Annex 1

1. **Although China Aviation Oil (Singapore) Corporation Ltd ("CAO" or the "Company") had issued a statement indicating that the corporate restructuring (the "Restructuring") of its controlling shareholder, China National Aviation Fuel Group Limited ("CNAF") is not expected to have any material impact on the normal business operations of the Company, the Restructuring is nevertheless expected to influence the Company's future development, particularly in light of the anticipated increase in the influence and decision-making authority of China Petrochemical Corporation ("Sinopec") following the Restructuring. In this regard, please elaborate on the potential implications of the Restructuring on the Company.**

Company's Response:

It is important to note that the Restructuring is being carried out at the shareholder level between CNAF and Sinopec, with both parties currently undertaking the necessary approval and filing procedures in accordance with the applicable regulations. As announced on 8 January 2026 via SGXNet and the Company's website, the Restructuring proceeds following deliberation by the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China and with the approval of the State Council. The Restructuring is not expected to have any material impact on the normal business operations of the Company and its subsidiaries.

Secondly, the Restructuring between CNAF and Sinopec is expected to leverage the complementary strengths of both parties across the upstream and downstream segments of the industry value chain, thereby enhancing overall operational and strategic synergies. At the same time, as CAO has maintained long-standing trading partnerships with Sinopec and its subsidiaries, the Restructuring is expected to further strengthen collaboration between the Company and Sinopec in areas such as resource acquisition, supply chain coordination, and broader business cooperation, which will in turn support the Company's long-term development.

The Company will continue to make timely disclosures on the latest developments relating to the Restructuring via SGXNet and the Company's website. Shareholders and investors are encouraged to refer to the relevant announcements for the latest updates.

2. **In light of the heightened uncertainty in the current geopolitical and macroeconomic environment, including tensions in the Middle East and the U.S.-China tariffs, some analysts are expecting the Company's performance to come under certain pressure. In this regard, could the Company share its assessment of these risks and their potential impact on the Company's financial performance? In addition, amid prevailing oil price volatility, would the Company face any risk of a recurrence of the derivatives trading losses experienced in 2004?**

Company's Response:

The world today is undergoing a period of profound changes unseen in a century. Frequent geopolitical conflicts in recent years, including trade frictions and tariff disputes have, to some extent, gradually become the norm within the global economic landscape, with the recent escalation of the U.S.-Israel-Iran conflict having a significant impact on the world.

In terms of business composition, while the Company's overall revenue increased by 5.8% from FY2024 to FY2025, contribution from the Chinese market declined from 67.2% to 57.5% of the total revenue. This reflects the continued diversification of the Company's business portfolio, and is one of the key factors driving the Company's strong performance in 2025. The Company's three subsidiaries, namely, China Aviation Oil (Hong Kong) Company Limited ("**CAOHK**"), North American Fuel Corporation ("**NAFCO**") and China Aviation Fuel (Europe) Limited ("**CAFEU**"), also achieved record profits last year.

The Chinese market remains the Company's primary source of revenue. At present, the situation in the Middle East has little direct impact on the Chinese market; consequently, its impact on the Company's business is not expected to be material. The Company's overseas operations have remained stable, with the safety of local personnel and day-to-day operations not materially affected, and all business activities continuing in an orderly manner. In addition, as the Company's operations in the United States mainly involve the supply of bonded jet fuel, the impact of the U.S.-China tariff on the Company is minimal.

Regarding the impact of prevailing oil price volatility, the Company strictly adheres to a prudent risk management system, under which all physical transactions are accompanied by corresponding hedging strategies and risk mitigation tools to ensure that the Company has no direct risk exposure to fluctuations in absolute oil prices. As such, oil price fluctuations are not expected to have a material impact on the Company's overall profitability.

Drawing on the 2004 derivatives trading losses as an important reminder, the Company has established an industry-leading risk management framework and a robust corporate governance structure. These systems are meticulously maintained to ensure the stability of the Company's overall business operations and to keep related risks within manageable and controllable limits. Having earned repeated industry recognition for our risk culture, the Company is confident and assures all shareholders that stringent internal policies and oversight mechanisms have been put in place to prevent the recurrence of such incidents, ensuring that past errors remain firmly in the past.

3. **The Company has high revenue but relatively low gross profit margin, what is the Company's view on this?**

Company's Response:

Firstly, high revenue and low gross profit margin are characteristic of businesses in the bulk commodities industry, and CAO is no exception.

Secondly, the Company's gross profit margin was 0.26% in 2024 and 0.44% in 2025, with gross profit surged 73% year-over-year. This was primarily due to the Company capitalising on favourable trading opportunities in 2025, which led to improved earnings. From a commodities trading perspective, the Company's profitability is considerably affected by the traders' ability to identify and capture favourable market opportunities. At the same time, the Company has consistently maintained that the objective of its trading operations is not merely to pursue expansion, but to drive profitability underpinned by prudent management and controllable risks. The Company will continue to leverage its advantages in its global jet fuel supply chain network, market analysis capabilities, risk management system, and customer-related resources to continuously enhance the quality, efficiency, and earnings resilience of its trading operations.

