



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

17 September 2013

# Becoming a Global Transportation Fuels Provider

## CAO Corporate Access Day 2013



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## Cautionary note on forward-looking statements

This presentation slides may contain forward-looking statements that involve risks and uncertainties. These statements reflect management's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in the light of currently available information. Such forward-looking statements are not guarantees of future performance or events. Accordingly, actual performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, competitive factors and political factors. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.



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# Where we are

**FiiL** Fairness 公平  
Integrity 诚信  
Innovation 创新  
Transparency 透明

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# Leading jet fuel trader in Asia Pacific



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- Sole importer of jet fuel into China
- Largest physical trader in Asia Pacific
- Expanded into new markets in Asia, Middle East, Europe and United States
- Ventured into international aviation marketing; supplying aviation fuel to airlines at over 20 international airports locations globally
- Total jet fuel supply and trading volume exceeded 10m tonnes in 2012



# Active trader in gasoil, fuel oil and petchems



- Set up fuel oil and gas oil trading benches
- Established presence in Asia Pacific
- Fuel oil bench leased storage facilities in Singapore to expand activities
- Petrochemicals business successfully made inroads into China, established structural advantage

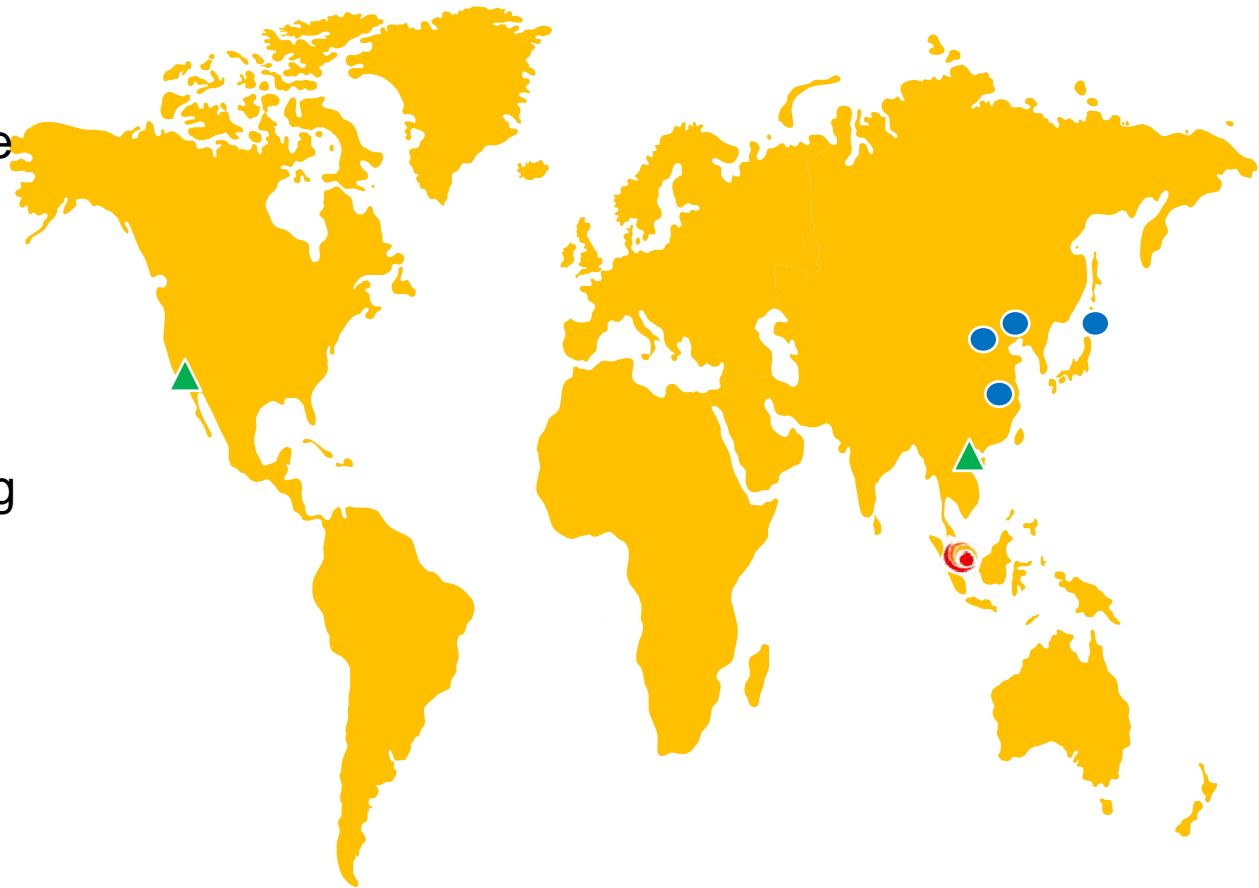




# Strengthened asset base



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- Investments in synergetic assets along value chain
- Acquired 26% equity stake in OKYC for access to storage facilities in Yeosu, South Korea
- Acquired subsidiaries incorporated in Hong Kong and North America



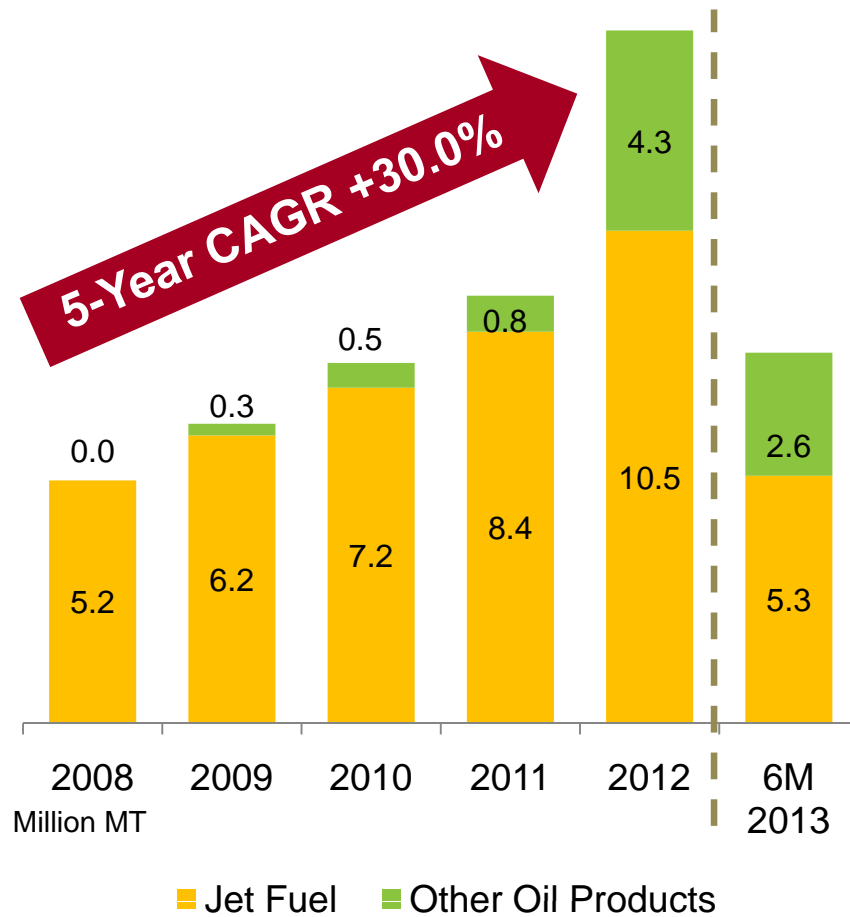
-  Singapore Headquarter
-  Subsidiaries
-  Associated Companies

