



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

Supplementary Information In Annual Report For The Financial Year Ended 31 December 2002

12/05/03

Singapore, 12 May 2003 - The Management of China Aviation Oil (Singapore) Corporation Ltd ("CAO" or The "Company") wishes to announce the following additional information in response to request dated 08 May 2003, from Singapore Exchange (SGX):

2(a) an analysis of the business outlook for the Group in the Annual Report as required under Rule 1207(4)(b) of the Listing Manual.

As with most companies, the business outlook for the Group's jet fuel procurement business in the near-term is likely to be clouded by the fall-out from the recent SARS outbreak. Reduced demand for air travel has inevitably affected the Group's 33%-owned associate company Shanghai Pudong International Airport Aviation Fuel Supply Company (SPIA/AFSC) to a certain extent. Consequently, there may be an inventory build-up that could impact CAO's procurement volumes in the next few months.

As announced on May 7 2003, the cancellations of flights by Chinese carriers at Beijing International Airport, SPIA and elsewhere has contributed to a present drop in demand for jet fuel imports to China and overall volumes shipped by the Company are down 46% month-on-month.

However, jet fuel procurement is only one prong of CAO's three-pronged diversification strategy, constituting just one-fourth of CAO's current pre-tax profits. CAO's strategic investments and international oil trading are expected to strongly buttress the Group during the current uncertainties. In 2003, CAO will record its first full-year contribution by SPIA/AFSC as well as a large dividend distribution by Compania Logistica de Hidrocarburos (CLH) of Spain, which has not seen any impact from the SARS outbreak.

The Board of Directors is of the opinion that the SARS outbreak is slowly coming under control, as such, its impact on China's economy expected to be short-term in nature. The directors believe that the underlying strength of the Chinese economy remains intact and barring any unforeseen circumstances, are cautiously optimistic that the overall outlook for the Group beyond the SARS horizon would steadily return to positive. CAO has taken steps to actively manage its exposure to the Chinese aviation market and enhance its earnings stream from further strategic investment initiatives.

2(b) Key Management Profile

Ms Chen Yanting is the Head of Trading Division 1. She is responsible for overseeing all jet fuel procurement activities in the Company and she has over 10 years experience in the jet fuel industry. In 1990, she joined CAOSC as a staff member and was responsible for the worldwide purchase of jet fuel for all aircrafts operated by CAAC. At the end of 1998, she was sent by CAOSC to Singapore to head the jet fuel trading activities of CAO. She graduated from the University of International Economy and Trade in China in 1968.

Mr Abdallah Kharma is the Head of Trading Division II and he is responsible for overseeing all trading activities (other than jet fuel procurement) in the Company. He has more than 15 years experience in the oil trading industry coupled with two years of experience in industrial engineering and mining, gained from working stints in Middle East, Europe, West Africa and the Far East. Mr. Abdallah holds a Master of Science Degree in Engineering - Thermodynamics from the University of Birmingham, United Kingdom.

Ms Cindy Chong Yoke Lin is the Head of Banking Relations and Risk Management. She is responsible for managing bank relationships and overseeing the Risk Management Committee. She has more than 15 years experience in the

oil industry and spent over 14 years with BHP Petroleum (an Australian oil & mineral conglomerate) including six years of expatriate assignment at the Head Office in Melbourne. She joined the Company in 2001 as the Head of Operations Division. She holds a degree of Bachelor of Business (Transport/Logistics Management) from RMIT, Melbourne.

Mr Jason Wong Huong Sing is the Deputy Head of Operations Division and has been with the Company since 1998. He is primarily responsible for fulfilling the jet fuel system requirements including the present tender arrangements for China aviation markets which requires close project co-ordination and system integrations with customers. He holds a degree of Bachelor of Commerce (Finance/Management) from the University of Otago, New Zealand.

Mr Peter Lim Tiong Sun joined the Company in February 2002 as the Head of Finance Division. He is a certified public accountant with the Institute of Certified Public Accountants of Singapore. Prior to his employment, Mr Peter Lim was the Vice-President of Finance of GATX Terminals Asia, which was the regional office for Asia-Pacific of GATX Corporation, a corporation listed in the USA. Since his graduation in 1981, he has had diverse experience in taxation, banking, and accounting, with both small and multinational companies.

Mr William Chan is the Head of Business Development & Investment Division, since 2000. His main duties include strategic planning and investment. He has over 13 years of experience in the finance and investment industry including a working stint with Dow Chemical Pacific (Singapore) as a Finance Manager. In 1995, he graduated with a Masters in Business Administration from the National University of Singapore and subsequently obtained a Postgraduate Diploma in Commercial Law from the National University of Singapore in 1998.

Mr Adrian Chang is the Head of Internal Audit & Investor Relations since 2001. He oversees the implementation of an effective system of internal controls and ensures an effective risk management framework to continually identify, evaluate and manage significant enterprise-wide risks for the Group. He is also responsible for the Company's Investor Relations programs including ongoing engagements with analyst/media and timely disclosure of material information to the public. He holds a Master of Business Administration (International Business) from Monash University and is a non-practising CPA of the Institute of CPA of Singapore and an Associate Chartered Accountant of the Institute of Chartered Accountants, Australia.

Mr Wang Hansen is the Head of Personnel & Administration Division since 2000. He is responsible for the administration of human resources policies, including salary administration, human resource planning and development.. He graduated from the Institute of International Relations, Beijing with a Bachelor's degree in International Politics in 1994. From 1994 to 1998, he was an assistant research fellow at the China Institute of Contemporary International Relations. He holds a Master of Science (Managerial Economics) from Nanyang Technological University in 2002. He was a visiting scholar in Institute of Defense & Strategic Studies (Singapore) from 1998 to 1999.

2(c) Shareholders' Information

As at 25 April 2003

Authorised Share Capital 1,200,000,000 ordinary shares of \$0.05 each

Issued and fully paid 576,000,000 ordinary shares of \$0.05 each

Class of Shares Ordinary shares of \$0.50

Voting Right One vote per share

2(d) Interested Person Transactions

Interested person transactions made by the Group pursuant to the Shareholders' Mandate obtained under Chapter 9 of the SGX Listing Manual during the financial year ended 31 December 2002:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders mandate pursuant to Rule 920) \$'000	Aggregate value of all interested person transactions during the financial year under review conducted under shareholders mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000
	2002 2001	2002 2001
Sale of physical fuel to Parent Group	- -	698,470 712,164

All the transactions were entered into on arm's length basis and on normal commercial terms.