



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 focuses on building fundamentals with enhanced trading expertise in place; delivers net profit of US\$12 million for 3Q2015

- Revenue improved 73% to US\$162.3 million year-on-year on higher trading volume brought by strategic partnership
- Gross profit increased by 705% to US\$15.2 million year-on-year thanks to increased physical trading volume with healthy margin, and net contribution from the new derivatives trading business
- With strengthened team, fresh capital injection, diverse trading instruments, long term supply and sales partnership and a keen eye on investing in the value chain, the Group is in a commanding position to build its fundamentals

SINGAPORE – 15 October 2015 – Mainboard-listed **CEFC International Limited** (“**CEFC International**” or the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce its financial results for the three months ended 30 September 2015 (“**3Q2015**” or “**the past quarter**”).

The Group reported significantly higher revenue of US\$162.3 million for 3Q2015, an increase of 73% year-on-year (“y-o-y”). This was due to higher trading volume brought by the partnership that the Company entered into with a subsidiary of CEFC

China Energy Limited (“**CEFC China**”) in September, to serve as its exclusive overseas procurement and supply platform. The new derivatives trading business as the Group’s continuous efforts to enhance its trading capability also contributed to the revenue growth.

Financial Highlights	3Q2015	3Q2014	Chg	9M2015	9M2014	Chg
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	162,296	93,565	73%	188,475	291,913	(35)%
Gross Profit	15,162	1,884	705%	15,771	3,179	396%
<i>Gross Profit Margin</i>	9.3%	2.0%	7.3 ppts	8.4%	1.1%	7.3 ppts
Profit Attributable to Equity Holders	11,974	661	1,711%	10,310	252	3,991%
<i>Net Profit Margin</i>	7.4%	0.7%	6.7 ppts	5.5%	0.1%	5.4 ppts
Basic Earnings Per Share (US cents) *	0.321	0.0188	1,598%	0.287	0.0071	3,942%

* Earnings per ordinary share for 3 months and 9 months ended 30 September 2015 has been computed based on the share capital as at 30 September 2015 and 31 December 2014 after adjustment for 705,530,975 share issued pursuant to the recent share placement exercise, giving rise to the weighted average number of shares of 3,734,712,879 and 3,597,689,200 respectively.

Gross profit for 3Q2015 saw a surge of 705% y-o-y to US\$15.2 million. This was accompanied by a strong increase in gross profit margin to 9.3% for 3Q2015 from 2.0% for 3Q2014. The gross profit growth was attributable to increased physical trading volume with healthy margin, and net contribution from the new derivatives trading business.

The Group’s net profit attributable to equity holders increased to US\$12.0 million for 3Q2015, a stellar increase compared to the US\$0.7 million for 3Q2014. Basic earnings per share was 0.321 US cents for 3Q2015 and 0.287 US cents for 9M2015.

As at 30 September 2015, the Group had cash and cash equivalents of US\$67.5 million, compared to US\$2.6 million as at 31 December 2014. The Group’s total equity increased from US\$1.3 million as at 31 December 2014 to US\$189.9 million as at 30 September 2015. The increase was mainly due to the share issuance of US\$178.3 million in 3Q2015 and the recognition of net profit for the period amounting to US\$10.3 million.

Commenting on the Group's results, Mr. Zang Jian Jun (“臧建军”), Executive Chairman of CEFC International said, *“We are pleased with the remarkable improvement in the financial performance amid the challenging business environment. It is encouraging to see that our growth strategies have started to bear some fruits and we are determined to build further on this.*

While the government data indicates that demand for certain petroleum products in China has seen healthy growth, other dynamics on the market, including the weak and volatile oil prices, the lower barrier to entry and more price transparency in trading, have resulted in intense competition. In an effort to preserve and enhance our competitive advantage, we focused on building our fundamentals and introduced a series of strategic actions during the past quarter.

These included bringing in a trading team with strong leadership and professional expertise, which allowed us to deploy derivatives trading that has effectively complemented our physical trading business to optimize trading positions and enabled us to capture the market volatility to increase the profitability.

In view of the broader business opportunities already brought about by the strategic partnership with CEFC China, our strategy to foster long-term partnership with major players as suppliers and/or customers has fared well.

The successful completion of a share subscription exercise in this September has provided the financial resources to support the fast development of our trading business. The balance sheet has been strengthened and become more conducive for any further financing needs.

We are committed to the strategy of exploring opportunities and making investments in the midstream and downstream assets in the petroleum industry, so as to build up the physical infrastructure and provide increasing flexibility for traders to access unique profit pools. With reference to the disclosure in our previous announcements, we have been in discussion regarding potential investments along the industry chain during the past quarter, and the evaluation of the projects is still ongoing.

An integral part of our overall strategy is to constantly improve our risk

management processes. We have introduced stricter internal control procedures with the additional review by an external risk control advisor.

With the remarkable steps taken during the past quarter, the Group has set off to a good start of a new growth era. We will continue our efforts to strengthen our fundamentals to ensure consistent performance, and maximise shareholders' returns in the long term.”

- 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 value chain to vertically integrate with its trading business and diversify its revenue stream. Aiming to evolve into an integrated mid- and 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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