# Sustained double-digit growth rates

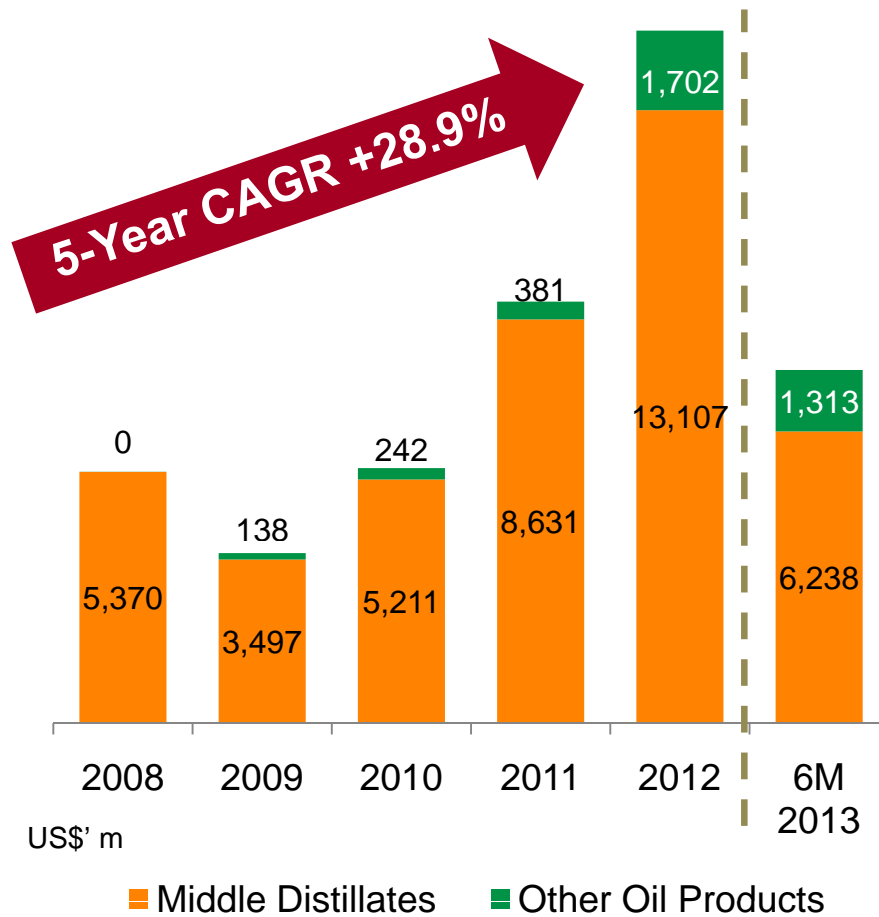


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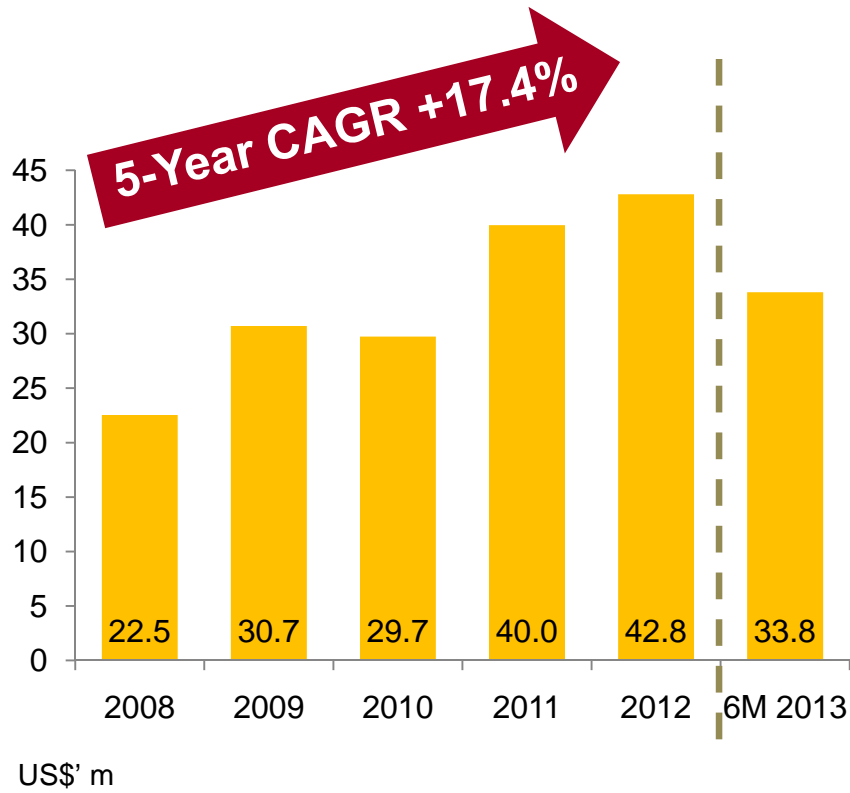
## Total Supply & Trading Volume



