



CEFC INTERNATIONAL LIMITED

(SGX: Y35)

CORPORATE PRESENTATION

October 2015



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Quarterly Update

An aerial photograph of a large industrial facility, likely a refinery or chemical plant. The foreground is dominated by several large, white, cylindrical storage tanks. In the background, there is a dense network of pipes, distillation columns, and other industrial structures. The sky is clear and blue.

I. Company Overview

Our Positioning



Energy Financial Services



Energy Trading



Investment in Energy Industry



CEFC International is primarily engaged in the trading of petrochemical, fuel oil, and petroleum products, together with its involvement in the financial services and investment in the energy industry, the Company strives to grow into a vertically integrated energy company with global presence and strong competitive advantage.

Energy Trading



1 Strong trading expertise

- A professional trading team with extensive international energy trading experience
- Diversified trading instruments

2 Diverse traded commodities

<ul style="list-style-type: none">• Crude oil	<ul style="list-style-type: none">• Light ends products (LPG, NGLs, naphtha, gasoline and blending components, etc.)	<ul style="list-style-type: none">• Middle distillates products (kerosene, diesel)	<ul style="list-style-type: none">• Heavy ends products (vacuum gasoil, straight-run fuel oil, cracked fuel oil including bunker fuel oil, asphalt, etc.)	<ul style="list-style-type: none">• Chemical products (paraxylene, mixed xylenes, glycol, styrene, natural runner etc.)	<ul style="list-style-type: none">• Renewable energy• Electricity• Natural gas
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3 Partnership network along the industry chain

- Forged strategic partnerships to lock in supply and sales resources and thereby to enhance trading flexibility
- With long-term and stable contacts and business relationships with NOCs, IOCs, specialized oil companies (such as oil producers, refineries and distributors) and independent traders
- The exclusive overseas procurement and supply platform of a subsidiary of CEFC China, a Fortune global 500

Energy Financial Services



1

Derivatives trading of energy commodities

Multiple functions

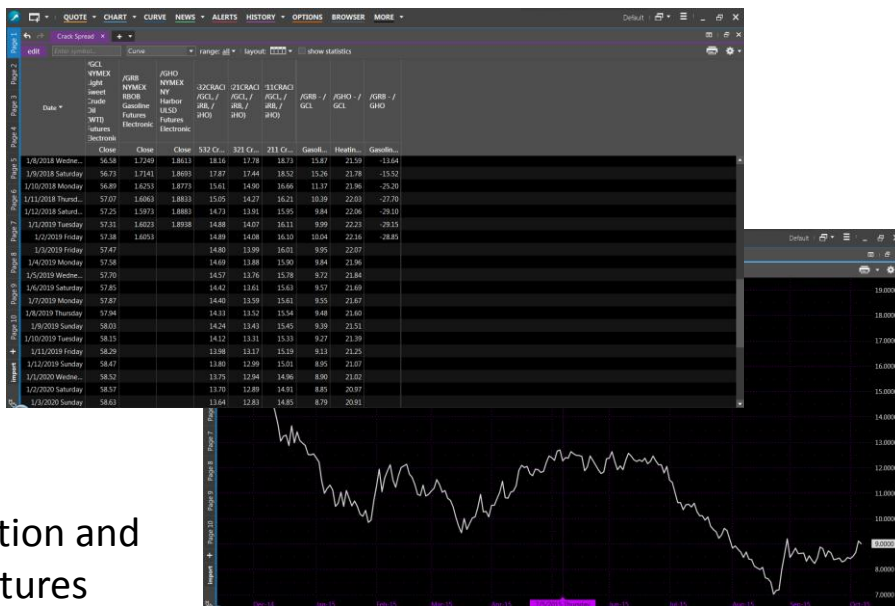
- Hedging trading risk
- Price discovery
- Speculative opportunities

A seasoned professional team

- Dedicated derivatives traders
- Complemented by market analysts

Specialized instruments

- Equipped with mainstream information and trading platform, capable of both futures trading through exchanges and swap trading through OTC



2

Other related financial services as future plan

- E.g. receivables factoring and financial leasing

Investment in Energy Industry



Midstream

(Refineries, logistics, terminals, storages etc.)

