



中华能源国际(新加坡)有限公司
CEFC International Limited

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FOR IMMEDIATE RELEASE

CEFC International to partner with a *Fortune* Global 500 company, CEFC China Energy, and stimulate the growth in its oil and petrochemical trading business

- Entered into a framework cooperation agreement with CEFC China's subsidiary to serve as the exclusive trading platform for all of the partner's overseas procurement and supply activities, in respect of crude oil, refined petroleum products, petrochemical products, LPG, natural gas and other related commodities
- The partnership is expected to bring substantial trade flow, improve the potential for turnover and profit growth, enhance the Company's global presence in energy trading, expand its customer and supplier base, diversify the range of traded products, and benefit its long-term growth
- With a stronger financial position after raising about S\$246.9 million from share subscription exercise recently, this partnership is part of the Group's plan to grow the core business of oil and petrochemical trading
- Further strengthened the trading team and capabilities as oil trading veteran, Mr. Liu Lei, joined the Group this year to lead and expand the Group's global trading operations

SINGAPORE - 8 September 2015 - Mainboard-listed CEFC International Limited ("**CEFC International**" or the "**Company**" and together with its subsidiaries, the "**Group**", 中华能源国际(新加坡)有限公司) today announced that through its subsidiary, Singapore CEFC Petrochemical & Energy Pte. Ltd. ("**SPE**"), it has entered into a framework cooperation agreement ("**Agreement**") with CEFC Shanghai International Group Limited (上海华信国际集团有限公司) ("**CEFC Shanghai**")

SPE will act as CEFC Shanghai's exclusive overseas procurement and supply platform for the trading of crude oil, refined petroleum products, petrochemical products, liquefied petroleum gas (LPG), natural gas and other related commodities. The duration of the Agreement is one year with automatic annual renewal thereafter, unless otherwise terminated by the parties.

CEFC Shanghai is a subsidiary of CEFC China Energy Company Limited ("**CEFC China**"), a group primarily engaged in energy business and financial services with a revenue of over RMB 220 billion and with more than 20,000 employees in 2014, according to information available on its website. CEFC China is also among the *Fortune* Global 500 list in 2014 and 2015. Its product portfolio consists of oil products, natural gas products and petrochemicals.

The Group has meticulously planned and implemented a series of strategic actions to prepare for the growth of its energy trading business. Mr. Liu Lei, a former PetroChina International veteran with 16 years of experience in international oil trading and management, joined the Group in 2015 to lead and expand its global trading operations, and was later appointed as an Executive Director. In September 2015, the Company also raised S\$246.9 million through a share placement, which significantly enhanced its financial position. This will facilitate the growth of its trading business.

Commenting on the Agreement, Mr. Zang Jian Jun ("臧建军"), Executive Chairman of CEFC International said,

"We are pleased to establish the cooperation with CEFC Shanghai. Its parent company, CEFC China, is an esteemed company with global influence in the energy industry. Becoming the exclusive platform for all of CEFC Shanghai's overseas procurement and supply activities will take our core trading business to a higher level. In addition to bringing substantial trade flow and lifting the potential for turnover and profit growth, it is also expected to improve our presence in global energy trading, expand our customer and supplier base, and diversify the range of our traded products. This will substantially benefit our long-term growth."

Over the last few years, we have expanded the footprint across Asia Pacific while beginning to set foot in other parts of the world; with a focus on the core oil and petrochemical trading business, we have also been actively exploring other opportunities along the distribution value chain to diversify our revenue stream. The addition of Mr. Liu to our leadership enables us to perform sophisticated trading in a global context, while our financial resources are enriched through the recent fund raising exercise. Furthermore, we have imposed stricter internal control procedures with the additional review by an external auditor and the review of relevant policies and procedures by a conflicts committee to be set up at present. With these measures, the Board wants to ensure a higher standard of corporate governance. Altogether, we

have formed an adequate, multi-dimensional framework that covers human resources, financial resources, trading infrastructure and corporate governance, and places us in a better position for future growth.”

President of CEFC China, Mr. Chen Qiu Tu (“陈秋途”), commented,

“We highly regard CEFC International for its superior trading expertise and unparalleled strength as a global trading platform. As we consolidate our overseas procurement and supply onto a single platform, we will see cost savings from greater economies of scale, and we will benefit from the trading expertise of CEFC International.

As “Going Global” is our core growth strategy, the move to establish cooperation with CEFC International allows us to tap into the excellent infrastructure of Singapore, a leading trading hub for oil products in Asia Pacific, and to grow our business abroad. The platform will also give us an access to the lower cost of capital in the global financial markets.”

Mr. Lu Dachuan (“卢大川”), Executive Director and CEO of CEFC International, further remarked on the business potential of the Agreement,

“The volatility in the global energy industry presents both opportunities and challenges to trading companies. The higher trade flow brought about by the Agreement will create greater optimization opportunities to CEFC International through increased bargaining power. This will enable us to achieve better procurement and sale prices, enjoy lower operating cost given the economies of scale, and gain first-hand information about the market to further enhance trading decisions. These benefits will greatly enhance our competitiveness in the industry. ”

- The End -

About CEFC International Limited

CEFC International Limited engages in the trading of petrochemical, fuel oil, and petroleum products, while actively exploring other opportunities along the distribution value chain to vertically integrate with its trading business and diversify its revenue stream. Aiming to evolve into an integrated downstream oil and gas company with a focus on trading, CEFC International leverages on its superior trading expertise, well established customer and supplier base, and well-defined investment strategy to accomplish its objective. It has operations in Singapore, Hong Kong, Japan, Malaysia, the People’s Republic of China, while continuing to develop other international markets.

Issued for and on behalf of CEFC International Limited

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