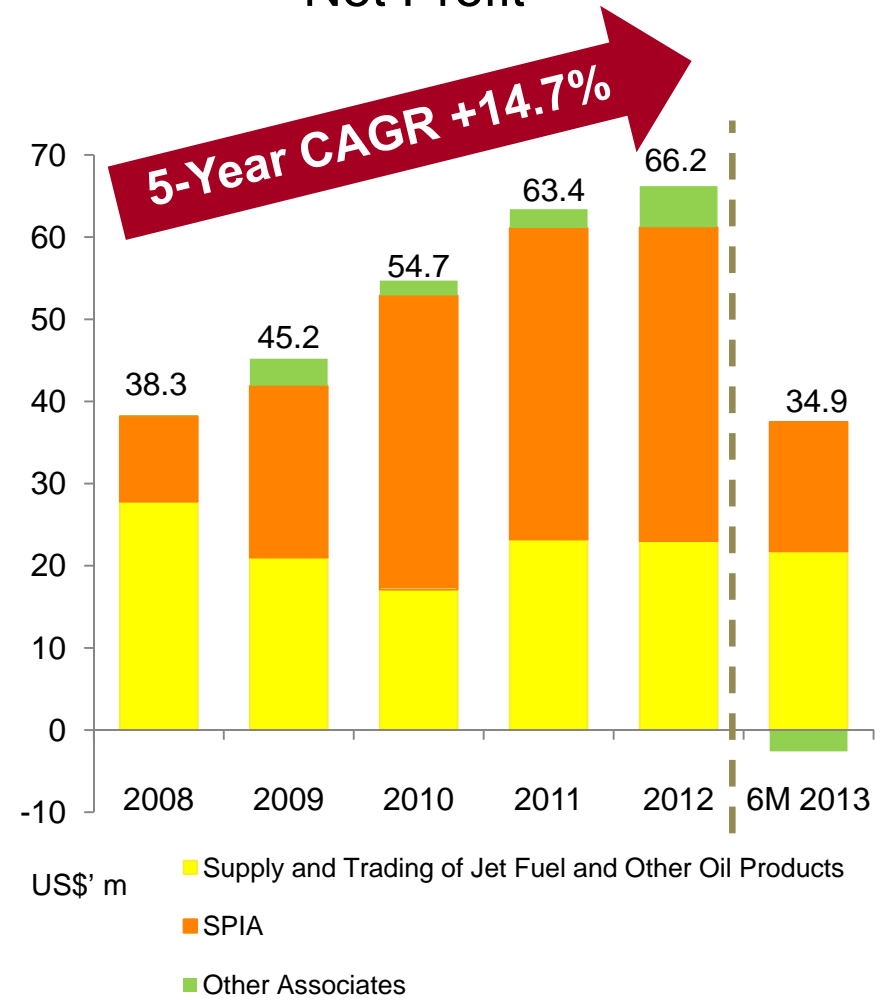
## Revenue



### Gross Profit



### Net Profit







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# Looking ahead – Strategy to 2020



## Key Points

- Diversification of business and income streams
- Building a global supply and trading network
- Focus on transportation fuels
- New business segment – future sustainable transportation fuels
- Asset investments to build up integrated supply chain
- Delivering sustainable growth for shareholders