Trading

Downstream

(Distribution channels,
gas/petrol stations)

Through investment in energy industry, we aim to take control of key logistic hubs and sales channels for major trading markets, to increase stable trading volume and sustained profitability. With a focus on the midstream and downstream assets in the petroleum industry in order to establish an integrated industry chain.

Market Analysis



Market Analysis

Improved information transparency resulting in intense competition, margin from back-to-back trades squeezed

Broad-based oversupply of energy commodities across world markets, although demand growth remains decent in major economies

Oil trading industry is capital intensive because scaling up the trading business and asset acquisition requires substantial capital

Implication for Growth Strategy

(1) Market participants should step up with the global expansion; (2) Constantly improve trading capabilities.

To achieve round the clock trading with continuous flow of information, logistics and capital

Accelerate the integration of value chain by investing in midstream and downstream assets, so as to control the demand end and share the pie as market grows

Trading houses must juggernaut with a variety of financing instruments to meet their capital needs, and strive to explore new financing channels and minimize cost of capital

Our Growth Drivers



1. Global expansion

2. Constant upgrades in trading capacity

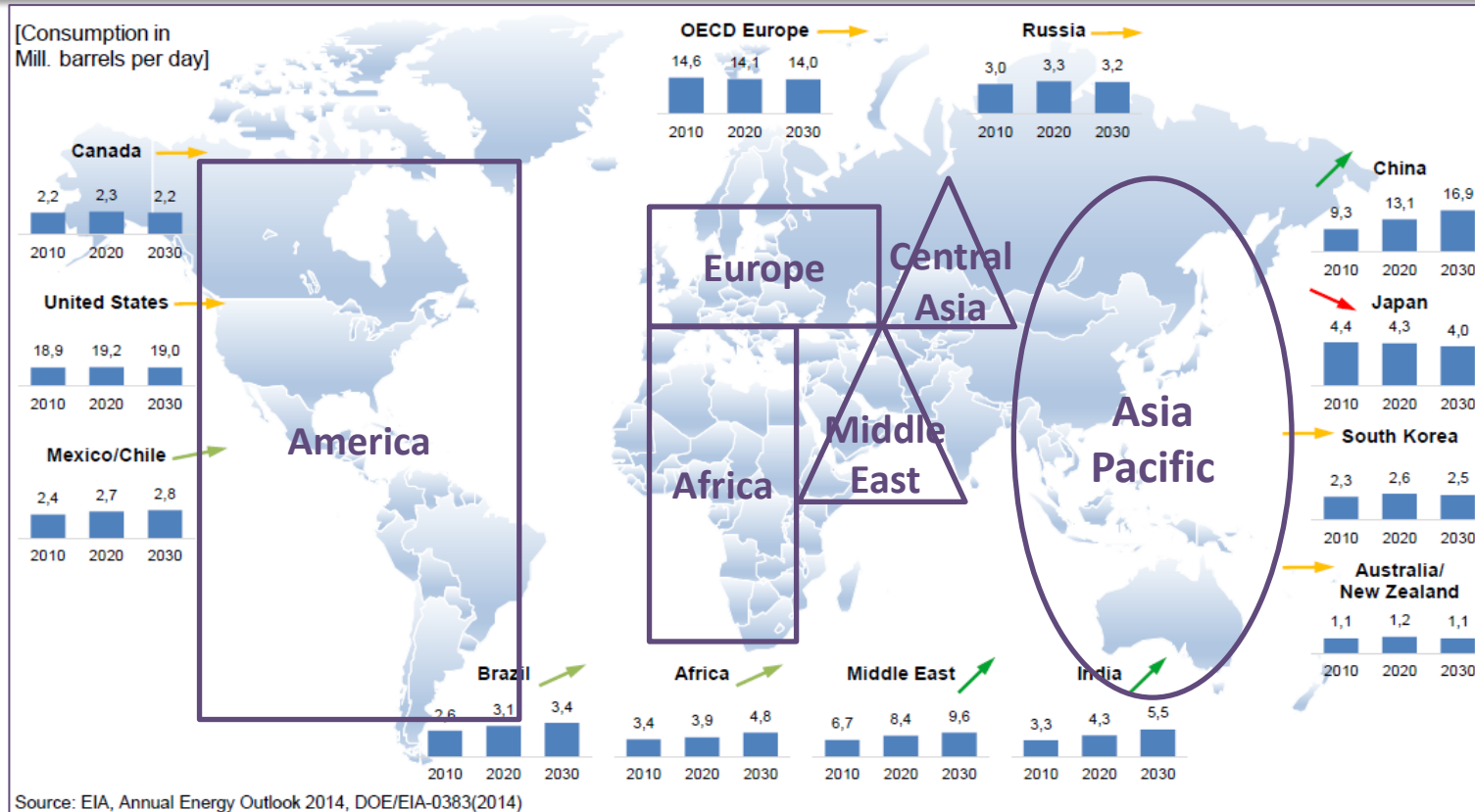
3. Investing in the energy industry

4. Ensure financial flexibility

Growth Drivers (1) – Global Expansion



To achieve round-the-clock trading across multiple regional markets and time zones, and the optimization of global asset allocation



- Current markets: Based in Singapore, leveraging on China market and primarily operating in Asia Pacific market
- Next: Establish presence in the world's key energy markets - Europe, Africa and America
- △ In line with the "One-Belt-and-One-Road" Initiative of China, actively seek potential investment opportunities in major countries and markets with energy resources or demands along the Belt and the Road

Growth Drivers (2) –

Constant Upgrades in Trading Capacity



Trading center with global operations

- Building up a trading center that connects the Singapore, London and Houston trading teams with comprehensive front-, middle- and back-offices
- Set up representative offices in key markets / regions, so as to (1) provide face-to-face services to key clients; (2) gather first-hand market information for trading team to identify trading opportunities and optimize trading strategies

Broadened traded products

- A global book
- Adding more grades within existing traded product categories
- Venture into natural gas, electricity and renewable energy products when appropriate

Enhanced trading strategies

- From simple back-to-back trading to sophisticated model with storage, blending, consigned processing, intermarket arbitrage, etc.
- Fully utilize the capability in derivatives trading to mitigate risk and improve profitability
- Complemented by M&A for better synergy

