



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

## CAO's Parent Share Placement - Supplementary Information

28/10/04

**Singapore, 28 October 2004** - Further to the recent Masnet announcement on 21 October 2004 relating to the Share Placement by our Parent Company, China Aviation Oil Holding Company ("CAOHC"), the Management of China Aviation Oil (Singapore) Corporation Ltd ("CAO") would like to provide the following supplementary information.

First, this transaction was made by our parent company. Our parent is just like any other substantial shareholder, and is entitled to make its investment decisions as it sees fit. To date it has been remarkably solid as a shareholder, maintaining its 75% stake for almost three years following our listing. Its independent decision to divest a stake was one in which CAO's role was limited by the nature of the transaction.

Second, the placement was made to institutional investors. This had the effect of broadening our institutional shareholder base. This is positive in itself, in that institutions in general tend to apply more rigorous analysis to their investments compared with retail investors. The greater presence of institutional investors in our roster will serve to ensure corporate best practices on our part, and so should be considered a net positive by all investors.

Third, this stake reduction by our Parent in CAO, from 75% to approximately 60%, will improve the liquidity of our shares, as 40% of our shares outstanding are now in public hands.

Fourth, on Thursday, 21 October 2004, CAO issued a Masnet announcement advising of the Share Placement. CAO also made a subsequent announcement on 22 October 2004 with regards to the notice of substantial shareholder's interest, in line with SGX-ST's listing requirements.