



UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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 Sep 2016 US\$'000	Three Months ended 30 Sep 2015 US\$'000	Increase / (Decrease) %	Nine Months ended 30 Sep. 2016 US\$'000	Nine Months ended 30 Sep 2015 US\$'000	Increase / (Decrease) %
Revenue	281,806	162,296	74%	801,171	188,475	325%
Cost of Sales	<u>(276,657)</u>	<u>(147,134)</u>	88%	<u>(792,856)</u>	<u>(172,704)</u>	359%
Gross Profit	5,149	15,162	(66%)	8,315	15,771	(47%)
Other Operating Income	3	90	(97%)	17	137	(88%)
Administrative Expenses	(2,378)	(1,071)	122%	(6,157)	(3,351)	84%
Other Operating Expenses	(75)	(8)	838%	(254)	(32)	694%
Finance Expenses	(41)	(59)	(31%)	(349)	(75)	365%
Share of Results of Joint Venture	<u>(27)</u>	-	N.M	<u>(27)</u>	-	N.M
Profit Before Income Tax	2,631	14,114	(81%)	1,545	12,450	(88%)
Income Tax Expense	<u>(418)</u>	<u>(2,140)</u>	(80%)	<u>(418)</u>	<u>(2,140)</u>	(80%)
Profit for the Period Representing Total Comprehensive Profit for the Period	<u>2,213</u>	<u>11,974</u>	(82%)	<u>1,127</u>	<u>10,310</u>	(89%)

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

Group	Three Months ended 30 Sep 2016	Three Months ended 30 Sep 2015	Increase / (Decrease) %	Nine Months ended 30 Sep 2016	Nine Months ended 30 Sep 2015	Increase / (Decrease) %
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Other Operating Income						
Government Credit	-	-	-	(11)	(7)	57%
Interest Income	(2)	(1)	100%	(6)	(1)	500%
Foreign Currency Exchange Gain	-	(89)	(100%)	-	(129)	(100%)
Other Operating Expenses						
Write Off of Plant and Equipment	32	-	N.M	32	24	33%
Foreign Currency Exchange Loss	-	-	-	154	-	N.M
Administrative Expenses						
Depreciation and Amortisation	69	35	97%	149	79	89%
Key Management Personnel Compensation	315	292	8%	1,073	872	23%
Directors' Fees	55	54	2%	163	165	(1%)
Professional Fees	682	48	1,321%	914	117	681%
Rental Expenses	280	156	79%	836	480	74%
Staff Costs (excluding Key Management Personnel Compensation)	733	300	144%	2,033	701	190%
Compensation cost	-	-	-	-	418	(100%)
Finance Expenses	41	59	(31%)	349	75	365%

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 Sep 2016 US\$'000	31 Dec 2015 US\$'000	30 Sep 2016 US\$'000	31 Dec 2015 US\$'000
<u>ASSETS</u>				
Non-current Assets:				
Property and Equipment	275	351	-	-
Intangible Assets	411	1	1	1
Investments in Subsidiaries	-	-	28,160	28,160
Investments in Joint Venture	26,483	26,575	-	-
Total Non-current Assets	27,169	26,927	28,161	28,161
Current Assets:				
Trade Receivables	130,360	197,692	-	-
Derivatives Financial Assets	902	-	-	-
Other Assets	38,549	3,060	25	23
Amount due from Subsidiaries	-	-	145,302	124,220
Cash and Cash Equivalents	10,324	43,606	381	22,411
Total Current Assets	180,135	244,358	145,708	146,654
Total Assets	207,304	271,285	173,869	174,815
<u>LIABILITIES AND EQUITY</u>				
Equity				
Share Capital	545	545	545	545
Share Premium	196,308	196,308	196,308	196,308
Retained Earnings/ (Accumulated Losses)	1,826	699	(23,375)	(22,129)
Total Equity	198,679	197,552	173,478	174,724
Non-current Liabilities				
Provision	147	141	-	-
Total Non-current Liabilities	147	141	-	-
Current Liabilities				
Trade Payables	912	62,369	-	-
Other Payables	1,726	1,491	391	91
Amount due to Holding Company	5,285	5,685	-	-
Income Tax Payable	555	4,047	-	-
Total Current Liabilities	8,478	73,592	391	91
Total Liabilities	8,625	73,733	391	91
Total Liabilities and Equity	207,304	271,285	173,869	174,815

