



CEFC INTERNATIONAL LIMITED

(Incorporated in Bermuda)
(Company Registration No. 35733)
(the “**Company**”)

QUERY REGARDING TRADING ACTIVITY

The Board of Directors of CEFC International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following in response to the queries regarding trading activity raised by Singapore Exchange Limited:

Query 1

Are you (the issuer) aware of any information not previously announced concerning you (the issuer), your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.2 of the Mainboard Rules for further examples. If yes, the information shall be announced immediately.

Company’s response

The Company has released its 3rd quarter financial results announcement on the 15 October 2015 which reported a profit before tax of US\$14,114,000 for the 3 months ended 30 September 2015. This represented a 1,520% improvement over the same quarter of 2014. The Company has also updated shareholders in the same announcement of the following development which is reproduced below:

- “The Group brought in a trading team with strong leadership and professional expertise to undertake complex energy trading strategies, allowing it to deploy derivatives trading since the third quarter to complement the physical trading business. This allowed the Group to optimize trading positions, hedge the risks and capture more profit windows.
- The Group reckoned that fostering long-term partnership with major players would be crucial for trading companies to lock in reliable and steady supply and sales channels to achieve broader scope of business opportunities and have more bargaining power in the long run. In September 2015, the Company entered into a framework cooperation agreement with the subsidiary of CEFC China Energy Company Limited, a Fortune Global 500 with over RMB 220 billion of revenue in 2014 as stated in its company website, to serve as the partner’s exclusive overseas trading procurement and supply platform.
- The Group also stepped up the efforts in identifying investment opportunities in midstream and downstream assets to integrate an end-to-end supply chain that can provide exceptional flexibility for traders to access unique profit pools. In July 2015, the Company announced that it was engaged in discussions with a third party to acquire equity interest in a company that currently owns a floating storage tank. The Company was also in discussions with a consortium to acquire equity interest in a company that is currently engaged in the construction of certain port facilities and cargo transportation in China (together, the “**Potential Joint Ventures**”). As at the

date of the announcement, the discussions in respect of the Potential Joint Ventures are still ongoing.

- In preparation for its growing capital needs, the Group diversified its financing channels from bank facilities into equity issuance. In September, the Group completed a share subscription exercise with gross proceeds of S\$247 million, which not only provides financial resources to support the development of the trading business but also strengthened the balance sheet to attract new capital.”

The Company also released a corporate presentation materials on 20 October 2015 and held road shows to brief investors about the Company based on the investors’ briefing presentation materials. In the investors’ briefing, the Company has explained its growth drivers that are namely a focus on global expansion, where the Company is leveraging on the China and Asia Pacific market with looking to establish a presence in the world’s key energy markets namely in Europe, Africa and America. The Company is also actively seeking potential investment opportunities in major countries and markets with energy resources or demands along the “One-Belt One-Road” initiative of China. Please refer to the announcement on the 20 October 2015 for further details of the corporate presentation materials.

The Group would like to update that negotiation of the Potential Joint Ventures are still ongoing and no definitive terms have been agreed at this stage.

As mentioned in the corporate presentation materials, the Group is exploring potential investments in various countries. At this stage, the Company is evaluating several projects, all of which are still in the very early stages of evaluation. No binding agreement in relation to the any of these potential investments has been entered into at this stage. The Company will keep its shareholders updated if there are any further developments in respect of the potential investment or the Potential Joint Ventures and announcements will be made as and when appropriate.

These potential investments will also require funding and the Group is also contemplating a fund raising exercise to support these potential investments. Again, these are all at preliminary evaluation stages at this point in time and no decision is made.

Shareholders and potential investors should exercise caution when trading in the shares of the Company, as there is no certainty that the potential investments or fund raising exercise will be agreed or that any similar transaction will materialize. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

Apart from the above, we are not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies which, if known, might explain the trading.

Query 2

Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Company's response

Apart from the response to Query 1 above, we are not aware of any other possible explanation for the trading.

Query 3

Can you confirm your compliance with the listing rules and in particular, Mainboard Rule 703?

Company's response

We confirm our compliance with the listing rules and in particular, Mainboard Rule 703.

By Order of the Board

Lu Da Chuan
Executive Director
12 November 2015