



**CEFC INTERNATIONAL LIMITED 中华能源国际有限公司**  
(Incorporated in Bermuda)  
(Company Registration No. 35733)  
(the “Company”)

**UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1a An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

<u>The Group</u>	Three Months ended 30 June 2013 US \$'000	Three Months ended 30 June 2012 US \$'000	Increase / (Decrease) %	Six Months ended 30 June 2013 US \$'000	Six Months ended 30 June 2012 US \$'000	Increase / (Decrease)
Revenue	468,702	-	N.M	536,287	-	N.M
Cost of Sales	(467,316)	-	N.M	(534,724)	-	N.M
<b>Gross Profit</b>	1,386	-	N.M	1,563	-	N.M
Other Operating Income	3	-	N.M	17	-	N.M
Administrative Expenses	(534)	(268)	99%	(1,060)	(415)	155%
Finance Cost	(241)	-	N.M	(265)	-	N.M
<b>Profit/(Loss) Before Taxation</b>	614	(268)	329%	255	(415)	161%
Taxation	(86)	-	N.M	(91)	-	N.M
<b>Profit/(Loss) for the Period</b>	528	(268)	297%	164	(415)	139%
<b>Other Comprehensive Income</b>						
Exchange Difference on Translation	-	-	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	528	(268)	297%	164	(415)	139%

**N.M : Not Meaningful**

The Group's loss before taxation is arrived at after charging / (crediting):

<b><u>The Group</u></b>	<b>Three Months ended 30 June 2013 US \$'000</b>	<b>Three Months ended 30 June 2012 US \$'000</b>	<b>Increase /(Decrease)  %</b>	<b>Six Months ended 30 June 2013 US \$'000</b>	<b>Six Months ended 30 June 2012 US \$'000</b>	<b>Increase /(Decrease)</b>
<b>Other Income</b>						
Disposal of Subsidiaries	(2)	-	-	(2)	-	-
Government Credit	-	-	-	(13)	-	N.M
Interest Income	(1)	-	N.M	(2)	-	N.M
<b>Administrative Expenses</b>						
Depreciation and Amortisation	20	10	100%	39	11	255%
Directors' Remuneration and Fees	97	35	177%	190	67	184%
Professional and Listing Fees	50	104	(52%)	73	126	(42%)
Foreign Currency Exchange Loss /(Gain)	(66)	(5)	1220%	(94)	7	1443%
Staff Salary and Staff related expenses	209	55	280%	394	99	298%
Traveling and Meeting Expenses	25	37	(32%)	49	47	4%

1b(i) A balance sheet (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group		The Company	
	30 June 2013 US \$'000	31 December 2012 US \$'000	30 June 2013 US \$'000	31 December 2012 US \$'000
<b><u>ASSETS</u></b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	7,179	7,268	15	423
Other Receivables	243	246	13	17
Trade Receivables	28,368	-	-	-
Amount due from Subsidiary	-	-	1,324	1,362
<b>Total Current Assets</b>	<b>35,790</b>	<b>7,514</b>	<b>1,352</b>	<b>1,802</b>
<b>Non-current Assets:</b>				
Intangible Asset	6	10	6	10
Plant and Equipment	245	276	-	-
Investments in Subsidiaries	-	-	160	160
<b>Total Non-current Assets</b>	<b>251</b>	<b>286</b>	<b>166</b>	<b>170</b>
<b>Total Assets</b>	<b>36,041</b>	<b>7,800</b>	<b>1,518</b>	<b>1,972</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>				
<b>Current Liabilities</b>				
Other Payables	181	301	117	212
Income Tax Payables	133	125	-	-
Advance from Holding Company	7,255	7,362	2,466	2,545
Trade Payables	28,297	-	-	-
<b>Total Current Liabilities</b>	<b>35,866</b>	<b>7,788</b>	<b>2,583</b>	<b>2,757</b>
<b>Non-current Liabilities</b>				
Provision	30	31	-	-
<b>Total Non-current Liabilities</b>	<b>30</b>	<b>31</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>35,896</b>	<b>7,819</b>	<b>2,583</b>	<b>2,757</b>
<b>Capital and Reserves</b>				
Share Capital	454	454	454	454
Share Premium	18,116	18,116	18,116	18,116
Foreign Currency Translation Reserve	43	43	49	49
Accumulated Losses	(18,468)	(18,632)	(19,684)	(19,404)
<b>Total Equity</b>	<b>145</b>	<b>(19)</b>	<b>(1,065)</b>	<b>(785)</b>
<b>Total Equity</b>	<b>145</b>	<b>(19)</b>	<b>(1,065)</b>	<b>(785)</b>
<b>Total Liabilities and Equity</b>	<b>36,041</b>	<b>7,800</b>	<b>1,518</b>	<b>1,972</b>

