



UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 30 JUNE 2015

**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 June 2015 US\$'000	Three Months ended 30 June 2014 US\$'000	Increase /(Decrease) %	Six Months ended 30 June 2015 US\$'000	Six Months ended 30 June 2014 US\$'000	Increase /(Decrease) %
Revenue	26,179	48,207	(46%)	26,179	198,348	(87%)
Cost of Sales	<u>(25,569)</u>	<u>(47,703)</u>	(46%)	<u>(25,569)</u>	<u>(197,053)</u>	(87%)
Gross Profit	610	504	21%	610	1,295	(53%)
Other Operating Income	-	10	(100%)	47	5	840%
Administrative Expenses	(1,013)	(924)	10%	(2,281)	(1,604)	42%
Other Operating Expenses	(38)	-	N.M	(24)	(6)	300%
Finance Expenses	<u>(16)</u>	<u>(6)</u>	167%	<u>(16)</u>	<u>(99)</u>	(84%)
Loss Before Income Tax	(457)	(416)	10%	(1,664)	(409)	307%
Income Tax Expense	<u>-</u>	<u>-</u>	-	<u>-</u>	<u>-</u>	-
Loss for the Period	<u>(457)</u>	<u>(416)</u>	10%	<u>(1,664)</u>	<u>(409)</u>	307%
Total Comprehensive Loss for the Period	<u>(457)</u>	<u>(416)</u>	10%	<u>(1,664)</u>	<u>(409)</u>	307%

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

<u>Group</u>	Three Months ended 30 June 2015 US\$'000	Three Months ended 30 June 2014 US\$'000	Increase /(Decrease) %	Six Months ended 30 June 2015 US\$'000	Six Months ended 30 June 2014 US\$'000	Increase /(Decrease) %
Other Income						
Government Credit	-	-	-	(6)	(3)	100%
Interest Income	-	(1)	(100%)	-	(2)	(100%)
Foreign Currency Exchange Gain	-	(9)	(100%)	(40)	-	N.M
Other Operating Expenses						
Write Off of Plant and Equipment	24	-	N.M	24	-	N.M
Foreign Currency Exchange Loss	29	-	N.M	-	6	100%
Administrative Expenses						
Depreciation and Amortisation	24	21	14%	44	41	7%
Key Management Personnel Compensation	210	280	(25%)	500	551	(9%)
Directors' Fees	56	65	(14%)	111	118	(6%)
Professional Fees	28	176	(84%)	69	204	(66%)
Rental Expenses	148	153	(3%)	304	308	(1%)
Staff Costs (including Key Management Personnel Compensation)	553	412	34%	996	777	28%
Compensation cost	-	-	-	418	-	N.M
Finance Expenses	16	6	167%	16	99	(84%)

N.M : Not Meaningful

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 Jun 2015 US\$'000	31 Dec 2014 US\$'000	30 Jun 2015 US\$'000	31 Dec 2014 US\$'000
<u>ASSETS</u>				
Non-current Assets:				
Plant and Equipment	159	146	-	-
Intangible Assets	1	1	1	1
Investments in Subsidiaries	-	-	160	160
Total Non-current Assets	160	147	161	161
Current Assets:				
Trade Receivables	13,481	31,360	-	-
Other Receivables	674	233	12	21
Amount due from Subsidiaries	-	-	46	140
Cash and Cash Equivalents	731	2,594	295	320
Total Current Assets	14,886	34,187	353	481
Total Assets	15,046	34,334	514	642
<u>LIABILITIES AND EQUITY</u>				
Equity				
Share Capital	454	454	454	454
Share Premium	18,116	18,116	18,116	18,116
Accumulated Losses	(18,910)	(17,246)	(21,621)	(21,248)
Total Equity	(340)	1,324	(3,051)	(2,678)
Non-current Liabilities				
Provision	-	29	-	-
Total Non-current Liabilities	-	29	-	-
Current Liabilities				
Trade Payables	-	16,864	-	-
Other Payables	296	196	101	95
Amount due to Holding Company	14,862	15,575	2,338	2,379
Amount due to a Subsidiary	-	-	1,126	846
Income Tax Payable	228	346	-	-
Total Current Liabilities	15,386	32,981	3,565	3,320
Total Liabilities	15,386	33,010	3,565	3,320
Total Liabilities and Equity	15,046	34,334	514	642