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

	<u>Unsecured</u>		<u>Secured</u>	
	30 Sep 2016 US\$'000	31 Dec 2015 US\$'000	30 Sep 2016 US\$'000	31 Dec 2015 US\$'000
Amount payable in one year or less or on demand	5,285	5,685	-	-
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 third quarter of FY2016, the aggregate loan balance was approximately US\$5.29 million. The financial support was meant to assist the Group in the expansion of its oil and petrochemical trading businesses and to meet its liabilities as and when they fall due.

The current aggregate banking facilities granted by the banks is approximately US\$511 million as at 30 September 2016.

Details of any collateral

Nil.

Contingent liabilities

As at 30 September 2016, 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 Sep 2016 US\$'000	Three Months ended 30 Sep 2015 US\$'000	Nine Months ended 30 Sep 2016 US\$'000	Nine Months ended 30 Sep 2015 US\$'000
Operating Activities				
Profit Before Income Tax	2,631	14,114	1,545	12,450
Adjustment for:				
Depreciation and Amortisation	69	35	149	79
Loss on Disposal of Property and Equipment	32	-	32	24
Fair Value Measurement on Derivative Instrument	(816)	(13,174)	(902)	(13,174)
Interest Expenses	33	-	167	-
Interest Income	(2)	(1)	(6)	(1)
Share of Results of Joint Venture	27	-	27	-
Unrealised Exchange Differences	(28)	(54)	86	(81)
Operating Cash Flows Before Movements in Working Capital	1,946	920	1,098	(703)
Movements in Working Capital:				
Trade Receivables	58,490	(173,569)	67,332	(155,690)
Trade Payables	(32,381)	62,011	(61,457)	45,147
Other Assets	(35,942)	254	(35,478)	(191)
Other Payables	705	22	228	97
Cash Used in Operations	(7,182)	(110,362)	(28,277)	(111,340)
Income Taxes Paid	(1,772)	(31)	(4,060)	(149)
Interest Paid	(33)	-	(167)	-
Interest Received	2	1	6	1
Net Cash Used in Operating Activities	(8,985)	(110,392)	(32,498)	(111,488)
Investing Activities				
Refund of Excess Capital Injection in Joint Venture	-	-	66	-
Acquisition of Intangible Assets, Property and Equipment	-	(221)	(516)	(302)
Net Cash Used in Investing Activities	-	(221)	(450)	(302)
Financing Activities				
Repayment of Short Term Loan	(13,485)	-	-	-
Repayment to Holding Company	(400)	(911)	(400)	(1,580)
Issuance of Subscription Shares	-	178,283	-	178,283
Fixed Deposit Released from / (Pledged with) Financial Institutions	2,321	-	(609)	1,001
Net Cash (Used in) / Generated from Financing Activities	(11,564)	177,372	(1,009)	177,704
Net (Decrease) / Increase in Cash and Cash Equivalents	(20,549)	66,759	(33,957)	65,914
Cash and Cash Equivalents at the Beginning of the Period	30,284	731	43,606	1,593
Effect of Exchange Rates Changes on Cash and Cash Equivalents	(20)	(37)	66	(54)
Cash and Cash Equivalents at the End of the Period	9,715	67,453	9,715	67,453

<u>Group</u>	Three Months ended 30 Sep 2016 US\$'000	Three Months ended 30 Sep 2015 US\$'000	Nine Months ended 30 Sep 2016 US\$'000	Nine Months ended 30 Sep 2015 US\$'000
Cash and Bank Balance	10,324	67,453	10,324	67,453
Fixed Deposit Pledged	(609)	-	(609)	-
Cash and Cash Equivalents per Consolidated Statement of Cash Flows	9,715	67,453	9,715	67,453

