



## China Aviation Oil (Singapore) Corporation Ltd

Incorporated in the Republic of Singapore  
Registration No.: 199303293Z

### **CAO sells 41% of its 80% stake in China Aviation Oil Xinyuan Petrochemicals Co. Ltd (“Xinyuan”)**

The Board of Directors wishes to announce that the Company signed a Share Sale and Purchase Agreement dated 29 January 2007 to sell 41% of its 80% stake in Xinyuan to Shenzhen Juzhengyuan Petrochemical Co. Ltd, (“**Juzhengyuan**”) an existing shareholder in Xinyuan. Prior to this partial sale of the Xinyuan shares, the Company held an 80% share in Xinyuan whilst Juzhengyuan held 19%, with the remaining 1% held by China National Aviation Fuel Holding Company (“**CNAF**”). Upon completion of the sale, the Company shall hold 39%, whilst Juzhengyuan will hold 60% and CNAF will continue to hold 1% respectively in Xinyuan.

Xinyuan shall cease to be a subsidiary of the Company and shall become an associate upon the effective transfer of the 41% share to Juzhengyuan. The Company shall advise shareholders through a separate announcement once the share transfer is completed.

The total consideration for this 41% stake sale is RMB 20.5 million. The unit price of this sale is the same as the original acquisition price when the Company invested in Xinyuan 3 years ago, which was arrived on a “willing-buyer willing-seller” basis.

Alongside the share sales, the Company also entered into a joint venture agreement with Juzhengyuan and CNAF Holdings (Previously CAOHC) to govern the shareholding and relationships of the shareholders and to develop the businesses of Xinyuan. Xinyuan is a loss making subsidiary and the Board believes that the new cooperation agreement will realize more development potentials for Xinyuan with Juzhengyuan holding the controlling stake.

This is a non-discloseable transaction under Chapter 10 of the SGX-ST Listing Manual. This announcement is made pursuant to Rule 703 and Rule 704(15)(d) of the SGX-ST Listing Manual.

Save for any interest from their shareholding in the Company and for CNAF’s interest in the joint venture agreement, none of the Directors or substantial shareholders of the Company have an interest, direct or indirect, in this sale.

By order of the Board

Adrian Chang  
Company Secretary