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

	<u>Unsecured</u>		<u>Secured</u>	
	30 Jun 2015 US\$'000	31 Dec 2014 US\$'000	30 Jun 2015 US\$'000	31 Dec 2014 US\$'000
Amount payable in one year or less or on demand	14,862	15,575	-	-
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 loans. As at the end of the second quarter of FY2015 ("2Q2015") the aggregate loan balance was approximately US\$14.9 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 and petrochemical trading transactions are mainly financed through Letters of Credit in line with industry practices. The current aggregate back-to-back banking facilities granted by the banks remained US\$241 million as at end of 2Q2015.

Details of any collateral

Nil.

Contingent liabilities

As at 30 June 2015, 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

Group	Three Months ended 30 June 2015 US\$'000	Three Months ended 30 June 2014 US\$'000	Six Months ended 30 June 2015 US\$'000	Six Months ended 30 June 2014 US\$'000
OPERATING ACTIVITIES				
Loss Before Income Tax	(457)	(416)	(1,664)	(409)
Adjustment for:				
Depreciation and Amortisation	24	21	44	41
Loss on Disposal of Plant and Equipment	24	-	24	-
Unrealised Foreign Currency (Gain)/Loss	(135)	(9)	(27)	6
Interest Expenses	-	6	-	99
Interest Income	-	(1)	-	(2)
Operating Cash Flows Before Movements in Working Capital	(544)	(399)	(1,623)	(265)
(Increase) / Decrease in Trade Receivables	(599)	7,435	17,879	9,346
Increase / (Decrease) in Trade Payables	-	(26,798)	(16,864)	(13,810)
(Increase) / Decrease in Other Receivables	(23)	7,551	(446)	276
Increase / (Decrease) in Other Payables	100	(1,137)	76	(382)
Cash Used in Operations	(1,066)	(13,348)	(978)	(4,835)
Income Taxes Paid	(118)	(216)	(118)	(216)
Interest Paid	-	(6)	-	(99)
Interest Received	-	1	-	2
Net Cash Used in Operating Activities	(1,184)	(13,569)	(1,096)	(5,148)
INVESTING ACTIVITY				
Acquisition of Plant and Equipment	(73)	-	(81)	-
Net Cash Used in Investing Activity	(73)	-	(81)	-
FINANCING ACTIVITIES				
Advance to/(from) Holding Company	162	(32)	(668)	(11)
Release of Pledged Fixed Deposit with Financial Institutions	-	229	1,001	3,205
Net Cash Generated from Financing Activities	162	197	333	3,194
Net Decrease in Cash and Cash Equivalents	(1,095)	(13,372)	(844)	(1,954)
Cash and Cash Equivalents at the Beginning of the Period	1,810	15,516	1,593	4,103
Effect of Exchange Rates Changes on Cash and Cash Equivalents	16	1	(18)	(4)
Cash and Cash Equivalents at the End of the Period	731	2,145	731	2,145

<u>Group</u>	Three Months ended 30 June 2015 US\$'000	Three Months ended 30 June 2014 US\$'000	Six Months ended 30 June 2015 US\$'000	Six Months ended 30 June 2014 US\$'000
Cash and Bank Balance	731	3,145	731	3,145
Fixed Deposit Pledged	-	(1,000)	-	(1,000)
Cash and Cash Equivalents per Consolidated Statement of Cash Flows	731	2,145	731	2,145

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>Attributable to the Owners of the Company</u>			
<u>Group</u>	<u>Share Capital US\$'000</u>	<u>Share Premium US\$'000</u>	<u>Accumulated Losses US\$'000</u>	<u>Total Equity US\$'000</u>
Balance at 1 January 2015	454	18,116	(17,246)	1,324
Loss for the Period, Representing Total Comprehensive Loss for the Financial Period	-	-	(1,664)	(1,664)
Balance at 30 June 2015	454	18,116	(18,910)	(340)
Balance at 1 January 2014	454	18,116	(17,961)	610
Loss for the Period, Representing Total Comprehensive Loss for the Financial Period	-	-	(409)	(409)
Balance at 30 June 2014	454	18,116	(18,370)	201