Advanced and comprehensive trading information system

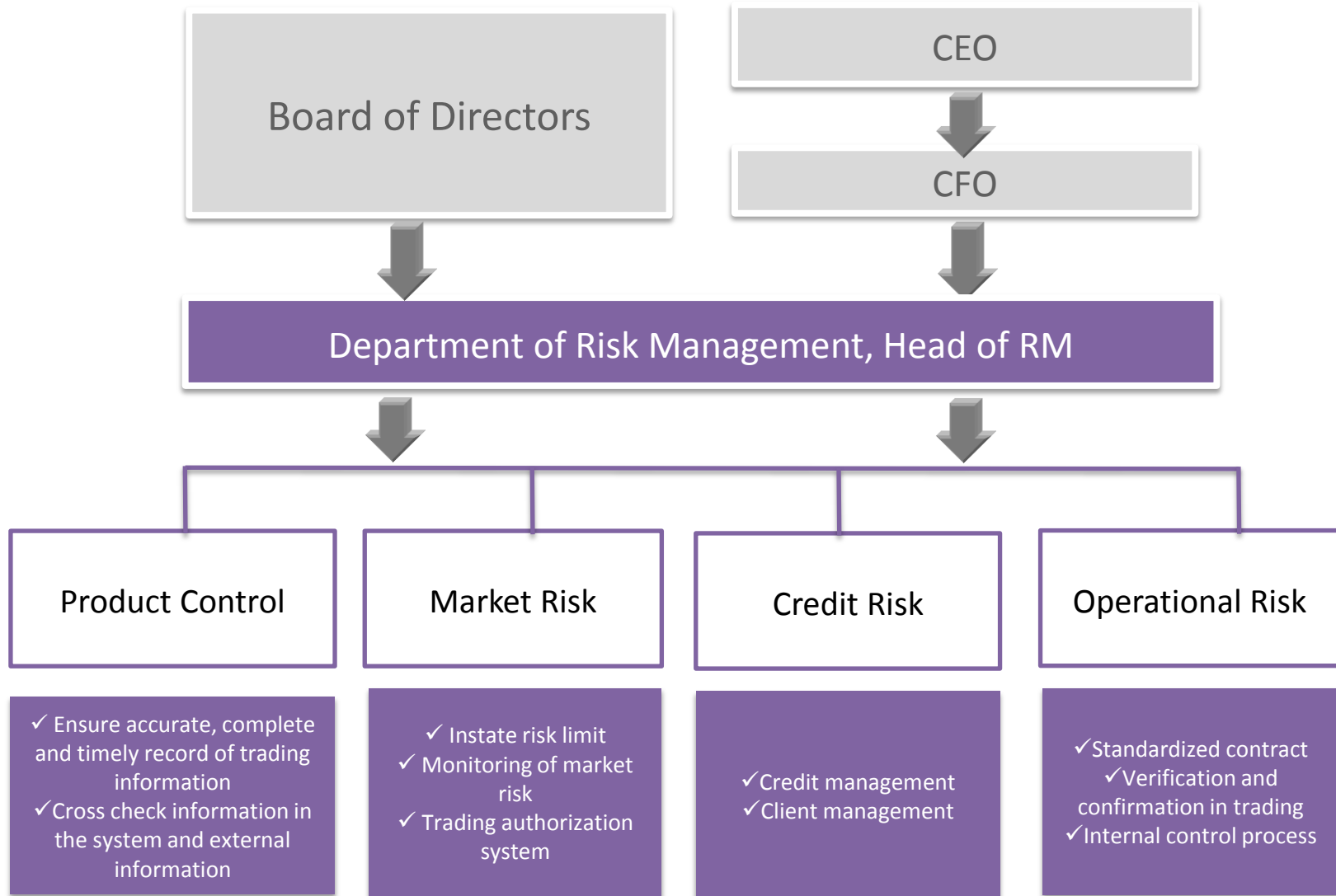
- Set up the trading information system based on CTRM (commodity trade risk management software) and ERP for the automated processing of business and financial data to ensure accuracy

