



## **MEDIA RELEASE**

### **CAO STRONGLY CONTESTS LAWSUIT BY SUMITOMO MITSUI BANKING CORPORATION**

(Singapore, 24 February 2005) China Aviation Oil (Singapore) Corporation Ltd (“CAO” or the “Company”) would like to announce that it has filed its Defence in the High Court today against the lawsuit filed by Sumitomo Mitsui Banking Corporation (“SMBC”).

The Company is denying liability for the purported claim by SMBC for about US\$13,061,788.06 under the alleged Trust Receipt Loan Facility. The Company is of the view that SMBC had acted in breach of mandate when it accepted documents in non-compliance with the terms of the letter of credit. As such, SMBC is not entitled to claim the sum of about US\$13,061,788.06, against the Company.

With respect to SMBC’s claim that the Company holds the sales proceeds in relation to a specific transaction of jet fuel cargo on trust for SMBC, the Company is of the view that this claim is misconceived and has no basis. The Company also reiterates its view that all creditors are to be treated *pari passu* in law and that it will strongly resist any unlawful attempt to gain priority over other unsecured creditors.

In relation to the allegations of conspiracy, the Company categorically denies that there was any alleged conspiracy. The Company is of the view that the claim for conspiracy has no factual basis and is an attempt to detract from the main issue in the matter, which is that SMBC’s claim is simply a claim for a debt.

In its Defence, the Company has also reserved its right to strike out the whole or parts of SMBC’s claim.

The Company continues to review and investigate any claims by creditors against the Company, and will vigorously defend or challenge any such claim which is invalid or has no legal basis.

*Disclaimer: This media release is not meant to be relied upon or used as a summary of the Defence filed by the Company. The statement made above does not purport to be the complete legal position of the Company in any way. The legal position of the Company is set out in the Defence filed in the High Court of Singapore.*

For media enquiries, please contact:

Mr Gerald Woon, Director, Cogent Communications Pte Ltd

Tel: 6323-1060

Mobile: 9694-8364

Email: [woon@cogentcomms.com](mailto:woon@cogentcomms.com)