



## Supplementary Information In Respect Of FY 2001 Results

22/03/02

The Management of China Aviation Oil (Singapore) Corporation Ltd (CAO) would like to include additional commentaries, following the FY2001 - Full Year Results Announcement made on 13 March 2002 as follows:

### 1. \$5.0 million Foreign Exchange Gain

The Company has substantial holdings of US\$ currency. The S\$5.0 million foreign exchange gain was mainly due to the book translation of the US\$ currency. At the end of 2000, the US\$ currency was translated at S\$1.700 to US\$1.00. During the year 2001, receipts and payments in US\$ currency was booked at various exchange rates. At the end of 2001, the conversion rate was S\$1.8471 to US\$1.00. The weaker S\$ at the end of 2001 contributed significantly to the foreign exchange gain.

### 2. Significant reduction in Administration Cost & Other Expenses in 2001 compared to 2000

In year 2000, provisions were made for:

- a. a one time management fee of US\$5.0 million to be paid to the parent company for its management support which enable the Company to procure approximately 92% of the jet fuel import to PRC market;
- b. a provision of US\$3.5 million for staff bonus;
- c. a provision of S\$5.0 million for doubtful debt arising from specific provision for those debts that were outstanding for more than 60 days and a general provision which was calculated based on 3% of December 2000's debtor balance.

These provisions were disclosed in the prospectus and were one time provisions made in 2000. In 2001, no new provisions were made for a. and b. For item c, the provision was deemed to be sufficient for the debtor balance as at 31 December 2001.

### 3. No contribution from "Crude Oil" business segment

There was no contribution from the crude oil segment as the trader who was recruited to trade in crude oil did not come on board.

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