- 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>Retained Earnings / (Accumulated Losses)</u> US\$'000	<u>Total Equity</u> US\$'000
Balance at 1 January 2016	545	196,308	699	197,552
Profit for the Period, Representing Total Comprehensive Profit for the Financial Period	-	-	1,127	1,127
Balance at 30 September 2016	545	196,308	1,826	198,679
Balance at 1 January 2015	454	18,116	(17,246)	1,324
Issuance of Subscription Shares	91	178,192	-	178,283
Profit for the Period, Representing Total Comprehensive Profit for the Financial Period	-	-	10,310	10,310
Balance at 30 September 2015	545	196,308	(6,936)	189,917

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 / (Capital Deficiency)</u> US\$'000
Balance at 1 January 2016	545	196,308	(22,129)	174,724
Loss for the Period, Representing Total Comprehensive Loss for the Period	-	-	(1,246)	(1,246)
Balance at 30 September 2016	545	196,308	(23,375)	173,478
Balance at 1 January 2015	454	18,116	(21,248)	(2,678)
Issuance of Subscription Shares	91	178,192	-	178,283
Loss for the Period, Representing Total Comprehensive Loss for the Period	-	-	(448)	(448)
Balance at 30 September 2015	545	196,308	(21,696)	175,157

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 end of 30 September 2016 and 31 December 2015 was 4,233,185,850 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 2016 and 31 December 2015.

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 came into effect for the financial years beginning on or after 1 January 2016.

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 30 Sep 2016 US\$	30 Sep 2015 US\$	Nine Months Ended 30 Sep 2016 US\$	30 Sep 2015 US\$
Net Profit Attributable to Shareholders	2,212,805	11,974,165	1,126,663	10,310,387
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	0.052	0.321	0.027	0.287
Weighted average number of ordinary shares in issue	4,233,185,850	3,734,712,879	4,233,185,850	3,597,689,200
(b) On a fully diluted basis	0.052	0.321	0.027	0.287
Weighted average number of ordinary shares in issue	4,233,185,850	3,734,712,879	4,233,185,850	3,597,689,200

Earnings per ordinary share for 3 months and 9 months ended 30 September 2015 have been computed based on the share capital as at 30 September 2015 after adjustment for 705,530,975 shares issued pursuant to the share placement exercise in September 2015, giving rise to the weighted average number of shares of 3,734,712,879 and 3,597,689,200 respectively.

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 Sep 2016 US cents	31 Dec 2015 US cents	30 Sep 2016 US cents	31 Dec 2015 US cents
Net Assets value per ordinary share	4.693	4.667	4.098	4.127

The calculation of net asset value per ordinary share is based on the Group's net assets of approximately US\$198,678,277 as at 30 September 2016 (31 December 2015: US\$197,551,614) and the Company's net assets of approximately US\$173,477,670 as at 30 September 2016 (31 December 2015: US\$174,724,033) and share capital of 4,233,185,850 shares (31 December 2015: 4,233,185,850 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:-
- 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
 - 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 revenue increased by 325% from US\$188 million for the nine months ended 30 September 2015 ("9M2015") to US\$801 million for the nine months ended 30 September 2016 ("9M2016"). For the three months ended 30 September 2016 ("3Q2016"), the Group's revenue grew by 74% to US\$282 million from US\$162 million for the three months ended 30 September 2015 ("3Q2015"). The increase was primarily contributed by back to back oil trading transactions with CEFC Shanghai International Group Limited ("CEFC Shanghai").

As at 30 September 2016, the breakdown of revenue generated from physical and derivatives trading was as follows:

<u>Revenue</u>	Nine Months Ended 30 September 2016 US\$'000	Nine Months Ended 30 September 2015 US\$'000
Physical trading	803,051	175,180
- Related Parties	776,267	-
- Non Related Parties	26,784	175,180
Derivatives trading-net	(1,880)	13,295
	801,171	188,475

Gross Profit

The Group reported a gross profit of US\$8.32 million in 9M2016, a decrease of 47% as compared to US\$15.77 million in 9M2015. The Group's gross profit in 3Q2016 dropped to US\$5.15 million from US\$15.16 million in 3Q2015. The gross margin decreased from 8.37% in 9M2015 to 1.04% in 9M2016. The gross margin decreased from 9.34% in 3Q2015 to 1.83% in 3Q2016. This was primarily driven by losses contributed by derivative trades and trading business with Dyneff SAS in 2016 as compared to significant gain generated from derivative trades in 2015.

