



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

China Aviation Oil Receives Eur2.98 Million Dividend From Spanish Investment

18/12/03

SINGAPORE, 18 December ? **SGX Main Board-listed China Aviation Oil (Singapore) Corporation Ltd (CAO)** announced today that it will receive the equivalent of roughly S\$6.25 million in dividends through its 5% investment in Compania Logistica de Hidrocarburos (CLH), the largest oil infrastructure company in Spain. The contribution will be recognised in CAO's 2003 financial statements.

CAO Managing Director and CEO Mr Chen Jiulin said, "CAO's investment in CLH continues to pay off handsomely. The dividend payment will boost our current year's profits, providing a further boost in an already very positive year. When we went into Spain it was with the confidence that the investment would pay off quickly and consistently, and we can readily see that our judgment has been correct."

CLH to pay S\$6.25 million equivalent dividend to CAO

CLH announced it would pay EUR0.85 per share in an initial dividend on 18 December. CAO's 5% holding thus entitles it to EUR2.98 million, or the equivalent of approximately S\$6.25 million. This amount will be credited to CAO's earnings in financial year 2003. The dividend distribution shows that CLH continues to pay out earnings as it has in years past.

So far CLH has paid to CAO a total of EUR8.0 million in dividends (S\$15.7 million when converted at prevailing exchange rates), a portion of which has been applied against initial investment cost. Aggregate returns thus comprise at least 12.6% in Euro currency terms, and 14.1% in Singapore Dollar terms, of CAO's investment in slightly less than 18 months of ownership.

CAO establishing Spanish subsidiary

In other Spain-related news, CAO is taking steps to establish a wholly-owned Spanish subsidiary, China Aviation Oil Spain, S.A. There are multiple purposes to the subsidiary's establishment, including reducing withholding tax, and having a corporate entity in place within Eurozone to assume operations on CAO's behalf should relevant opportunities materialise.

CAO Chairman Mr Jia Changbin said, "CAO strives to create shareholder value with every action it takes. The dividends CLH has paid will boost the contribution our strategic investments have made to overall profitability this year. Our other divisions - international oil trading and jet fuel procurement - have likewise had exceptionally good years. With all our business lines thus moving in positive directions, we feel confident that we are succeeding in our mission of value creation. We are endeavouring to develop other, possibly even more lucrative projects to build our earnings base even further."

By Order of the Board

Adrian Chang

Company Secretary

Media Contact Information

China Aviation Oil (Singapore) Corporation Ltd

Tel: 65-63348979; Fax: 65-6333 5283

John Casey, Dy. Head, Internal Audit & Investor Relations

or Jennie Liu, Investor Relations Manager

Email: john@caosco.com; jennie@caosco.com

WeR1 Consultants Pte Ltd
Tel: 65-67374844; Fax: 65-67374944
Mona Leong or Lai Kwok Kin,
Email: monaleong@wer1.net; laikkin@wer1.net

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 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 (SPIA/AFSC), 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. 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.