



UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

**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>Group</u>	Three Months ended 30 Sept 2014 US\$'000	Three Months ended 30 Sept 2013 US\$'000	Increase /(Decrease) %	Nine Months ended 30 Sept 2014 US\$'000	Nine Months ended 30 Sept 2013 US\$'000	Increase /(Decrease) %
Revenue	93,565	53,861	74%	291,913	590,148	(51%)
Cost of Sales	(91,681)	(53,682)	71%	(288,734)	(588,406)	(51%)
Gross Profit	1,884	179	953%	3,179	1,742	82%
Other Operating Income	9	16	(44%)	10	33	(70%)
Administrative Expenses	(1,013)	(615)	65%	(2,618)	(1,675)	56%
Other Operating Expenses	-	-	N.M	(2)	-	N.M
Finance Expenses	(9)	(35)	(74%)	(107)	(300)	(64%)
Profit/(Loss) Before Income Tax	871	(455)	(291%)	462	(200)	(331%)
Income Tax Expense	(210)	-	N.M	(210)	(91)	131%
Profit/(Loss) for the Period	661	(455)	245%	252	(291)	187%
Total Comprehensive Income/(Loss) for the Period	661	(455)	245%	252	(291)	187%

N.M : Not Meaningful

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

<u>Group</u>	Three Months ended 30 Sept 2014 US\$'000	Three Months ended 30 Sept 2013 US\$'000	Increase /(Decrease) %	Nine Months ended 30 Sept 2014 US\$'000	Nine Months ended 30 Sept 2013 US\$'000	Increase /(Decrease) %
Other Operating (Income) /Expenses						
Disposal of Subsidiaries	-	-	N.M	-	(2)	(100%)
Government Credit	-	(15)	(100%)	(3)	(28)	(89%)
Interest Income	-	(1)	(100%)	(2)	(3)	(33%)
Foreign Currency Exchange(Gain)/Loss	(9)	17	(153%)	(3)	(77)	(96%)
Administrative Expenses						
Depreciation and Amortisation	21	19	11%	62	58	7%
Directors' Remuneration	67	43	56%	198	124	60%
Directors' Fees	61	53	15%	179	162	10%
Professional Fees	268	44	509%	472	117	303%
Rental Expenses	156	153	2%	463	466	(0.6%)
Staff Salary and Staff Related Expenses	351	223	57%	996	617	61%
Finance Expenses	9	35	(74%)	107	300	(64%)

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

	<u>Group</u>		<u>Company</u>	
	30 Sept 2014 US\$'000	31 Dec 2013 US\$'000	30 Sept 2014 US\$'000	31 Dec 2013 US\$'000
<u>ASSETS</u>				
Non-current Assets:				
Plant and Equipment	166	225	-	-
Intangible Assets	3	6	3	6
Investments in Subsidiaries	-	-	160	160
Total Non-current Assets	169	231	163	166
Current Assets:				
Trade Receivables	78,011	22,486	-	-
Other Receivables	251	505	25	19
Amount due from a Subsidiary	-	-	106	928
Cash and Cash Equivalents	1,630	8,308	74	34
Total Current Assets	79,892	31,299	205	981
Total Assets	80,061	31,530	368	1,147
<u>LIABILITIES AND EQUITY</u>				
Equity				
Share Capital	454	454	454	454
Share Premium	18,116	18,116	18,116	18,116
Accumulated Losses	(17,709)	(17,961)	(21,066)	(20,042)
Total Equity	861	609	(2,496)	(1,472)
Non-current Liabilities				
Provision	30	30	-	-
Total Non-current Liabilities	30	30	-	-
Current Liabilities				
Trade Payables	62,547	13,810	-	-
Other Payables	355	598	280	152
Amount due to Holding Company	16,022	16,232	2,457	2,467
Amount due to a Subsidiary	-	-	127	-
Income Tax Payable	246	251	-	-
Total Current Liabilities	79,170	30,891	2,864	2,619
Total Liabilities	79,200	30,921	2,864	2,619
Total Liabilities and Equity	80,061	31,530	368	1,147

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

	<u>Unsecured</u>		<u>Secured</u>	
	30 Sept 2014	31 Dec 2013	30 Sept 2013	31 Dec 2013
	US\$'000	US\$'000	US\$'000	US\$'000
Amount payable in one year or less or on demand	16,022	16,232	-	-
Amount payable after one year	-	-	-	-

The Company's controlling shareholder, Singapore Petrochemical & Energy Development Pte. Ltd., continues to extend financial support by providing interest-free loan. As at the end of the third quarter of FY2014 ("3Q2014") the aggregate loan balance was approximately US\$16 million. The financial support was meant to assist the Group in its oil and petrochemical trading businesses expansion and to meet its liabilities as and when they fall due.