**1b(ii) Aggregate amount of the Group's borrowings and debt securities**

	<u>Unsecured</u>		<u>Secured</u>	
	<b>30 June 2013</b>	<b>31 December 2012</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Amount payable in one year or less or on demand	7,255	7,362	-	-
Amount payable after one year	-	-	-	-

The Company's controlling shareholder, Singapore Petrochemical & Energy Development Pte. Ltd. (formerly known as Singapore Petrol Development Co Pte Ltd), continues to provide interest-free loan to the Group, and the loan balance as at the end of the second quarter of FY2013 ("2QFY2013") was approximately US\$7.255 million. The financial support was provided to the Group to assist it in its oil trading business and to meet its liabilities as and when they fell due.

The Company's oil trading transactions are mainly financed through Letter of Credit in line with industry practices. Hence, the management continues to focus on the availability of banking facilities from financial institutions. In 2QFY2013, United Overseas Bank, DBS Bank Limited and Société Générale Singapore Branch granted to the Company formal lines of back-to-back banking facilities of US\$100 million, US\$70 million and US\$70 million respectively.

Details of any collateral

Nil.

Contingent liabilities

As at 30 June 2013, the Group has no contingent liabilities.

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

<b><u>The Group</u></b>	<b>Three Months ended 30 June 2013</b>	<b>Three Months ended 30 June 2012</b>	<b>Six Months ended 30 June 2013</b>	<b>Six Months ended 30 June 2012</b>
	<b>US \$'000</b>	<b>US \$'000</b>	<b>US \$'000</b>	<b>US \$'000</b>
<b>OPERATING ACTIVITIES</b>				
Profit/(Loss) Before Taxation	614	(268)	255	(415)
<b>Adjustment for:</b>				
Depreciation and Amortisation	20	10	39	11
Gain on Disposal of Subsidiaries	(2)	-	(2)	-
Unrealised Foreign Currency (Gain)/Loss	(66)	(5)	(94)	7
Interest Income	(1)	-	(2)	-
Operating Cash Flows Before Movements in Working Capital	565	(263)	196	(397)
(Increase) / Decrease in Trade Receivables	15,556	-	(28,368)	-
Increase / (Decrease) in Trade Payables	(15,505)	-	28,297	-
(Increase) / Decrease in Other Receivables	1	(171)	(5)	(179)
Increase / (Decrease) in Other Payables	(85)	69	(113)	(14)
Income Taxes Paid	(76)	-	(76)	-
Interest Income	1	-	2	-
<b>Net cash from / (used in) operating activities</b>	<b>457</b>	<b>(365)</b>	<b>(67)</b>	<b>(590)</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition of Plant and Equipment	-	(276)	(4)	(284)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(276)</b>	<b>(4)</b>	<b>(284)</b>
<b>FINANCING ACTIVITIES</b>				
Advance from Holding Company	-	134	-	353
Amount due to Ultimate Holding Company	-	1,859	-	3,199
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>1,993</b>	<b>-</b>	<b>3,552</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>457</b>	<b>1,352</b>	<b>(71)</b>	<b>2,678</b>
Cash and cash equivalents at the beginning of the period	6,725	1,343	7,268	17
Effect in foreign exchange rates changes	(3)	-	(18)	-
<b>Cash and cash equivalents at the end of the period</b>	<b>7,179</b>	<b>2,695</b>	<b>7,179</b>	<b>2,695</b>

**1d(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<u>Group</u>	Share Capital	Share Premium	Foreign Currency Translation Reserve	Accumulated Losses	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2013	454	18,116	43	(18,632)	(19)
Total comprehensive loss for the period	-	-	-	164	164
At 30 June 2013	454	18,116	43	(18,468)	145
At 1 January 2012	454	18,116	43	(18,833)	(220)
Total comprehensive loss for the period	-	-	-	(415)	(415)
At 30 June 2012	454	18,116	43	(19,248)	(635)

