



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

Acquisition Of The Entire Issued And Paid-Up Capital Of Fortune Aviation Holding Ltd - Additional Information

09/02/04

Singapore, 9 February 2004 - Reference is made to the announcement (the "**Announcement**") made by China Aviation Oil (Singapore) Corporation Ltd ("**CAO**" or the "**Company**") on 5 February 2004 in relation to the above matter. Capitalised terms that are not otherwise defined in this announcement shall bear the same meanings given to them in the Announcement.

The Board of Directors of the Company wishes to provide further information on the Acquisition.

Requirement under Rule 1010(5) of the Listing Manual

There is no open market value for the shares (collectively, "**Assets**") of Fortune Aviation and Bluesky as the Assets are not publicly traded.

Further, no valuation on the Assets was carried out in connection with the Acquisition by the parties.

Source of Cash Consideration

The cash payment by CAO to the Seller of US\$21.7 million (being the equivalent of approximately RMB180 million at the exchange rate of US\$1.00 = RMB8.28) as partial satisfaction of the aggregate consideration for the Acquisition will be funded by internal cash balances. No borrowings will be incurred. Information on the method of funding the cash portion of the consideration for the Acquisition has also been disclosed in the press release by the Company dated 5 February 2004.

Other Shareholders of Bluesky

The Directors also wish to clarify that the other shareholders of Bluesky are China Aviation Oil Supply Corporation, the sister company of CAO (and not China Aviation Oil Holding Company, the parent company of CAO), and British Petroleum ("BP") who respectively hold 51% and 24.5% of the share capital of Bluesky.

BY ORDER OF THE BOARD

Adrian Chang
Company Secretary