



**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 Sept 2013 US \$'000	Three Months ended 30 Sept 2012 US \$'000	Increase / (Decrease) %	Nine Months ended 30 Sept 2013 US \$'000	Nine Months ended 30 Sept 2012 US \$'000	Increase / (Decrease) %
Revenue	53,861	9,749	452 %	590,148	9,749	5,953 %
Cost of Sales	(53,682)	(9,614)	458%	(588,406)	(9,614)	6,020%
<b>Gross Profit</b>	179	135	33%	1,742	135	1,190%
Other Operating Income	16	1	1,500%	33	1	3,200%
Administrative Expenses	(615)	(383)	61%	(1,675)	(812)	106%
Finance Cost	(35)	-	N.M	(300)	(1)	29,900%
<b>Profit/(Loss) Before Taxation</b>	(455)	(247)	84%	(200)	(677)	(70%)
Taxation	-	-		(91)	-	
<b>Profit/(Loss) for the Period</b>	(455)	(247)	84%	(291)	(677)	(57%)
<b>Other Comprehensive Income</b>						
Exchange Difference on Translation	-	-	N.M	-	-	N.M
<b>Total Comprehensive Income for the Period</b>	(455)	(247)	84%	(291)	(677)	(57%)

**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 Sept 2013 US \$'000</b>	<b>Three Months ended 30 Sept 2012 US \$'000</b>	<b>Increase /(Decrease)  %</b>	<b>Nine Months ended 30 Sept 2013 US \$'000</b>	<b>Nine Months ended 30 Sept 2012 US \$'000</b>	<b>Increase /(Decrease)</b>
<b>Other Income</b>						
Gain on Disposal of Subsidiaries	-	-	N.M	(2)	-	N.M
Government Credit & Insurance Claim	(15)	(1)	1,400%	(28)	(1)	2,700%
Interest Income	(1)	-	N.M	(3)	-	N.M
<b>Administrative Expenses</b>						
Depreciation and Amortisation	19	21	(10%)	58	32	81%
Directors' Remuneration and Fees	96	36	167%	286	103	178%
Professional and Listing Fees	44	63	(30%)	117	189	(38%)
Foreign Currency Exchange Loss /(Gain)	17	40	(58%)	(77)	42	(283%)
Staff Salary and Staff related expenses	223	68	228%	617	187	230%
Traveling and Meeting Expenses	19	49	(61%)	68	95	(28%)

**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**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 Sept 2013 US \$'000</b>	<b>31 Dec 2012 US \$'000</b>	<b>30 Sept 2013 US \$'000</b>	<b>31 Dec 2012 US \$'000</b>
<b><u>ASSETS</u></b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	6,676	7,268	727	423
Other Receivables	253	246	22	17
Advance Payment	34,227	-	-	-
Trade Receivables	53,861	-	-	-
Amount due from Subsidiary	-	-	410	1,362
<b>Total Current Assets</b>	<b>95,017</b>	<b>7,514</b>	<b>1,159</b>	<b>1,802</b>
<b>Non-current Assets:</b>				
Intangible Asset	5	10	5	10
Plant and Equipment	227	276	-	-
Investments in Subsidiaries	-	-	160	160
<b>Total Non-current Assets</b>	<b>232</b>	<b>286</b>	<b>165</b>	<b>170</b>
<b>Total Assets</b>	<b>95,249</b>	<b>7,800</b>	<b>1,324</b>	<b>1,972</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>				
<b>Current Liabilities</b>				
Other Payables	137	301	78	212
Income Tax Payables	86	125	-	-
Advance from Holding Company	7,282	7,362	2,487	2,545
Advance Collection	34,342	-	-	-
Trade Payables	53,682	-	-	-
<b>Total Current Liabilities</b>	<b>95,529</b>	<b>7,788</b>	<b>2,565</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>95,559</b>	<b>7,819</b>	<b>2,565</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	(18,923)	(18,632)	(19,860)	(19,404)
<b>Total Equity</b>	<b>(310)</b>	<b>(19)</b>	<b>(1,241)</b>	<b>(785)</b>
<b>Total Equity</b>	<b>(310)</b>	<b>(19)</b>	<b>(1,241)</b>	<b>(785)</b>
<b>Total Liabilities and Equity</b>	<b>95,249</b>	<b>7,800</b>	<b>1,324</b>	<b>1,972</b>

