

**China Aviation Oil (Singapore) Corporation Ltd**  
**中国航油（新加坡）股份有限公司**



8 Temasek Boulevard #31-02  
Suntec Tower Three, Singapore 038988  
Tel: (65) 6334 8979 Fax: (65) 6333 5283  
Incorporated in the Republic of Singapore  
Co. Reg. No.: 199303293Z

**CAO ENTERS INTO JOINT VENTURE TO BUILD, OWN, OPERATE AND MAINTAIN AN OIL STORAGE TERMINAL FACILITY IN JOHORE, MALAYSIA**

**Introduction**

The Board of Directors of China Aviation Oil (Singapore) Corporation Ltd ("**CAO**") wishes to announce that CAO had today entered into a conditional shareholders' agreement ("**Shareholders' Agreement**") with Centralised Terminals Sdn. Bhd. ("**CTSB**") for the establishment of a joint venture company in Malaysia known as "Langsat Terminal (Three) Sdn Bhd" ("**Langsat Terminal Three**"), to undertake the proposed design, development, operation, management and maintenance of an oil storage tank terminal facility ("**Terminal Facility**") within Tanjung Langsat Port ("**Project**"). The design and construction of the tankages at the proposed Terminal Facility will be customised to CAO's storage requirements for middle distillates and fuel oil and will be for the exclusive use of CAO with right of sublease.

CTSB is a Malaysia-incorporated company owned by Dialog Group Berhad and MISC Berhad, both of which are public companies listed on the Main Market of Bursa Malaysia Securities Berhad, Malaysia. CTSB is in the business of investing in companies engaged in the business of developing, managing, operating and maintaining tank terminals.

**Langsat Terminal (Three) Sdn Bhd**

Within 14 days from the date of satisfaction of the conditions precedent as set out in the Shareholders' Agreement and in accordance with the terms therein, CAO will subscribe for 5.2 million shares at RM1.00 per share representing 26 percent of the total issued share capital of Langsat Terminal Three whilst CTSB will subscribe for 14.8 million shares at RM1.00 per share representing 74 percent of the total issued share capital of Langsat Terminal Three.



CAO's total equity investment will comprise a cash injection of about RM27.3 million (USD10 million) representing 26 percent of the total issued share capital in Langsat Terminal Three whilst CTSB's total equity investment will comprise a cash injection of about RM 77.7 million (USD28.46 million) representing 74 percent of the total issued share capital of Langsat Terminal Three.

### **Conditions Precedent**

The completion of the aforesaid proposed investment is conditional upon, *inter alia*, the satisfaction of the following conditions precedent within 4 months from the date of the Shareholders' Agreement or such other date as the parties may agree in writing:

- (a) CTSB having established Langsat Terminal Three and Langsat Terminal Three having entered into (i) a Concession Agreement with Tanjung Langsat Port Sdn Bhd ("**TLP**") relating to the grant by TLP to Langsat Terminal Three, the right and authority, for the entire duration of the concession period of 30 years, to undertake design, development, operation, management and maintenance of the proposed Terminal Facility within the area of land within Tanjung Langsat Port measuring approximately 21.905 acres in area ("**Concession Area**"); and (ii) an Agreement to Lease with TLP for a 30-year term lease over the Concession Area for the Terminal Facility; and
- (b) The respective approvals of the Board of Directors and/or where applicable, shareholders of the parties being obtained (i) to proceed with the Project; and (ii) to authorise the subscription of new shares in Langsat Terminal Three in accordance with agreed shareholding proportion as set out in the Shareholders' Agreement.

Unless specifically waived by the parties, if any conditions precedent are not fulfilled prior to the completion of the proposed investment, the Shareholders' Agreement shall be deemed terminated by agreement whereupon all rights and liabilities of CAO and CTSB thereunder shall cease and neither CAO nor CTSB shall have any claim against the other for costs,



compensation, damages or otherwise save in respect of any antecedent breach of the Shareholders' Agreement.

**Financial Effects**

The aforesaid investment is not expected to have a material impact on the Group's net tangible assets and earnings per share of the Group for the financial years 2011 and 2012.

**Interests of Directors and Controlling Shareholders**

None of the directors or controlling shareholders of CAO has any interest, direct or indirect, in the aforesaid transaction.

By Order of the Board

Doreen Nah

Company secretary

6 October 2011