



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

Receipt Of Retained Earnings From Pudong Associate Company.

23/07/03

Singapore, 23 July 2003 - The Board of Directors of China Aviation Oil (Singapore) Corporation Ltd ("CAO") is pleased to announce that a distribution of accrued retained earnings from its 33%-owned associated company, Shanghai Pudong International Airport Aviation Fuel Supply Company ("Pudong"), has been made. This distribution amounts to Rmb39.6 million (approximately S\$8.4 million) and reflects retained earnings accrued in years prior to 2002.

CAO has used the distribution to partially offset the purchase price of Rmb370 million (S\$78 million) for its Pudong stake. Following this offset, the balance has fallen to Rmb330 million (approximately S\$70 million), which will be paid as scheduled later.

Separately, a dividend, announced on 29 May, in the amount of Rmb105.6 million (approximately S\$22.5 million), was received on 9 July 2003. This dividend reflects retained earnings accrued in 2002.

Mr Chen Jiulin, CAO's Managing Director and CEO, said, "The distribution of retained earnings is another example of the consistent advantage our investments offer. Our basic principles of investment include an emphasis on returns. This is easily seen in the distributions by Pudong as well as those by our Spanish infrastructure investment, Compania Logistica de Hidrocarburos ('CLH')."

"China Aviation Oil's three-pronged strategy of strategic investments, international oil trading and jet fuel procurement has already provided diversification, shielding CAO against shocks even in the difficult times of the second quarter. While some of our businesses were impacted by SARS, others were not. Now that the corner has been turned, our businesses are uniformly seeing gains. We thus have diversification in a downturn, and synergy in an upturn - we win both ways."

Mr Jia Changbin, Chairman of CAO, said, "The success we have had with our investments in CLH and Pudong has increased our confidence to take the next step, to further stabilise our income streams and to pave the way for our long-term development."

By Order of the Board
Adrian Chang
Company Secretary

About China Aviation Oil (Singapore) Corporation Ltd ("CAO")

Listed on SGX in December 2001, CAO is leveraging on the rapidly growing Chinese aviation industry to become a global market player on the premise of its three-pronged strategy of strategic investments, international oil trading and jet fuel procurement to stabilise and enhance profit streams. The only publicly listed entity of its parent company, China Aviation Oil Holding Company, a large state-owned aviation transportation logistics group, CAO is the centrepiece of CAOHC's strategy to expand into international markets and invest in the global oil-related industry.

CAO holds a 33% stake in Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd (Pudong), the Pudong airport's sole jet fuel supplier and owner of its refuelling and storage facilities. It also has a strategic 5% stake with board representation in Compania Logistica de Hidrocarburos (CLH), Spain's leading oil carrier and owner of its largest network of oil pipelines and storage facilities. This stake in CLH is the same size as that of Shell and BP. Today, CAO trades globally in fuel oil, gas oil, crude oil, petrochemical products and oil derivatives and handles

virtually 100% of China's total jet fuel imports. Annual sales revenue was S\$1.69 billion in 2002 and market scope has expanded beyond China to ASEAN, the Far East and USA.