# Vision

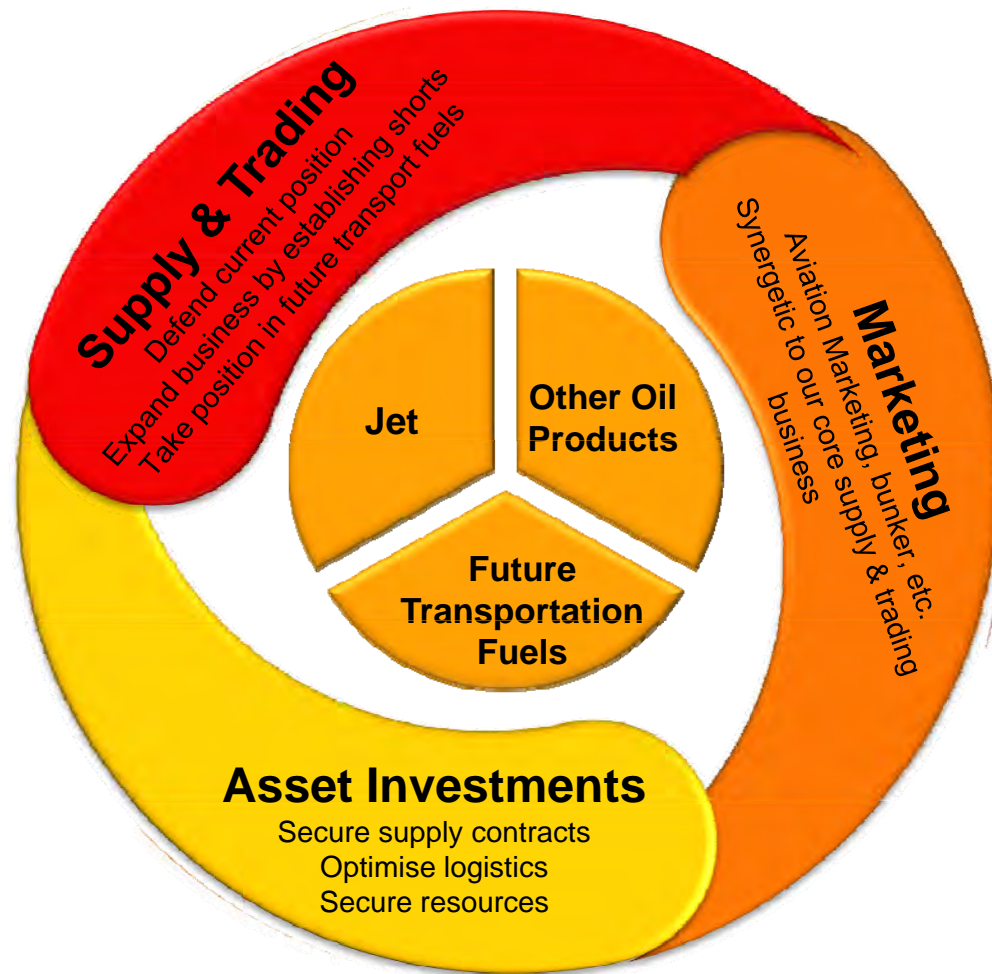


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***To be a top-tier global integrated transportation fuels provider,  
constantly innovating and creating value for our shareholders,  
employees, business partners and the community***

# Strategic focus & targets



## 2020 STRATEGIC TARGETS

- Global leader in jet fuel supply & trading; reputable global supplier and trader of other oil products
- Important aviation fuel service provider at international airports
- Niche player in future sustainable transportation fuels

# Our Competitive strengths and positioning



- **Our Key competitive advantages:**
  - Jet fuel
  - China market
  - China relationships
  - Strong support from major shareholders
  
- **Our Competitive positioning:**
  - Global player
  - Transportation fuels
  - Integrated supply chain
  - Soft skills – trading and risk management





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# Focus for next 3 years

# Building a global trading network -- Asia Pacific

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## Asia-Pacific

- Jet fuel – Consolidate market position in China; increase jet fuel trading market share in region; access to logistical assets
- Aviation marketing – secure new customers and enter new markets
- Gasoil, fuel oil and petchems – secure supply contracts; increase trading activities; access to logistical assets

# Building a global trading network -- North America

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## North America

- Set up the trading arm
- Expand aviation marketing business through NAFCO
- Arbitrage trading
- Asset investments



# Building a global trading network

## -- Europe



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### Europe

- Establish Europe subsidiary by 4Q 2013
- Expand Aviation marketing business through Europe office
- Trading activities of other oil products
- Asset investments

# Building a global trading network -- Australia

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## Australia

- Secure supply contracts for middle distillate products
- Increase trading activities of jet fuel and other oil products
- Expand aviation marketing locations