  

<u>Company</u>	Share Capital	Share Premium	Foreign Currency Translation Reserve	Accumulated Losses	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2013	454	18,116	49	(19,404)	(785)
Total comprehensive loss for the period	-	-	-	(280)	(280)
At 30 June 2013	454	18,116	49	(19,684)	(1,065)
At 1 January 2012	454	18,116	49	(18,820)	(201)
Total comprehensive loss for the period	-	-	-	(313)	(313)
At 30 June 2012	454	18,116	49	(19,133)	(514)

- 1d(ii) Details of any changes in the Company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital since the end of the previous period reported on.

- 1d(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares as at 30 June 2013 and as at 31 December 2012 respectively was 3,527,654,875 shares. There were no shares held as treasury shares and the Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 30 June 2013 and 31 December 2012.

- 1d(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable as the Company does not have any treasury shares.

- 2. Whether the figures has been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have neither been reviewed nor audited by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recent audited financial statements as well as all the applicable new/revised International Financial Reporting Standards (IFRS) and IFRS interpretations which became effective for the financial years beginning on or after 1 January 2012.

- 5. If there are any changes in the accounting policies and methods of computation including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

	<u>The Group</u>			
	Three Months ended		Six Months ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
<b>Net Profit/(Loss) Attributable to Shareholders</b>	528,648	(267,801)	164,405	(414,529)
	US\$		US\$	
<b>Earnings per ordinary share</b>				
	US Cents		US Cents	
(a) Based on the weighted average number of ordinary shares in issue; and	0.01499	(0.00759)	0.00466	(0.01175)
Weighted average number of ordinary shares in issue	3,527,654,875	3,527,654,875	3,527,654,875	3,527,654,875
(b) On a fully diluted basis	0.01499	(0.00759)	0.00466	(0.01175)
Weighted average number of ordinary shares in issue	3,527,654,875	3,527,654,875	3,527,654,875	3,527,654,875



**7. Net assets value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) **current financial period reported on; and**  
 (b) **immediately preceding financial year.**

	<u>The Group</u>		<u>The Company</u>	
	30 June 2013	31 Dec 2012	30 June 2013	31 Dec 2012
	US cents	US cents	US cents	US cents
Net asset / (liabilities) value per ordinary share	0.00412	(0.0005)	(0.0302)	(0.022)

The calculation of net asset value per ordinary share is based on the Group's net assets of approximately US\$145,245 as at 30 June 2013 (31 December 2012: US\$19,065) and the Company's net liabilities value of approximately US\$1,065,155 as at 30 June 2013 (31 December 2012: US\$785,028) and share capital of 3,527,654,875 shares (31 December 2012: share capital of 3,527,654,875 shares).

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) **any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Revenue**

The Group improved its performance in 2QFY2013 by completing ten fuel oil trading transactions. The revenue grew by 593% from US\$67.6 million in 1QFY2013 to US\$468.7 million in 2QFY2013. The Company will continue to drive revenue growth and profits by expanding its counterparties list to diversify and increase trading opportunities.

The Company has ceased and disposed its beauty business related subsidiaries during 2QFY2013. As announced via SGX-NET on 3 June 2013, the Company sold its interest in 100.0% of the registered capital of the Company's wholly-owned subsidiary, Top Dynasty Holdings Limited ("**Top Dynasty**") to Ms Shum Ching Yee Jennifer. Following the completion of the sale, Top Dynasty ceased to be a direct subsidiary of the Company and Top Dynasty's subsidiaries, namely, Bonrich Assets Limited, Top Grace Management Limited and Miellè Cosmétique Paris Limited also ceased to be indirect subsidiaries of the Company.

**Gross Margin**

The Group achieved gross profit of US\$1.386 million and US\$1.563 million in 2QFY2013 and first half of financial year of 2013 ("**1HFY2013**") respectively. The performance was mainly contributed by larger trading volume and slightly favourable margin.

**Other Operating Income**

Other income derived in 2QFY2013 comprised bank interest income and the gain of US\$0.022 million from the disposal of the beauty business related subsidiaries.

