



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

("Company")

(Incorporated in the Republic of Singapore)

Company Registration Number: 199303293Z

PRESS RELEASE **CAO UNVEILS MANAGEMENT STRUCTURE**

The Company announced the completion of its Restructuring Plan on 28 March 2006 which included the appointment of the new Board of Directors being effective.

The new Board of Directors comprises:

- (a) *Mr Lim Jit Poh (Independent Chairman);*
- (b) *Mr Zhao Shousen (Non-Executive Director);*
- (c) *Mr Yang Chuan (Non-Executive Director);*
- (d) *Mr Meng Fanqiu (Non-Executive Director);*
- (e) *Dr Wu Shen Kong (Non-Executive Director);*
- (f) *Mr Ian Springett (Non-Executive Director);*
- (g) *Mrs Lee Suet Fern (Independent Director); and*
- (h) *Mr Liu Fuchun (Independent Director).*

The new Board of Directors has held its first meeting and appointed the following five Board Committees:

- (a) *Audit Committee consisting of 3 independent directors (Mr Lim Jit Poh, Mrs Lee Suet Fern and Mr Liu Fuchun) and 2 Non-Executive Directors (Mr Zhao Shousen and Mr Ian Springett) under the Chairpersonship of Mrs Lee Suet Fern;*
- (b) *Remuneration Committee consisting of 3 independent directors (Mr Lim Jit Poh, Mrs Lee Suet Fern and Mr Liu Fuchun) and 2 Non-Executive Directors (Mr Zhao Shousen and Dr Wu Shen Kong) under the Chairmanship of Mr Lim Jit Poh;*
- (c) *Nominating Committee consisting of 3 independent directors (Mr Lim Jit Poh, Mrs Lee Suet Fern and Mr Liu Fuchun) and 2 Non-Executive Directors (Mr Zhao Shousen and Dr Wu Shen Kong) under the Chairmanship of Mr Liu Fuchun;*
- (d) *Disclosure Committee under the Chairpersonship of Independent Director, Mrs Lee Suet Fern and including Non-Executive directors, Mr Zhao Shousen and Dr Wu Shen Kong; and*
- (e) *Risk Management Committee under the Chairmanship of Independent Director, Mr Lim Jit Poh and including Non-Executive directors, Mr Zhao Shousen and Mr Ian Springett.*

The new Board of Directors comprises 8 directors who are all newly appointed to the CAO Board and are resident in China, Singapore and England. In the interim period the Board will not appoint a CEO and in between its Board and Committee Meetings the Chairman, Mr Lim Jit Poh, will chair meetings of the senior officers of the Company (the "Senior Officers Meeting") for the management of the Company. The other participants in the Senior Officers Meeting will be Mr Yang Chuan, Madam Gu Yanfei, Mr Zhang Xingbo, the Head of Finance and the Head of Trading.

The Special Task Force, headed by Madam Gu shall continue for a period to ensure the smooth transition from the period of restructuring to the full rehabilitation of CAO. The Special Task Force will report to the Senior Officers Meeting.

The Board also adopted the balance of the material recommendations made by the Corporate Governance Assessment Committee for implementation. These recommendations include;

- (a) Reviewing the procedures for the communication of information to the Board.
- (b) Hiring a full time company secretary who should be a trained lawyer to support the Board and each of the committees.
- (c) Reviewing the internal audit function and its procedures.
- (d) Review of CAO's internal policies set out in the Financial Management and Risk Management Manuals and developing a fraud control plan.
- (e) Reviewing the appointment of the external auditors of the Company.

The Chairman, Mr Lim Jit Poh said "CAO's shares have been re-listed and the new Board of Directors has held its first meeting. We are in a unique situation, given the diverse background and locations of the directors, the international nature of the business of the company and its emergence from restructuring. These circumstances call for the Board to work closely and accordingly we have established five standing board committees. Three of these committees are prescribed under the Code of Corporate Governance, namely the Audit Committee, the Remuneration Committee and the Nominating Committee. The remaining two committees, the Risk Management Committee and the Disclosure Committee, are introduced to help the Company further its corporate governance practices.

During this critical period as CAO embarks on a new life, the Board expects to meet regularly and we have also established a team of senior officers who will manage the operations of CAO in support of the Board of Directors.

We are very mindful of our corporate governance and disclosure responsibilities and I am confident that with these measures in place the Company should be able to improve tremendously.

On behalf of the new board I would like to thank the past board of directors for doing an excellent job of putting the company back to business in such a short time. This really speaks well of the previous Board as well as its controlling shareholder. We are also very grateful to the Special Task Force for doing such an excellent job under difficult and uncertain circumstances."

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