4. **Recently, global flight volumes have shown a downward trend, accompanied by an increase in flight cancellations. Market expectations suggest that this trend may persist for some time. In this regard, will the Company's long-term business development be affected?**

Company's Response:

Information reported in the media may not fully reflect actual market conditions. For example, according to feedback from CAFEU, our subsidiary in Europe, local flight volumes have not declined and are, in fact, on the rise. At the same time, flight operations in the Chinese market were also largely unaffected, with overall flight volumes remaining stable.

5. **The increase in the Company's inventory is mainly attributable to the upgraded operation model at Hong Kong International Airport and in the Greater Bay Area. Please elaborate on the upgraded operation model.**

Company's Response:

CAOHK's upgraded operation model mainly refers to the leasing of storage tanks in Zhuhai and operating these facilities under its own management. As such, CAOHK has upgraded from back-to-back jet fuel supply model to a self-proprietary model, directly supplying jet fuel to airports in the Greater Bay Area. Under this new supply model, the Company is able to achieve higher profit margins, further enhancing the overall profitability of its business, as reflected by the near doubling of CAOHK's profits in FY2025.

6. **The number of global airports covered by the Company's overseas jet fuel supply network has increased significantly from 36 in 2024 to 81 in 2025. Does the Company have plans to further expand its overseas network this year? Additionally, are there any regulatory or market capacity constraints in the Chinese market that might limit the Company's future growth?**

Company's Response:

There are no restrictions on the expansion of the Company's business scale in the Chinese market. The Company is currently devising its next five-year development plan and intends to further expand its business, thereby enhancing its overall market coverage and operational capabilities.

7. **Who are the Company's main competitors? What are the Company's competitive advantages in the sustainable aviation fuel ("SAF") market?**

Company's Response:

The Company maintains a leading position in China's jet fuel supply market, supported by a strong market foundation and an entrenched industry presence. Given the substantial scale of the global jet fuel supply market, which is capable of accommodating multiple market participants, it is more appropriate to refer to such companies as "industry peers" rather than "competitors". Our industry peers would include BP and Shell.

The SAF business is a new profit driver for the Company. As early as 2023, the Company had strategically positioned itself in the European market to enter the SAF supply sector. In 2024, it established a full-chain supply operation at Hong Kong International Airport, covering SAF procurement, blending, transportation, sales, and airport refueling. Benefiting from the Company's first-mover advantage, the significant increase in CAFEU's profits was primarily driven by the growth of the SAF business.

It is worth noting that CNAF had invested in two SAF refineries in 2025, and the Company will be responsible for the SAF sales operations of these two refineries. With that, the Company now has stable upstream SAF resources, which will provide strong support for the continued expansion of its SAF business in the future. In addition to these resource advantages, the International Civil Aviation Organization ("**ICAO**") CORSIA scheme will enter its second phase in 2027, marking the transition to a more mandatory and binding compliance framework. ICAO member states are expected to introduce relevant SAF blending policies in 2027 or earlier, thereby gradually expanding the market for SAF and providing clearer policy support and growth momentum for the Company's SAF business development.

8. Given the Company's substantial cash reserves, will the Company consider increasing its dividend to better reward shareholders?

Company's Response:

The Company's ample cash reserves and zero interest-bearing debt constitute one of its key competitive advantages in the oil products trading sector.

Firstly, the year-end financial statements merely reflect the Company's financial position at a specific point in time. From an operational perspective, the Company's cash position generally remains healthy and balanced, rather than at an excessively abundant level.

Secondly, sufficient internal funds serve as a compelling credit anchor for trading partners and financial institutions, effectively minimising counterparties' credit risk premiums and associated transaction costs.

Thirdly, the Company has been actively seeking suitable investments and Mergers & Acquisitions ("**M&A**") opportunities aligned with its strategic development, but there are currently no such feasible projects. Following the Restructuring, the Company will inevitably face greater responsibilities and operational pressures, including the need to expand its business scale, and implementing these initiatives will require substantial capital support. In essence, whether retained for reinvestment or distributed as dividends, these funds fundamentally represent shareholder equity; the key difference lies in their respective potential to generate long-term shareholder value. The Company remains committed to creating long-term, sustainable returns for its shareholders through prudent capital allocation and operational management.

9. Could the BP-nominated Director please comment on the Restructuring? Is BP considering selling its shares in the Company?

BP-nominated Director, Dr Richard Yang Minghui's Response:

We are very optimistic about CAO's future development and have never considered selling our shares. We intend to hold them for the long term.