Growth Drivers (2) –



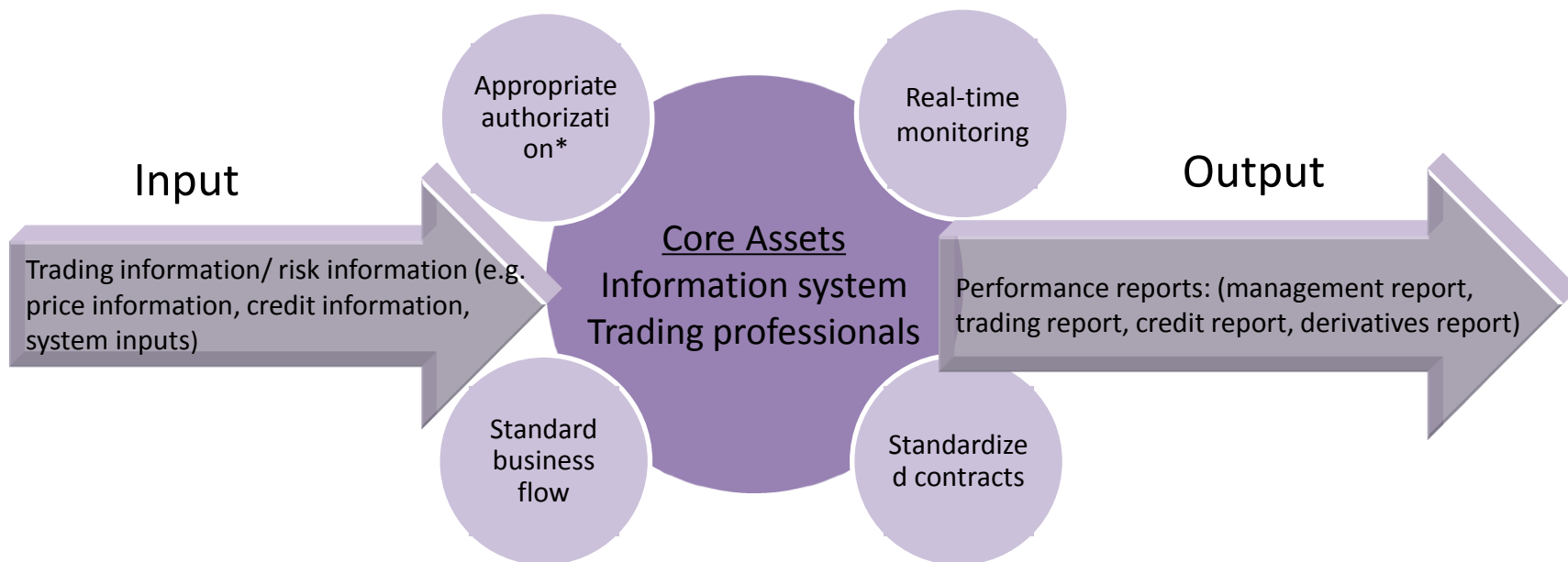
Constant Upgrades in Trading Capacity

Risk Management System



Constant Upgrades in Trading Capacity

Risk Management Process



