Appendix A

CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD
(Company Registration No: 199303293Z)
(Incorporated in Singapore)

Questions and Responses to Selected Questions from Securities Investors Association (Singapore), at the 26th Annual General Meeting of the Company held on 4 June 2020 via electronic means through Live Webcast via Audio-Visual or Audio Only

Question 1	**With the increased uncertainty over demand and greater volatility in oil prices, what adjustments has Management made to its risk management framework, especially policies relating to inventories and credit?**
Response	The Chairman of the Meeting invited Mr Owen Wong, Head of Risk Management ("**Owen**") to address the question. Owen informed the Meeting that the Company had always adopted a conservative approach in the management of its credit risk. In the past two years, the Company had effectively upheld the management philosophy of "Compliance as Top Priority, Risk Management is of Utmost Importance" and had significantly strengthened its credit risk management processes. He said that the Company had implemented more stringent in-house credit assessments on all our counterparties, both in qualitative and quantitative aspects. He also said that the Company's counterparties were further grouped according to their credit quality and market standing. Even in the midst of the recent volatilities in international oil prices and increasing uncertainty in demand that had eroded the credit quality of some counterparties, the Company's credit risk management policy helped to shield the Group from potential counterparty credit losses as well as contractual disputes. He further added that the Company would continue to implement stringent counterparty on-boarding process and ensure our credit risk management process is effective. The Meeting was also informed that since the beginning of last year, the Company had put in place and implemented a comprehensive and strict hedging policy which prohibited speculative trading. This hedging policy would ensure that high volatilities in oil prices will not materially impact our inventories and the operating performance of the Group.

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Question 2	**Are there signs of material deterioration in the credit quality of its customers, especially in the trading segment?**
Response	The Chairman of the Meeting invited Owen to address the question. Owen informed the Meeting that in recent months, the Company had witnessed a gradual deterioration of global oil market conditions which had eroded the credit profiles of some of its trading counterparties. He said that in light of such development, the Company had put in place more stringent counterparty risk management measures to mitigate such increase in counterparty risk. The Company had been very cautious in the management of credit risk and conducted reviews its portfolio of counterparties regularly to either weed out less creditable counterparties or trade with such counterparties on more secured credit terms, which could include prepayments, payments by way of documentary letters of credit and/or cash collateral as a form of credit support. Since the outbreak of COVID-19, the Company had downsized or right-sized its portfolio of counterparties and required trading with some counterparties on more secured credit terms to mitigate the impact of counterparty credit risk. He assured that the Company would continue to implement appropriate measures to safe guard the best interests of its shareholders.
Question 3	**Can Management help shareholders better understand the situation on the ground at Shanghai Pudong International Airport where the group is the exclusive supplier of jet fuel and into-plane refueling services?**
Response	The Chairman of the Meeting addressed the question. Chairman said that the Company currently has a 33-percent equity stake in Shanghai Pudong International Airport Aviation Fuel Supply Company ("**SPIA**") and is the second largest shareholder of SPIA. SPIA is the exclusive supplier of jet fuel and into-plane services at Shanghai Pudong International Airport and has been one of the main profit contributors of the CAO Group for many years. He added that as COVID-19 pandemic continued to intensify globally, the aviation industry in China and elsewhere globally had been hit hard. During the first quarter of 2020, SPIA was significantly impacted as jet fuel supply volumes declined 39.58% to 666.7 thousand metric tonnes, sales revenue and net earnings fell sharply to USD 451.395 million and USD16.843 million respectively. The impact from the COVID-19 pandemic disruptions on SPIA is likely to continue beyond the second quarter of 2020. As disclosed by the Company in its announcement relating to "Update of Financial Performance for the quarter ended 31 March 2020" on 21 April 2020, the net earnings of the CAO Group declined by 59% to US$10.782 million for 1Q 2020 as compared to net earnings of US$26.335 million

	in the corresponding period last year after taking into account its share of net earnings from SPIA of US$5.558 million for 1Q 2020. He believed that as the profound impact of COVID-19 eases globally, the aviation industry would gradually recover and SPIA's profitability would eventually rebound.
Question 4	**After two years since the group's acquisition of Navires Aviation Limited (now known as China Aviation Fuel (Europe) Limited ("CAFEU")), how has Management's understanding of the European market evolved? Has the group realised the anticipated synergies and opportunities CAFEU was expected to bring?**
	The Chairman of the Meeting invited Mr Zhang Xingbo, Vice President, ("**ZXB**") to address the question. ZXB stated that the Company's acquisition of Navires Aviation Limited (now known as China Aviation Fuel (Europe) Limited) was an important step in the strategic expansion of the Group for the European market (the "**Acquisition**"). He added that the Acquisition had made it possible for the Group to build up its jet fuel supply and marketing capabilities at major international airports in mainland Europe namely, Frankfurt am Main Airport, Amsterdam Airport Schiphol and Brussels Airport. It had paved the way for the Group to establish, grow and develop its presence in the mature European jet fuel markets. The Meeting was informed that the Group had made considerable efforts to realise the value of the Acquisition. In 2019, CAFEU successfully concluded its first arbitrage trading deal which involved the sale and delivery of jet fuel cargo from China to Europe--a milestone achievement for CAFEU's independent supply business in Europe. ZXB added that CAFEU is increasingly seen as a major jet fuel trading partner and supplier in the European market -- a direct outcome of synergies derived from its globalisation efforts. CAFEU is seeing more new investment opportunities across the jet fuel supply chain that complements its existing European operations. The investment opportunities in Europe would continue to remain strategically important to the Group's growth globally. In the long run, CAFEU would play an important role for the Group to further explore growth and expansion opportunities in Europe.

Question 5	**With its strong net-cash position, is management on the look-out for opportunistic, earnings-accretive acquisitions that meet the group's strategic goals?**
Response	Chairman of the Meeting invited Mr Xu Guohong, Chief Financial Officer, ("**CFO**") to address the question. CFO explained that backed by net cash inflows generated from the Group's sterling performance in previous years, and with its strong net-cash position for the financial year 2019, the Group is well-positioned to pursue investment opportunities. He added that to ensure sustainable growth for the Group going forward, the Group had been actively looking out for opportunities to grow strategically through acquisitions or investments in oil-related assets even as the Group continues to balance cash management to sustain returns to shareholders through its growth-based dividend policy, and tide over the current economic crisis by maintaining adequate working capital and cash flow to facilitate the Group's operating performance. He further added the Group has been actively seeking potential oil-related investment opportunities in China and around the world that are in line with its developmental strategy to create value and deliver long-term sustainable returns to shareholders. He further stated that if and when there were any material developments in the investment projects, the Company would, in accordance with its disclosure obligations under the Listing Manual of the Singapore Exchange Securities Trading Limited, issue any such announcements as appropriate.