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

	<u>Unsecured</u>		<u>Secured</u>	
	30 Sept 2013	31 Dec 2012	30 Sept 2013	31 Dec 2012
	US\$'000	US\$'000	US\$'000	US\$'000
Amount payable in one year or less or on demand	7,282	7,362	-	-
Amount payable after one year	-	-	-	-

The Company's controlling shareholder, Singapore Petrochemical & Energy Development Pte. Ltd. ("SPED"), continues to provide interest-free loans to the Group, and the loan balance as at the end of the third quarter of FY2013 ("3QFY2013") was approximately US\$7.282 million. This 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. An additional interest-free loan of US\$9 million was provided by SPED to the Group in early of November 2013 to support the Group's development of its petrochemical trading business.

The Company's oil trading transactions are mainly financed through letters of credit which is in line with industry practices. Hence, the management continues to focus on ensuring the availability of banking facilities from financial institutions. In 3QFY2013, BNP Paribas, Singapore Branch granted the Company back-to-back banking facilities amounting to US\$130 million. The aggregate amount of back-to-back banking facilities granted by the banks to the Company reached US\$370 million as at the end of 3QFY2013.

Details of any collateral

Nil.

Contingent liabilities

As at 30 September 2013, the Group had 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 Sept 2013 US \$'000</b>	<b>Three Months ended 30 Sept 2012 US \$'000</b>	<b>Nine Months ended 30 Sept 2013 US \$'000</b>	<b>Nine Months ended 30 Sept 2012 US \$'000</b>
<b>OPERATING ACTIVITIES</b>				
Loss Before Taxation	(455)	(247)	(200)	(677)
<b>Adjustment for:</b>				
Depreciation and Amortisation	19	21	58	32
Gain on Disposal of Subsidiaries	-	-	(2)	-
Unrealised Foreign Currency Loss/ (Gain)	17	32	(77)	33
Interest Income	(1)	-	(3)	-
Operating Cash Flows Before Movements in Working Capital	(420)	(194)	(224)	(612)
(Increase) / Decrease in Trade Receivables	(25,493)	(9,749)	((53,861))	(9,749)
Increase / (Decrease) in Trade Payables	25,385	-	53,682	-
(Increase) / Decrease in Other Receivables	(34,235)	(75)	(34,240)	(255)
Increase / (Decrease) in Other Payables	34,298	30	34,185	15
Income Taxes Paid	(49)	-	(125)	-
Interest Income	1	-	3	-
<b>Net cash used in operating activities</b>	<b>(513)</b>	<b>(9,988)</b>	<b>(580)</b>	<b>(10,601)</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition of Plant and Equipment	-	(15)	(4)	(303)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(15)</b>	<b>(4)</b>	<b>(303)</b>
<b>FINANCING ACTIVITIES</b>				
Advance from Holding Company	-	9,701	-	13,282
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>9,701</b>	<b>-</b>	<b>13,282</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(513)</b>	<b>(302)</b>	<b>(584)</b>	<b>2,378</b>
Cash and cash equivalents at the beginning of the period	7,179	2,697	7,268	17
Effect of foreign exchange rates changes on cash and cash equivalents	10	-	(8)	-
<b>Cash and cash equivalents at the end of the period</b>	<b>6,676</b>	<b>2,395</b>	<b>6,676</b>	<b>2,395</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	-	-	-	(291)	(291)
At 30 Sept 2013	454	18,116	43	(18,923)	(310)
At 1 January 2012	454	18,116	43	(18,833)	(220)
Total comprehensive loss for the period	-	-	-	(677)	(677)
At 30 Sept 2012	454	18,116	43	(19,510)	(897)
<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	-	-	-	(456)	(456)
At 30 Sept 2013	454	18,116	49	(19,860)	(1,241)
At 1 January 2012	454	18,116	49	(18,820)	(201)
Total comprehensive loss for the period	-	-	-	(484)	(484)
At 30 Sept 2012	454	18,116	49	(19,304)	(685)

- 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.

- 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 September 2013 and as at 31 December 2012 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 September 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 had come into effective for the financial years beginning on or after 1 January 2013.