*Including: Trading authorization, risk limit, credit approval, contract approval

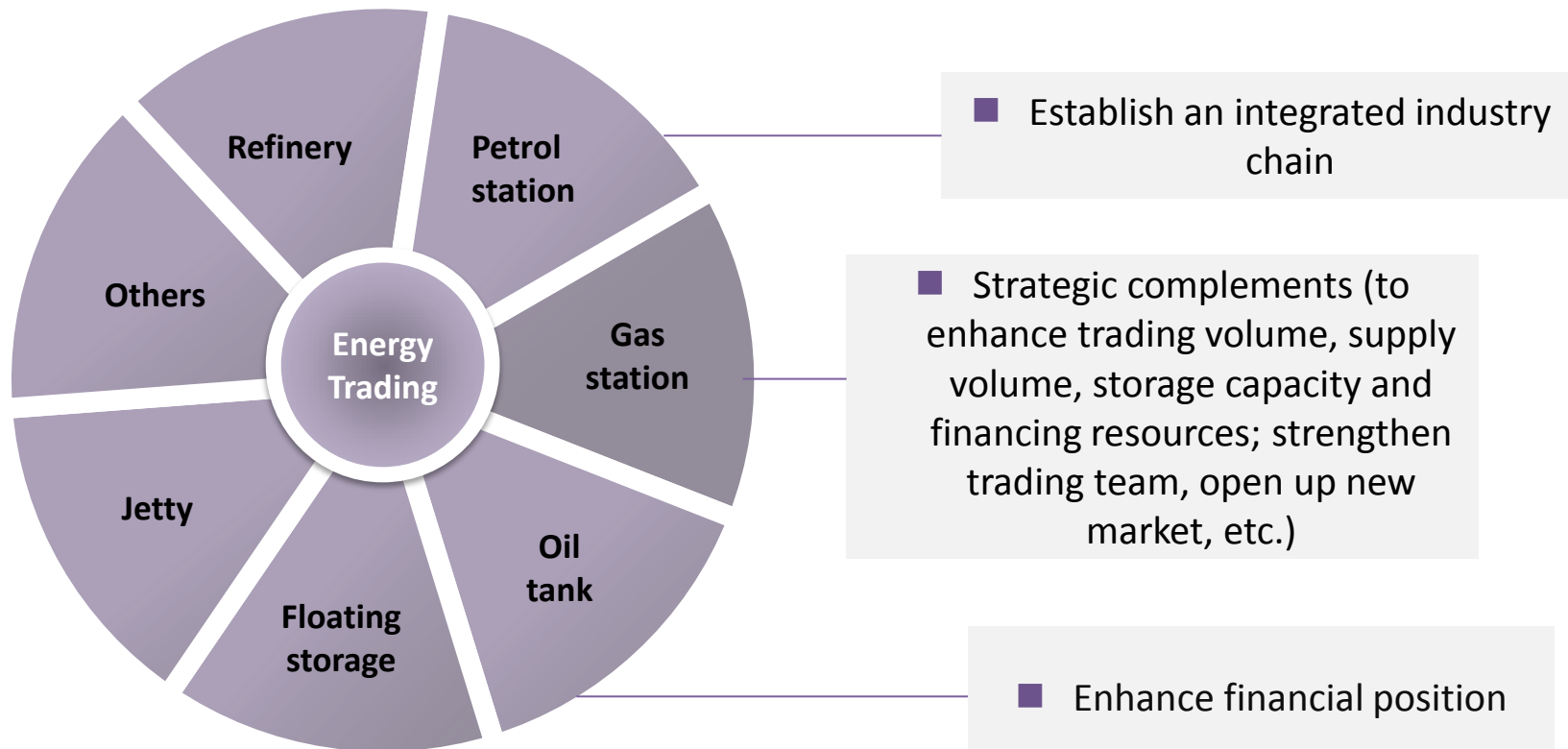
A comprehensive risk control system embedded in the entire business process that provides a safety net for prudent growth

