



CEFC International Limited

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FOR IMMEDIATE RELEASE

CEFC International advances into Europe's energy market with successful acquisition of downstream distribution network in France and Spain

- **Acquisition unveils Company's growth strategy through acquisition and investment, while paving way to the establishment of an investment and financing platform in Europe**
- **Transaction attained clearance for foreign investment by French Ministry of Economy and on antitrust by European Commission that enabled the completion of the transaction with required government approvals**
- **Creating synergies in business operations, geographical presence and investment and funding resources**
- **Building a more sizeable global energy enterprise and create more shareholder value**

SINGAPORE – 09 January 2017 – Mainboard-listed **CEFC International Limited** (“**CEFC International**” or the “**Company**”), announced that with the completion of acquisition of 100% equity interest in CEFC Assets Management & Equity Investment (Hong Kong) Co., Limited (the “**Target**”) from CEFC Shanghai Group Assets Management Co., Ltd (the “**Seller**”) on 24 December 2016 (all inclusive, the “**Proposed Acquisition**”), the Company has made the significant first step in its major expansion into Europe's market. Prior to this, the Company has also obtained the approval by the French

Ministry of Economy on 15 December 2016 and antitrust clearance by European Commission on 23 December 2016.

The Target owns 51% interest in Rompetrol France SAS ("**Rompetrol France**"), which is the holding company of Dyneff SAS ("**Dyneff**"), one of the leading independent fuel distributors in France, with business operations in both France and Spain. Dyneff has been active in the fuel distribution sector for more than 50 years covering three distribution channels: filling stations, a network of commercial agencies and two wholesale agencies. Dyneff also has established logistics infrastructure in both France and Spain, with strategic storage capabilities at the main Mediterranean and Atlantic ports.

The Purchase Consideration of US\$20.5 million will be satisfied in cash in two instalments and is agreed upon after arm's length negotiations between the Purchase and the Seller and has taken into consideration an independent valuation of the Target and its previous transaction value.

Based on the financial statements of Rompetrol France for FY2015 provided by the Seller, Rompetrol France recorded a net profit after tax of approximately US\$2.9 million¹ as at 31 December 2015. Following the completion of the acquisition of 51% stake in Rompetrol France by the Target in 2016, the Target recorded a net profit after tax and minority interests of approximately US\$3.3 million² for the six months ended 30 June 2016.

The Company has prioritized Europe as its key strategic market given the size of its energy market and tremendous consumption energy demand, established financial markets, developed legal framework and its low-cost financing environment. Dyneff's

^{1,2} Reference to the announcement dated Nov 9, 2016 titled "Proposed Acquisition of 100% of the share capital of CEFC Assets Management & Equity Investment (Hong Kong) Co., Limited" for Rompetrol France's net profit after tax of approximately €2.8 million in FY2015 and the Target's net profit after tax and minority interests of approximately HK\$25.6 million for the six months ended 30 June 2016.

existing oil and gas distribution network, logistics and storage facilities in Europe provide a stepping stone for the Company's entry into the European market and is expected to facilitate the shift of related trading activities focus onto the platform in Europe. At the same time, Dyneff's existing relationships with local banks and regional oil and gas players will also be beneficial for the Company in capitalizing on the low funding cost and identifying investment opportunities to build up an investment and financing platform in Europe.

On the other hand, CEFC International is a company listed on the mainboard of SGX-ST, and has high standards of corporate governance, access to capital markets, established banking relationships and business network in Asia. The Company and Dyneff are therefore able to complement each other and grow from strength to strength.

Commenting on the Acquisition, Mr. Zang Jian Jun (“臧建军”), Executive Chairman of CEFC International said,

“The completion of the acquisition of Dyneff unveils our growth strategy through acquisition and investment. Our investment strategy in Europe has made significant progress and this is a historical breakthrough for us. With the clearance attained for foreign investment by French Ministry of Economy and on antitrust by European Commission, we are pleased to announce the transaction obtained the required government approvals and we will accelerate the development plans in Europe.

Our partnership with Dyneff first started through trade cooperation, where we established bilateral friendly and mutually beneficial relations. Building on our mutual understanding, Dyneff displayed strong management expertise as well as stable earnings and as such, we further became its controlling shareholder, reflecting a prudent investment decision. We are not only optimistic about Dyneff's prospects, but also confident in building a more sizeable and influential energy enterprise through our synergies in business operations, geographical presence and investment and funding resources.

We are fully committed to accelerating the enhancing of our value proposition by seeking suitable investment and M&A opportunities globally and, especially, European markets that fit our expansion strategy. As the Company is rapidly evolving into an energy industry platform that consolidates profits from both operation and investment to enhance our market value and influence, our mission to creating more shareholder value is progressively accomplished.”

– The End –

About CEFC International Limited

Listed on the Main Board of SGX-ST and building on its current foundation in international trading business in petroleum and chemical products, CEFC International Limited (stock code: Y35) embraces a vision to establish an international investment and financing platform in the energy industry, and gain access to global energy resources. The Company explores investment opportunities in the wealth of mid and downstream assets available in Europe, and enhances its foothold in retail outlets, distribution network, logistics and storage assets to stimulate the organic trading business and create synergistic growth. Through a growth strategy by acquisition and investment, CEFC International targets to become an industry platform that consolidates profits from both operation and investment to enhance our market value and influence.

About Rompetrol France SAS and Dyneff SAS

Rompetrol France is the holding company of Dyneff SAS (“**Dyneff**”), one of the leading independent fuel distributors in France with business operations in France and Spain. Dyneff offers a full choice of motor fuels, biofuels, heating fuels, supplementary products and services that fulfill all the market requirements and has played an active role in the fuel distribution sector for more than 50 years covering three distribution channels: filling stations, a network of commercial agencies and two wholesale agencies. Dyneff also has established logistics infrastructure in France and Spain, with strategic capabilities at the main Mediterranean and Atlantic ports.

Issued for and on behalf of **CEFC International Limited, Rompetrol France SAS and Dyneff SAS**

By **Financial PR Pte Ltd**

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