Other Operating Income

Other operating income derived in 9M2016 mainly comprised wage credit scheme payment and bank interest income.

Expenses

Administrative expenses in 9M2016 and 3Q2016 increased by 84% and 122% to US\$6.16 million and US\$2.38 million respectively as compared to US\$3.35 million in 9M2015 and US\$1.07 million in 3Q2015. The increase was mainly due to higher staff related expenses, rental of office premises and professional fees in relation to the potential acquisition projects.

Other operating expenses in 9M2016 and 3Q2016 increased significantly by 694% and 838% to US\$0.25 million and US\$0.08 million (9M2015: US\$0.03 million and 3Q2015: US\$0.01 million) respectively. Other operating expenses mainly comprised foreign currency exchange losses.

Finance expenses of US\$0.35 million in 9M2016 increased by 365% from US\$0.08 million in 9M2015 mainly due to bank charges relating to letters of credit and interest expenses incurred in short-term loan financing for trading business.

Profit/Loss

The Group's net profit declined by 89% to US\$1.13 million in 9M2016, compared to US\$10.31 million in 9M2015. For 3Q2016, the net profit decreased by 82% to US\$2.21 million from US\$11.97 million in 3Q2015. This was mainly due to lower profit generated from physical trades and losses incurred in derivative trades in 2016.

Review of the Group's Financial Position as at 30 September 2016

The Group's non-current assets increased marginally from US\$26.93 million as at 31 December 2015 to US\$27.17 million as at 30 September 2016. The non-current assets mainly comprised the capital injection of US\$26.5 million for the joint venture in Rizhao and the acquisition of a Commodity Trading and Risk Management ("CTRM") system worth US\$0.41 million.

The current assets stood at US\$180.14 million as at 30 September 2016. It mainly consists of trade receivables, other assets and cash and cash equivalent. The amount of trade receivables was US\$130.36 million as at 30 September 2016, of which US\$128.7 million resulted from the open credit granted to CEFC Shanghai, a related party of the Company.

The Group's total liabilities decreased from US\$73.73 million as at 31 December 2015 to US\$8.63 million as at 30 September 2016. The decrease was mainly attributable to (i) a decrease in trade payables of US\$61.46 million from US\$62.37 million as at 31 December 2015 to US\$0.91 million as at 30 September 2016, and (ii) a decrease in income tax payable of US\$3.49 million due to payment of the previous year's income tax.

Review of the Group's Cash Flows of 30 September 2016

The Group recorded a net cash outflow of US\$32.5 million from operating activities for 9M2016. This was mainly due to (i) payment of the previous year's income tax of US\$4 million, and (ii) decrease of US\$61.46 million in trade payables and increase of US\$35.48 million in advance payment to supplier, which was partially offset by a decrease of US\$67.33 million in trade receivables.

The net cash used in investing activities for 9M2016 was US\$0.45 million which was mainly due to the acquisition of the CTRM system.

The net cash used in financing activities was US\$1 million for 9M2016, mainly due to the fixed deposit of US\$0.61 million pledged with the banks.

As a result of the above, the Group's cash and cash equivalents stood at US\$9.72 million as at 30 September 2016.

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.

Building on the foundation established in the first half of the year, the Group continues the execution of its strategies and made the following progresses highlighted below.

1. The Company announced the signing of a non-binding termsheet on 3 August 2016 with CEFC Shanghai Group Assets Management Co., Ltd (the “Seller”) to acquire 100% of the shares in the share capital of CEFC Assets Management & Equity Investment (Hong Kong) Co., Limited (the “Target”).

Further to the term sheet, the Company announced on 9 November 2016 that it had entered into a conditional sale and purchase agreement (the “SPA”) with the Seller for 100% of the shares in the share capital of the Target (the “Sale Shares”) for a purchase consideration of US\$20,500,000 on the terms and conditions of the SPA (the “Proposed Acquisition”).