# Building a global trading network

## -- Middle East

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### Middle East

- Secure term supplies of oil products
- Increase trading activities of jet fuel and other oil products
- Expand aviation marketing locations

# Investing to build integrated supply chain

## Secure Resources



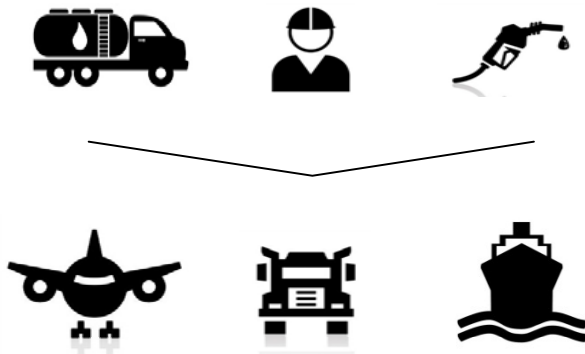
**Assets to secure resources**  
Minority stakes in refineries or production facilities

## Optimise Logistics



**Logistical assets**  
Storage terminals, marine facilities, pipelines, transportation assets

## Secure Supply Contracts



**Downstream assets to secure supply contracts**  
Companies/Assets that market or distribute transportation fuels to end users

# Forming Strategic Partnerships



- For entry into new markets or access to resources, for example:
  - Opportunities for LNG/Biofuels
  - Cooperation with refineries to secure resources
  
- Partners who know the local markets well or have specialised technical knowledge to operate assets

# 2020 – A global transportation fuels provider



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# New Business Opportunities



# Disciplined growth



- Strengthening risk management capabilities as scale of supply and trading activities increases
  - To ensure risk management and control infrastructure is fit-for-purpose to handle higher volumes
  - To protect corporate assets

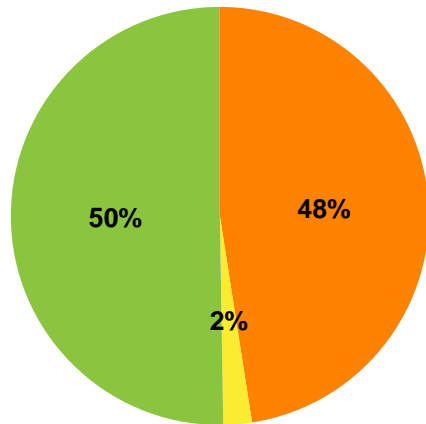




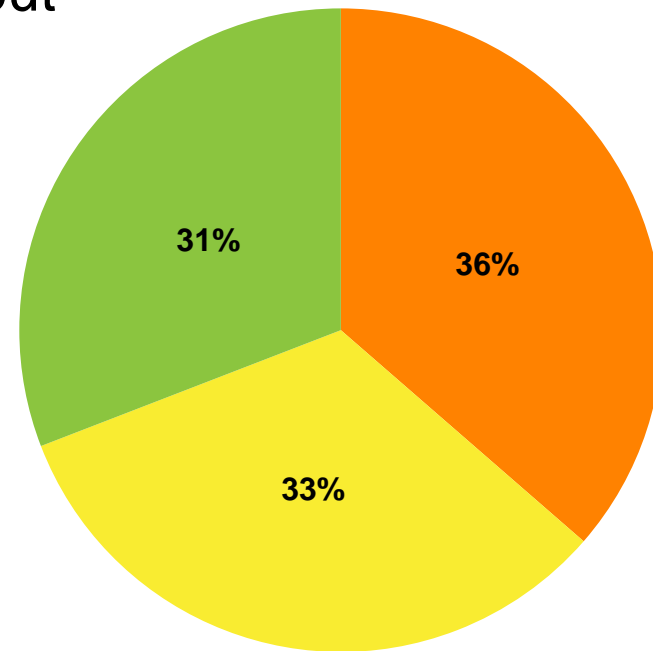
# Sustaining double-digit profit growth

- 2020 profit to double that of 2012
- Consistent and stable dividend payout

2012 Gross Profit



2020 Gross Profit



- Jet Fuel (includes Aviation Marketing)
- Other Oil Products (Fuel Oil, Gas Oil, Petchems, future transport fuels)
- Asset investments



## Key Points

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# Thank You



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