggregate value of interested person transactions entered into pursuant to the Expanded IPT General Mandate, as renewed, for the financial periods which it is required to report pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 907 of the Listing Manual.”

Further to the above, the following will be undertaken in respect of the Expanded IPT General Mandate, including the presentation of the relevant disclosures in the form prescribed under Rule 907 of the Listing Rules as follows:

| Name of Interested Person(s) | Nature of the relationship | Aggregate value of all Mandated Transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all Mandated Transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|------------------------------|----------------------------|---|---|
| | | | |

3.10 Validity period of the Expanded IPT General Mandate

Details of the validity period of the Expanded IPT General Mandate is set out in Section 2.2 of the Circular, extracted and set out below for your reference.

“If approved by the Shareholders at the EGM, the Expanded IPT General Mandate shall be conditional upon completion of the Proposed Restructuring and shall only come into force with effect from the date of the completion of the Proposed Restructuring, and shall apply in respect of Additional Interested Person Transactions entered or to be entered into from the date of the completion of the Proposed Restructuring until the conclusion of the next annual general meeting of the Company or the date on which the next annual general meeting of the Company is required to be held, whichever is the earlier, unless revoked or varied by the Company in a general meeting.”

4. OUR OPINION

In arriving at our recommendations in respect of the Expanded IPT Mandate, we have taken into consideration, *inter alia*, the following factors summarised below and elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

- (i) the rationale of the Expanded IPT General Mandate;
- (ii) the classes of Additional Interested Persons and the details of the transactions to be provided under the Expanded IPT General Mandate;
- (iii) the benefits of the Additional Interested Persons to the Group;
- (iv) the guidelines and review procedures of the Expanded IPT General Mandate;
- (v) the threshold limits for each transaction under the Expanded IPT General Mandate;

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- (vi) the general review procedures of the Expanded IPT General Mandate;
- (vii) the disclosures in the Annual Report and Financial Statements; and
- (viii) the validity period of the Expanded IPT General Mandate.

Having regards to the considerations as set out above and the information available to us as at the Latest Practicable Date, we are of the opinion that the guidelines and review procedures under the Expanded IPT General Mandate are sufficient to ensure that all Interested Person Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Expanded IPT Mandate, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the Expanded IPT Mandate, and we do not warrant the merits of the Expanded IPT Mandate.

We have prepared this Letter pursuant to Rule 920(1)(b)(v) of the Listing Manual as well as for the use of the Non-Interested Directors in connection with and for the purposes of their consideration of the Expanded IPT Mandate. The recommendation made by them to the Shareholders in relation to the Expanded IPT General Mandate shall remain the sole responsibility of the Non-Interested Directors. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the EGM at any time and in any manner without prior written consent of RHTC in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours sincerely

For and on behalf of
RHT CAPITAL PTE. LTD.

Khong Choun Mun
Chief Executive Officer

Mah How Soon
Managing Director