The Proposed Acquisition is subject to certain conditions precedent, such as amongst others, anti-trust clearance being obtained from the relevant anti-trust authorities in respect of the Proposed Acquisition and the approval of the French Ministry of Economy having been obtained in respect of the Proposed Acquisition or the absence of a decision of being made by the French Ministry of Economy within the prescribed time period in accordance with the French Code Monétaire et Financier. The Proposed Acquisition is required to be completed by 31 March 2017, unless the Parties otherwise agree on such later date for the completion of the Proposed Acquisition

The Target is a company incorporated in Hong Kong and owns 51% interest in Rompetrol France SAS (“Rompetrol France”), a French simplified stock corporation. The remaining 49% interest in Rompetrol France is owned by KMG International NV (“KMGI”). Rompetrol France is the holding company of Dyneff SAS (“Dyneff”), one of the leading independent fuel distributors in France with business operations in France and Spain. Dyneff offers a full choice of motor fuels, biofuels, heating fuels, supplementary products and services that fulfill all the market requirements and has played an active role in the fuel distribution sector for more than 50 years covering three distribution channels: filling stations, a network of commercial agencies and two wholesale agencies. Dyneff also has established logistics infrastructure in France and Spain, with strategic capabilities at the main Mediterranean and Atlantic ports.

Besides fitting into the Group’s strategic plans to establish an investment and financing platform in Europe for energy investments, the completion of the Proposed Acquisition is expected to bring synergies and scale up the Group’s operations.

Under the terms of the SPA and to mitigate the potential risks arising from the investigations and seizure by the Directorate for Investigating Organized Crime and Terrorism of Romania (“DIICOT”) on KMGI, the 49% shareholder of Rompetrol France, the Company requires the Seller to grant it a put option (“Put Option”) over the Sale Shares pursuant to which the Company has the right (but not the obligation) to require the Seller to purchase from the Company all or part of the Sale Shares held by the Company, at a sum amounting to the purchase consideration of the Proposed Acquisition, during the option period and upon the occurrence of certain trigger events.

Shareholders and potential investors are advised to exercise caution when trading in the Company’s shares in relation to the Proposed Acquisition as the impact of the investigations and seizure by DIICOT is currently unclear notwithstanding that the Target and its subsidiaries are not presently affected by the seizure by DIICOT. There is no certainty or assurance that investigations and seizure by DIICOT will not adversely affect the Target and its subsidiaries thereafter or that the Proposed Acquisition will be completed or that the Put Option can be

successfully exercised in the event that the Seller is wound up or otherwise dissolved and is unable to satisfy its obligations under the Put Option.

2. The Group also disclosed in the announcements dated 7 July 2015 and 18 August 2015 that it was in discussions to acquire equity interests in two companies, one of which owns floating storage facilities and the other is involved in the construction of certain port facilities and cargo transportation in China. The Group wishes to update that the port facilities project is still in the midst of due diligence while the floating storage project is still at the stage of negotiating key commercial terms.

Notwithstanding the business plans mapped out above, the Group's performance is dependent upon developments in global economic, financial and commodities markets. The Group will continue to closely monitor any possible impact of such developments on its operations and investments.

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 3Q2016 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.

14. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, there is no person occupying a managerial position in the Group or Company or any of its principal subsidiaries who is a relative of the director or chief executive officer or substantial shareholder.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 under Rule 720(1))

The Company confirms that it has procured undertakings from all its directors and executive offices in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

16. Use of Proceeds

On 4 September 2015, the Company allotted and issued 705,530,975 new ordinary shares to subscribers at the issue price of S\$0.35 per share representing gross proceeds of approximately S\$247 million, which was utilised for expansion of trading business (including commodity and derivative trading), repayment of shareholder's loan, general working capital of the Group and general corporate activities, including but not limited to potential acquisitions and joint ventures. By 30 September 2016, the proceeds have been fully utilised and the breakdown of the utilisation of proceeds is as follows:

Utilisation of Proceeds	US\$'000
<u>Description</u>	
Expansion of trading business (including commodity and derivative trading)	131,002
Repayment of shareholder's loan	9,400
General working capital of the Group ⁽¹⁾	9,950
General corporate activities, including but not limited to potential acquisitions and joint ventures	<u>28,000</u>
Total	<u><u>178,352</u></u>

Note:

(1) General working capital of the Group comprises entirely administrative expenses.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Chairman
Date: 11 November 2016

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 September 2016 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