The Group'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. The current aggregate back-to-back banking facilities granted by the banks reached US\$441 million as at end of 3Q2014.

Details of any collateral

Nil.

Contingent liabilities

As at 30 September 2014, 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

<u>Group</u>	Three Months ended 30 Sept 2014 US\$'000	Three Months ended 30 Sept 2013 US\$'000	Nine Months ended 30 Sept 2014 US\$'000	Nine Months ended 30 Sept 2013 US\$'000
Operating Activities				
Profit/(Loss) Before Income Tax	871	(455)	462	(200)
Adjustment for:				
Depreciation and Amortisation	21	19	62	58
Gain on Disposal of Subsidiaries	-	-	-	(2)
Unrealised Foreign Currency (Gain)/Loss	(22)	17	(16)	(77)
Interest Income	-	(1)	(2)	(3)
Operating Cash Flows Before Movements in Working Capital	870	(420)	506	(224)
(Increase) / Decrease in Trade Receivables	(64,871)	(25,493)	(55,525)	(53,861)
Increase / (Decrease) in Trade Payables	62,547	25,385	48,737	53,682
(Increase) / Decrease in Other Receivables	(21)	(34,235)	255	(34,240)
Increase / (Decrease) in Other Payables	140	34,298	(242)	34,185
Cash Used in Operations	(1,335)	(465)	(6,269)	(458)
Income Taxes Paid	-	(49)	(215)	(125)
Interest Received	-	1	2	3
Net Cash Used in Operating Activities	(1,335)	(513)	(6,482)	(580)
Investing Activity				
Acquisition of Plant and Equipment	-	-	-	(4)
Net Cash Used in Investing Activity	-	-	-	(4)
Financing Activities				
Repayment to Holding Company	(184)	-	(196)	-
Release of Pledged Fixed Deposit with Financial Institutions	-	-	3,205	-
Net Cash (Used in)/Generated from Financing Activities	(184)	-	3,009	-
Net Decrease in Cash and Cash Equivalents				
Cash and Cash Equivalents at the Beginning of the Period	2,145	7,179	4,103	7,268
Effect of Exchange Rates Changes on Cash and Cash Equivalents	3	10	(1)	(8)
Cash and Cash Equivalents at the end of the Period	629	6,676	629	6,676

<u>Group</u>	Three Months ended 30 Sept 2014 US\$'000	Three Months ended 30 Sept 2013 US\$'000	Nine Months ended 30 Sept 2014 US\$'000	Nine Months ended 30 Sept 2013 US\$'000
Cash and Bank Balance	1,630	6,676	1,630	6,676
Fixed Deposit Pledged	(1,001)	-	(1,001)	-
Cash and Cash Equivalents per Consolidated Statement of Cash Flows	629	6,676	629	6,676

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>	Attributable to the Owners of the Company				
	<u>Share Capital</u> US\$'000	<u>Share Premium</u> US\$'000	<u>Foreign Currency Translation Reserve</u> US\$'000	<u>Accumulated Losses</u> US\$'000	<u>Total Equity</u> US\$'000
Balance at 1 January 2014	454	18,116	-	(17,961)	609
Profit for the Period, Representing Total Comprehensive Profit for the Period	-	-	-	252	252
Balance at 30 September 2014	454	18,116	-	(17,709)	861
Balance at 1 January 2013	454	18,116	43	(18,632)	(19)
Loss for the Period, Representing Total Comprehensive Loss for the Period	-	-	-	(291)	(291)
Balance at 30 September 2013	454	18,116	43	(18,923)	(310)

Attributable to the Owners of the Company

	<u>Share Capital</u> US\$'000	<u>Share Premium</u> US\$'000	<u>Foreign Currency Translation Reserve</u> US\$'000	<u>Accumulated Losses</u> US\$'000	<u>Total Equity</u> US\$'000
<u>Company</u>					
Balance at 1 January 2014	454	18,116	-	(20,042)	(1,472)
Loss for the Period, Representing Total Comprehensive Loss for the Period	-	-	-	(1,024)	(1,024)
Balance at 30 September 2014	454	18,116	-	(21,066)	(2,496)
Balance at 1 January 2013	454	18,116	49	(19,404)	(785)
Loss for the Period, Representing Total Comprehensive Loss for the Period	-	-	-	(456)	(456)
Balance at 30 September 2013	454	18,116	49	(19,860)	(1,241)

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 have been 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 each of 30 September 2014 and 31 December 2013 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 2014 and 31 December 2013.

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 (INT IFRS) which had come into effective for the financial years beginning on or after 1 January 2014.

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.