Growth Drivers (3) –

Investing in the Energy Industry



Accelerate the investment in the energy industry to achieve strategic objectives



Growth Driver (4) –

Ensure Financial Flexibility



Explore diverse sources of funding and financing channels to support the short-term and long-term growth of the Company, lower overall cost of capital and offers flexibility to meet growth needs

- ✓ Short-term capital to support the operation of trading business: expand credit lines at banks
- ✓ Long-term capital to support capital expenditures: issuance of shares, medium-term notes and bonds, etc.
- ✓ Asset securitization: e.g. establish asset securitization projects through special purpose vehicles (SPV), sell trading invoices to the SPV for the financing of account receivables, etc.



Our Competitive Advantages

1

Human Capital

- ✓ A management team with decades of trading and management experiences in oil and petrochemical industries
- ✓ A seasoned risk control team

2

Geographical Presence

- ✓ Global presence in key markets for energy trading: Asia-Pacific market with Singapore as a base, Europe and Africa with London as a base, and the US with Houston as a base



3

Client and Partner Network

- ✓ Serves as the exclusive overseas procurement and supply platform of a subsidiary of CEFC China under a cooperation framework agreement
- ✓ With long-term and stable business relationship with NOCs, IOCs, specialized oil companies (e.g. oil producers, refiners, distributors) and independent traders

6

Asset Base

- ✓ Building up an integrated value chain across the midstream and downstream

5

Capital Base

- ✓ Completion of fund raising of approx. SGD 250 million through share placement
- ✓ Seeking extension of credit lines at banks
- ✓ Exploring new financing instruments

4

Management Strengths

- ✓ Rigorous risk control system
- ✓ Management system benchmarking against best practice in the world
- ✓ Investing intensely on the construction of trading system

II. Quarterly Update



Operational Highlights for 3Q2015



- 1 Increased trading volume
- 2 Launch of derivatives trading that enhanced profitability
- 3 The long-term partnership with a subsidiary of CEFC China provided a new revenue stream
- 4 Completion of share placement that raised SGD 246 million
- 5 Actively sought out investment opportunities in the energy industry
- 6 Improved internal control policies and procedures

Trading Stats for 3Q2015



- Total trading volume for 3Q2015 was 7.19 million barrels (“mb”)