- 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		Nine Months ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
<b>Net Profit/(Loss) Attributable to Shareholders</b>	(455,177)	(247,350)	(290,772)	(677,355)
	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	(0.01290)	(0.00701)	(0.00824)	(0.01920)
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	(0.01290)	(0.00701)	(0.00824)	(0.01920)
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 Sept 2013	31 Dec 2012	30 Sept 2013	31 Dec 2012
	US cents	US cents	US cents	US cents
Net liabilities value per ordinary share	(0.0088)	(0.0005)	(0.0352)	(0.022)

The calculation of net asset value per ordinary share is based on the Group's net assets of approximately US\$(309,931) as at 30 September 2013 (31 December 2012: US\$19,065) and the Company's net liabilities of approximately US\$1,240,799 as at 30 September 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 completed one fuel oil trading transaction in 3QFY2013 and as compared to 2QFY2013, the Group's revenue decreased by US\$414.8 million. The decrease in the revenue was mainly due to the challenging market conditions in the oil trading market during the period of July to September 2013 as a result of the impact of the global economic slowdown. Despite the unfavourable market environment, the Company has been working hard to continue to secure top industry players to diversify and increase its trading opportunities. The Group's turnover for the aforementioned transaction was approximately US\$54 million.

#### **Gross Margin**

The Group recorded a gross profit of US\$0.179 million, which amounted to 0.33% gross profit margin generated from the fuel oil trading transaction.

#### **Other Operating Income**

Other income derived in 3QFY2013 comprised of bank interest income and the productivity and innovation credit cash ("PIC") bonus and cash pay-out.

#### **Administrative Expenses**

Quarterly administrative expenses increased by 15% from US\$0.534 million in 2QFY2013 to US\$0.615 million in 3QFY2013. The increase was mainly due to the new staff remuneration and the increase in legal expenses arising from the documentation in connection with the banking facilities.

## **Loss before Tax**

The Group recorded a loss of US\$0.455 million and loss of US\$0.291 million for the three and nine months ended 3QFY2013 respectively. The loss made in 3QFY2013 was due to insufficient sales revenue generated to cover fixed operating expenses.

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

In the three and nine months ended 3QFY2013, the Group reported a negative cash flow in operating activities of US\$0.513 million and US\$0.58 million respectively. The negative cash flow in operating activities was due to the loss suffered in 3QFY2013.

As at the nine months ended 3QFY2013, the balance of cash and cash equivalent was US\$6.676 million.

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

The outstanding trade receivables of US\$53.861 million was mainly due to the credit term of 15 days granted to a customer from the contract stipulated date. The outstanding in trade payables of US\$53.682 million was also due to this same aforementioned reason thus reflecting the back-to-back nature of the Group's business model. Our negotiating bank has accepted trading documentations and successfully collected the full amount of funds from the customer in October 2013. The advance collection of US\$34.342 million was due to customer's advance payment as required by the trading contract entered into between the Company and the customer. In line with the customer's advance payment, the Company has prepaid the purchasing amount to the supplier in accordance with the trading contract. Due to the loss made in 3QFY2013, a negative net tangible asset of US\$309,931 was recorded as at the end of September 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.**

The Company continues to focus on its back-to-back oil trading business and the utilisation of its bank facilities. The Company is working hard to generate more revenue in the following quarter and to seek banks' continuous support through increasing in the facility amounts. In addition, in order to diversify from the single back-to-back business model and product and achieve bigger profit margin for the Group, from October 2013, the Company has commenced trading in petrochemicals by entering into several trading contracts with suppliers and leasing several petrochemical bonded warehouses. The leased petrochemical bonded warehouses are located in China in order to be close to the Group's potential China based customers and the China market. The Company is utilizing SPED, the Company's controlling shareholder's additional interest-free loan and its own working capital resources to finance those storage facilities. In addition, the Company is discussing with banks to seek additional bank facilities to further finance its petrochemical trading business. The Company is also exploring additional revenue streams, including investments in the energy sector through a wholly-owned Hong Kong subsidiary to be set up. It is intended that the US\$300 million initial paid up capital of such new Hong Kong subsidiary will be financed by way of a new interest-free loan from SPED. The Board will keep the Shareholders informed of the progress of the incorporation and will make such further announcement as and when appropriate. The Group will comply with the applicable listing rules in connection with any investments in the energy section, including making the requisite announcement(s) and/or obtaining shareholders' approval to the extent required under Chapter 10 of the Listing Manual of the Singapore Exchange Securities trading Limited.

**11. Dividend**

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

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

None.

**(c) 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 third 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 3QFY2013 except for the interest-free advances made by SPED 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: 13 November 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 September 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**