In the current financial year, the Group has adopted the new and revised IFRS, and INT IFRS that are relevant to its operations and effective for the current financial year. The adoption of these new or revised IFRS or INT IFRS does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

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>Group</u>			
	Three Months ended		Nine Months ended	
	30 Sept 2014	30 Sept 2013	30 Sept 2014	30 Sept 2013
	US\$	US\$	US\$	US\$
Net Profit/(Loss) Attributable to Shareholders	661,675	(455,177)	252,227	(290,772)
Earnings per ordinary share	US Cents	US Cents	US Cents	US Cents
(a) Based on the weighted average number of ordinary shares in issue; and	0.0188	(0.0129)	0.0071	(0.0082)
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	0.0188	(0.0129)	0.0071	(0.0082)
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>Group</u>		<u>Company</u>	
	30 Sept 2014 US cents	31 Dec 2013 US cents	30 Sept 2014 US cents	31 Dec 2013 US cents
Net assets / (liabilities) value per ordinary share	0.0244	0.0173	(0.0707)	(0.0417)

The calculation of net asset value per ordinary share is based on the Group's net assets of approximately US\$861,071 as at 30 September 2014 (31 December 2013: US\$608,844) and the Company's net liabilities of approximately US\$2,495,717 as at 30 September 2014 (31 December 2013: US\$1,471,897) and share capital of 3,527,654,875 shares (31 December 2013: 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's trading activities increased by 74% to US\$93.6 million in 3Q2014 compared to US\$53.8 million in 3Q2013 mainly due to the increase of petrochemical business during this quarter.

Gross Profit

The Group recorded a gross profit of US\$1.88 million, or approximately 2% mainly due to the trading of higher margin petrochemical business as compared to oil trading business.

Other Operating Income

Other income derived in 3Q2014 comprised bank interest income and government grants.

Administrative and Other Operating Expenses

Administrative expenses increased by 65% from US\$0.615 million in 3Q2013 to US\$1.01 million in 3Q2014 mainly attributable to the increased staff counts and professional fees being incurred in connection with the Group's joint venture with Rizhao Port Oil Terminal Co., Ltd to build oil storage facilities in China.

Profit before Income Tax

The Group recorded a profit of US\$661,000 and US\$252,000 for 3Q2014 and 9M2014 respectively. Compared to 3Q2013, the Group achieved a growth rate of 245% due to the higher margin from trading of petrochemical products.

Income Tax

The income tax expenses were US\$210,000 and US\$91,000 for 9M2014 and 9M2013 respectively.

Review of the Group's Cash Flows in Third Quarter of FY2014

The Group has negative operating cash flows of US\$1.34 million and US\$6.48 million in 3Q2014 and 9M2014 respectively mainly due to the issuance of export letter of credit issued and an open credit line of approximately US\$62 million to customers. As a result, the Group's cash flow from operating activities was affected.

As at the end of 3Q2014, the balance of cash and cash equivalent was US\$1.63 million, of which US\$1 million was pledged as fixed deposit to a bank for the Group's trading businesses.

Review of the Group's Financial Position as at 30 September 2014

The trade receivables of US\$78 million arose from credit term granted to customers based on the contract stipulated date and the maturity of export LC being issued. The trade payables of US\$62.5million were also due to the same aforementioned reason. The Group recorded a positive net tangible asset of US\$861,071 as at 30 September 2014.

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.

In view of the current economic uncertainty and volatile global market conditions in petroleum and petrochemical demand and prices, the Group is faced with a challenging external economic environment. Nevertheless, the Group continues to focus on its core oil and petrochemical trading business and is exploring other opportunities along the distribution chain for petroleum and petrochemical products to diversify the revenue stream.

As an update on the joint venture with Rizhao Port Oil Terminal Co., Ltd announced by the Company on 31 July 2014, the Company has hired and assigned a financial controller for the proposed joint venture company to carry out coordination work related to the incorporation of the joint venture company. An application for the name of the joint venture company has been made to the relevant PRC authority and is currently pending approval.

As announced on 5 August 2014, the Group had entered into a term supply framework agreement to supply a total of approximately 200,000 metre-tonne-second system of units of mixed aromatics to its petrochemical customer Jizhong Energy Group International Logistics (Hong Kong) Co., Limited (“**Jizhong**”). The Agreement had expired on 31 October 2014. During the term of the Agreement, parties did not effect any trades as the Company understands that Jizhong’s downstream counterparty had payment difficulties.

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 third quarter of FY2014.

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 3Q2014 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

Zang Jian Jun
Executive Chairman
Date: 11 November 2014

CONFIRMATION BY THE BOARD

We, Zang Jian Jun and Liu Zhong Qiu, being two director 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 2014 to be false or misleading in any material aspect.

On behalf of the board of directors

Zang Jian Jun
Executive Chairman

Liu Zhong Qiu
Executive Director