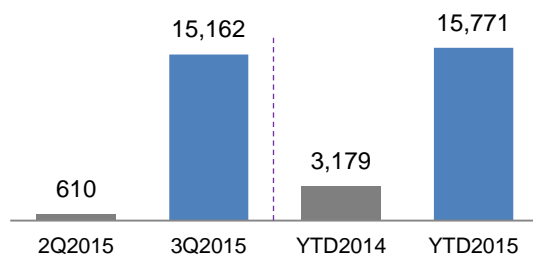
	Physical	Paper
Crude oil	1.39 mb	2.01 mb
Gasoil	0.63 mb	1.70 mb
Jetfuel	0.30 mb	0.95 mb
Fuel oil		0.21 mb
	2.32 mb	4.87 mb

Financial Highlights for 3Q2015



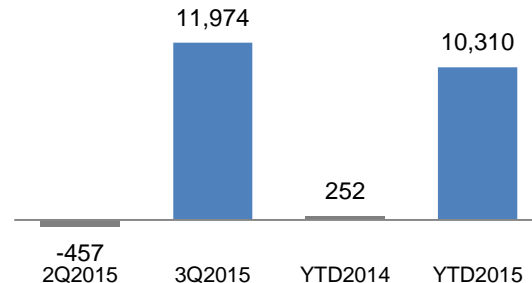
Gross Profit

(USD '000)



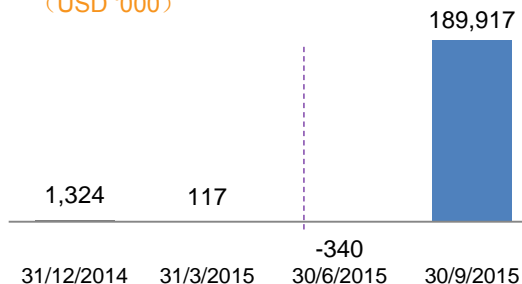
Net Profit

(USD '000)



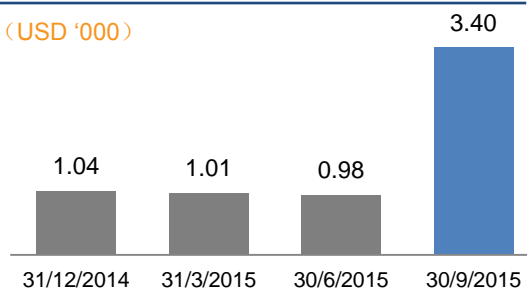
Net Assets

(USD '000)



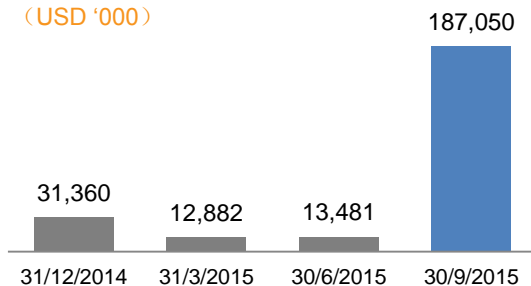
Total Assets / Total Liabilities

(USD '000)



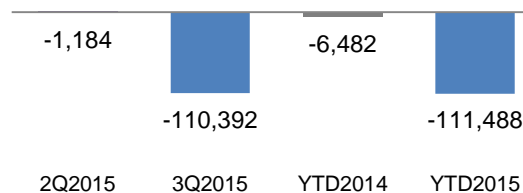
Trade Receivables

(USD '000)



Operating Cashflow

(USD '000)



- Improved profitability due to (1) optimized trading positions by employing physical and derivatives trading together and (2) the application of derivatives to capture the market volatility

- Balance sheet strengthened post the share placement exercise

- Trade receivables increased substantially because most new business took off end of 3Q

Outlook for 4Q2015



Consistent efforts to improve fundamentals

1. Accelerate the expansion in global markets, with a focus on European and African markets
2. Strengthen capabilities in trading
 - Expand trading team and risk control team
 - Increase physical trading volume under the long-term partnership
 - Actively engage potential new clients
 - Enhance market research and actively use derivatives trading to improve profitability
 - Expand the grades of commodities under existing traded categories
3. Continue to explore investment opportunities in the midstream and downstream
4. Explore debt financing channels



Thank You

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