Attributable to the Owners of the Company

<u>Company</u>	<u>Share Capital</u> US\$'000	<u>Share Premium</u> US\$'000	<u>Accumulated Losses</u> US\$'000	<u>Total Equity</u> US\$'000
Balance at 1 January 2015	454	18,116	(21,248)	(2,678)
Loss for the Period, Representing Total Comprehensive Loss for the Period	-	-	(373)	(373)
Balance at 30 June 2015	454	18,116	(21,621)	(3,051)
Balance at 1 January 2014	454	18,116	(20,042)	(1,472)
Loss for the Period, Representing Total Comprehensive Loss for the Financial Period	-	-	(586)	(586)
Balance at 30 June 2014	454	18,116	(20,628)	(2,058)

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 June 2015 and 31 December 2014 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 2015 and 31 December 2014.

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 effect for the financial years beginning on or after 1 January 2015.

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		Six Months Ended	
	30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014
	US\$	US\$	US\$	US\$
Net Loss Attributable to Shareholders	(456,829)	(416,329)	(1,663,778)	(409,448)
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	(0.0129)	(0.0118)	(0.0472)	(0.0116)
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	(0.0129)	(0.0118)	(0.0472)	(0.0116)
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 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
	US cents	US cents	US cents	US cents
Net Assets / (Liabilities) value per ordinary share	(0.0096)	0.038	(0.087)	(0.076)

The calculation of net asset value per ordinary share is based on the Group's net liabilities of approximately US\$339,898 as at 30 June 2015 (31 December 2014: net assets of US\$1,323,880) and the Company's net liabilities of approximately US\$3,051,661 as at 30 June 2015 (31 December 2014: US\$2,677,942) and share capital of 3,527,654,875 shares (31 December 2014: 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

In 2Q2015, the Company was adversely affected by the conditions in the global oil market and the Group's revenue decreased by 46% or US\$26 million compared to US\$48 million in 2Q2014.

Gross Profit

The Group recorded a gross profit of US\$610,000 in 2Q2015. The Group's gross profit margin was approximately 2.3% for 2Q2015 compared to 1% for 2Q2014 due to the contribution from profitable refinery oil segment.

Other Operating Income

Other operating income derived comprised wage credit scheme payments and foreign currency exchange gain in 6M2015.

Administrative and Other Operating Expenses

Administrative expenses increased by 10% from US\$0.92 million in 2Q2014 to US\$1.01 million in 2Q2015 and increased by 42% from US\$1.6 million in 6M2014 to US\$2.28 million in 6M2015 respectively mainly due to the increased staff count in the second quarter of 2015.

Profit/Loss

The Group recorded a net loss of US\$457,000 in 2Q2015 and a net loss of US\$1.66 million in 6M2015 due to higher expenses which were not covered by profit from trading activities.

Review of the Group's Financial Position as at 30 June 2015

The Group's current assets stood at US\$15 million as at 30 June 2015. The current assets mainly consisted of trade and other receivables and cash and cash equivalents. The trade receivables of US\$13.5 million arose from an open credit line granted to a customer. The Group's current liabilities were US\$15.3 million as at 30 June 2015. The current liabilities are made up of other payables, amount due to holding company and income tax payables. The Group recorded net liabilities of US\$339,898 as at 30 June 2015.

Review of the Group's Cash Flows of 2Q2015

The net cash position decreased by approximately US\$1.09 million and that was mainly due to negative cash flows from operating activities of US\$1.18 million in 2Q2015. These cash outflows from operating activities were due to a net loss of US\$457,000 recorded and open credit line of approximately US\$13.5 million to a customer. As a result, the Group's cash flow in operating activities were adversely affected. There was no significant movement in the investing activities and financing activities in 2Q2015. As at 30 June 2015, the balance of cash and cash equivalent was US\$731,000.

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.

Moving forward, the Group will continue to focus on its global oil and petroleum trading business, as well as exploring other opportunities to diversify its income stream.

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.

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 2Q2015 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: 15 July 2015

CONFIRMATION BY THE BOARD

We, Zang Jian Jun and Lu Da Chuan, being two 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 2015 to be false or misleading in any material aspect.

On behalf of the board of directors

Zang Jian Jun
Executive Chairman

Lu Da Chuan
Executive Director