## **Administrative Expenses**

Administrative expenses increased by 1.52% from US\$0.526 million in 1QFY2013 to US\$0.534 million. The increase was mainly due to the new staff salary expenses and travelling and meeting expenses which were attributed to the Group's growing business operations.

## **Other Expenses**

Other expenses reported in 2QFY2013 were the result of foreign exchange loss.

## **Profit Before Tax**

In relation to the increased transactions achieved in 2QFY2013, the finance cost grew from US\$0.024 million in 1QFY2013 to US\$0.241 million in 2QFY2013 arising from the bank charges in connection with Letter of Credit banking facilities. The Group's bank charges of US\$0.775 million in 2QFY2013 had increased as compared with US\$0.550 million in 1QFY2013. The increase in the bank is much lower compared with the increase in trading volumes, and this was due to much cheaper bank charges from term lines granted by the banks in 2QFY2013 as compared to ad-hoc basis banking facilities utilized in 1QFY2013. The Group achieved Net Profit after Tax of US\$528,000 in 2QFY2013 and US\$162,119 in 1HFY2013.

## **Taxation**

Tax amount was accrued at approximately US\$0.091 million in 1HFY2013 due to the profit position of the Group.

### Review of the Group's Cash Flows in Second Quarter of FY2013

In 2QFY2013, the Group reported a positive cash flow in operating activities of US\$0.457 million, compared to negative US\$0.360 million in the corresponding comparative period. Net cash inflows in 2QFY2013 from operating activities was due to the profitable position in relation to the oil trading business and efficient working capital management by tapping on the trade finance facilities established with its banks. In 1HFY2013, the Group reported a negative cash flow in operating activities of US\$0.067 million mainly due to the credit terms granted to the customers in accordance with Letters of Credit in 2QFY2013.

There was no movement in both investing activities and financing activities as the Group focused on building up the track record and reputation of its new business which were financed by banking facilities.

As at the end of the 1HFY2013, the balance of cash & cash equivalent was US\$7.179 million.

### Review of the Group's Financial Position as at 30 June 2013 and 31 December 2012

The outstanding trade receivables of US\$28.368 million was mainly due to the credit term of 30 days granted to the customer from the Bills of Ladings date, being the date on which the vessel captain issued the acceptance on the cargo. The outstanding in trade payable of US\$28.297 million was due to the same factor which reflected the back-to-back nature of the Group's business model. Our negotiating bank has accepted trading documentations and successfully collected full amount of funds from the customer. Due to the favourable results achieved in this quarter, the Group has recorded a positive Net Tangible Asset of US\$145,245 as at the end of June 2013.

## **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been previously disclosed to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

Going forward and on an on-going basis, the Company is reviewing and exploring opportunities along the distribution chain for petroleum and petrochemical products both vertically and horizontally, to venture into new areas, such as building up inventory and establishing storage facilities, as its financial position strengthens and it establishes itself in the industry.

The Group will also continue to seek additional banking facilities to meet its business requirements.

**11. Dividend**

**(a) Current Financial Period Reported On**

None.

**Corresponding Period of the Immediately Preceding Financial Year**

None.

**Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared or recommended, a statement to that effect.**

No dividend has been declared or recommended in this second quarter of FY2013.

**13. If the Group has obtained a general mandate from the Shareholder for IPTs, the aggregate value of such transactions as required under Rule 902 (1)(a) (ii). If no IPT mandate has been obtained, please make a statement to that effect**

There were no interested person transactions carried out in the 2QFY2013 except for the interest-free advances made by Singapore Petrochemical & Energy Development Pte. Ltd to the Group.

The Company does not have a general mandate from shareholders for interested person transactions.

**BY ORDER OF THE BOARD**

**Ye Jianming**  
**Executive Chairman**  
**Date: 14 August 2013**

**CONFIRMATION BY THE BOARD**

We, Ye Jianming and Zang Jian Jun, being two of the directors of CEFC International Limited (the “**Company**”), do hereby confirm on behalf of the directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the financial period ended 30 June 2013 to be false or misleading in any material aspect.

On behalf of the board of directors

**Ye Jianming**  
**Executive Chairman**

**Zang Jian Jun**  
**Executive Director**