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

China Aviation Oil Full Year Profit Up 200%

March 13, 2002

Singapore, March 13, 2002 - Singapore Mainboard listed China Aviation Oil (Singapore) Corporation Ltd (CAO), a jet fuel procurement and petroleum products trading company, today announced its financial results for the twelve months ended December 31, 2001:

	FY 2001	FY 2000	% Change
Turnover	$1,051.0 m	$963.7 m	+9.1
Gross Profit	$44.8 m	$42.9 m	+4.5
Profit Before Tax	$44.5 m	$16.2 m	+174.7
Profit After Tax	$40.6 m	$13.5	+200.3

Turnover increased by 9.1% from $963.7m to $1,051.0m. The rise to turnover was the result of an increase in revenue from the sale of fuel oil.

Profit before tax increased by 174.7% from $16.2 m to $44.5 m and profit after tax increased by 200.3% from $13.5 m to $40.6 m.

The company's earnings per share were 9.1 cents, based on a weighted average number of shares of 444 million. This compares to the FY 2000 result of 3.1 cents per share based on 432 million shares after bonus issues and stock splits. The EPS result is up compared to the 9.0 cents forecast in the prospectus.

Revenue was slightly lower than the $1,085 m forecast in the IPO prospectus due to the falling price of oil following the September 11 incident.

Clean petroleum products such as jet fuel and gasoil accounting for 72% of sales. The remaining sales comprised of black petroleum products such as fuel oil as well as petroleum products.

To reflect the strong performance, the Company has decided to declare a total dividend payment of $18 million or 3.125 cents per share.

The increased profitability was the result of a 77.7% reduction in administrative cost and other expenses, together with an increase in other income. FY 2000 saw several large costs that were not repeated in FY 2001, including an $8.8 million fee charged by the parent company for management support.

Chairman of CAO Mr Jia Changbin said the results confirmed the company's strong financial position following its listing in December 2001.

"The growth of the aviation sector in China continues to drive revenue growth for the company".

"Demand for jet fuel in the PRC is expected to grow by over 10% a year over the next decade," Mr Jia said.

FUTURE STRATEGY

Managing Director and CEO, Mr Chen Juilin also announced details of the company's strategy to ensure continued growth on a sustainable basis.

While jet fuel procurement remains the company's core competency, we intend to grow other areas of revenue.

We will use our existing capabilities to increase our international trading activity as well as acquiring a portfolio of strategic investments in both China and other world markets.

By broadening the company's revenue base we will ensure the company is not dependent on jet fuel procurement alone.

INTERNATIONAL TRADING

The Chinese Government has begun opening up the petroleum products market by allowing 20% of goods to be imported. This is a first step towards lifting the import quota altogether in January 2004. This will allow CAO to increase the volume of petroleum products imported into China while at the same time maintaining the company's jet fuel procurement rights.

"CAO is well positioned to benefit from the growing importation of petroleum products into China due to our established networks and understanding of the Chinese business environment".

"The company already has the required capabilities such as experienced traders, transport networks, credit facilities, relationships with suppliers and risk management procedures".

In line with industry practice, the company will continue to use paper swaps and futures as part of a conservative hedging policy to ensure we lock in our profits.

INVESTMENTS

Our plan to acquire a 33% interest in Shanghai Pudong International Airport Aviation Supply Corporation is proceeding well with an agreement now signed between all three current shareholders and a valuation underway.

This company owns and operates refueling facilities at Shanghai Pudong International Airport and has the exclusive rights to supply jet fuel to airlines at the airport.

With its fixed customers and end-users we expect a high return on investment with a minimum net profit of US$5 million a year.

The China Aviation Administration Committee (CAAC) has announced that all international flight, and flights from Hong Kong and Macau, will shift to Pudong International Airport from the end of October. The shift is part of the CAAC's plan to establish Pudong International Airport as one of Asia's busiest aviation hubs by the end of 2010.

The Shanghai Pudong project is scheduled to be finalised during the second half of 2002.

CONCLUSION

The strategy of growing the trading and investment arms of the business should deliver strong earnings growth over the next few years.

"Jet fuel procurement, trading and investment will all contribute substantially to the company's revenue next year", Mr Chen said.

Chen Jiulin
Managing Director & CEO
China Aviation Oil (Singapore) Corporation Ltd

About CAO
China Aviation Oil (Singapore) Corporation Ltd (CAO) was incorporated in Singapore in 1993, and listed on the Singapore Exchange (SGX) in December 2001. Today, CAO purchases 100% of China's civil aviation import jet fuel needs, which amounted to about 1.5 million MT during 2000. Domestically refined jet fuel, combined with CAO's fuel imports, is distributed by CAO's parent company, China Aviation Oil Supply Corporation and its subsidiary companies to China's network of 149 airports. China Aviation Oil Supply Corporation is the sole entity authorized by the PRC government to allocate the import quota for the import of jet fuel into China.

In addition to jet fuel procurement, CAO also trades petroleum products including jet fuel, gasoil, fuel oil, crude oil, plastics and oil derivatives. These trading operations are primarily located in Singapore.

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