



CEFC INTERNATIONAL LIMITED
(Incorporated in Bermuda)
(Company Registration No. 35733)
(the "Company")

SUBSCRIPTION OF 705,530,975 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT S\$0.35 FOR EACH SUBSCRIPTION SHARE TO RAISE GROSS PROCEEDS OF S\$246,935,841.25

1. INTRODUCTION

The Board of Directors (the "**Directors**") of the Company wishes to announce that it has entered into a subscription agreement dated 10 August 2015 (the "**Subscription Agreement**") with 北方国际集团(香港)金融控股有限公司 (Northern International Capital Holdings (HK) Limited), 黄河集团勘探技术有限公司 (Huanghe Exploration & Technology (Group) Limited) and 香港长城经济合作中心集团有限公司 (Hong Kong Great Wall Economic Cooperation Centre Limited) (collectively, the "**Subscribers**" and individually, a "**Subscriber**").

Pursuant to the terms of the Subscription Agreement, the Company proposes to raise capital by issuing 705,530,975 new ordinary shares (the "**Subscription Shares**") in the capital of the Company (the "**Shares**") to the Subscribers (the "**Subscription**"), at an issue price of S\$0.35 for each Subscription Share (the "**Issue Price**"), to raise gross proceeds of S\$246,935,841.25.

The Company will allot and issue the Subscription Shares pursuant to the general share issued mandate approved by shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Company held on 23 April 2015. There will not be any prospectus or offer information statement issued in connection with the Subscription as the Subscription will be made pursuant to Section 272B of the Securities and Futures Act, Chapter 289 of Singapore.

2. THE SUBSCRIPTION AGREEMENT

2.1 Subscription Shares

The Subscribers propose to subscribe for the Subscription Shares as follows:

- (a) 北方国际集团(香港)金融控股有限公司 (Northern International Capital Holdings (HK) Limited) proposes to subscribe for 352,765,487 Subscription Shares for an aggregate consideration of S\$123,467,920.45;
- (b) 黄河集团勘探技术有限公司 (Huanghe Exploration & Technology (Group) Limited) proposes to subscribe for 176,382,744 Subscription Shares for an aggregate consideration of S\$61,733,960.40; and

- (c) 香港长城经济合作中心集团有限公司 (Hong Kong Great Wall Economic Cooperation Centre Limited) proposes to subscribe for 176,382,744 Subscription Shares for an aggregate consideration of S\$61,733,960.40.

The Company will apply to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the admission of the Subscription Shares to the Official List of the SGX-ST and for the listing and quotation of the Subscription Shares on the SGX-ST.

The Subscription Shares, when issued and delivered, shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Subscription.

Pursuant to the allotment and issue of the Subscription Shares, the Company's issued and paid-up share capital (excluding treasury shares) will increase from 3,527,654,875 Shares, as at the date of this Announcement, to 4,233,185,850 Shares. Such number of Subscription Shares represents 20% of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this Announcement and approximately 16.67% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company after the Subscription.

There will be no change in control of the Company pursuant to the completion of the Subscription.

2.2 Issue Price

The Issue Price represents a discount of approximately 5.41% to the volume weighted average price of S\$0.37 per Share on 6 August 2015, being the full market day prior to the date of signing of the Subscription Agreement on which the Shares were traded.

2.3 Conditions

Completion of the Subscription is conditional upon, among others:

- (a) approval in-principle for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended as at the date of completion (the "**Completion Date**") and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscribers;
- (b) the Share Issue Mandate being valid, subsisting and adequate for the purposes of the issue of the Subscription Shares as at the Completion Date;
- (c) the issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreement by any applicable legislative, executive or regulatory body or authority of Singapore;
- (d) there having been no occurrence of any event or discovery of any fact rendering any of the warranties in the Subscription Agreement untrue or incorrect in any material respect as at the Completion Date as if they had been given again on the Completion Date; and

- (e) the Company and the Subscribers not being in breach of any of the undertakings and the covenants in the Subscription Agreement at the Completion Date.

3. INFORMATION ON THE SUBSCRIBERS

- 3.1 The Subscribers were introduced to the Company through mutual business associates and the Company's management. The Company has decided to place the Subscription Shares to the Subscribers so as to meet the Company's funding needs.

- 3.2 北方国际集团(香港)金融控股有限公司 (Northern International Capital Holdings (HK) Limited) is a company incorporated in Hong Kong and is engaged in the trading of petrochemical, fuel oil in Mainland China, Hong Kong and Singapore. Its shares are 98% held by 上海通腴國際控股有限公司 (Shanghai Tongtian Investment Holding Co., Ltd.) which is in turn 98% owned by Liu Wei who is a private investor.

黄河集团勘探技术有限公司 (Huanghe Exploration & Technology (Group) Limited) is a company incorporated in Hong Kong and is engaged in the trading of fuel oil and petrochemical products. Its shares are 98% held by 上海盛州粮油集团有限公司, which is in turn 50% owned by Yang Wenjian and Cao Ruiheng respectively. Yang Wenjian and Cao Ruiheng are both private investors.

香港长城经济合作中心集团有限公司 (Hong Kong Great Wall Economic Cooperation Centre Limited) is a company incorporated in Hong Kong and is engaged in the trading of petrochemical, fuel oil and petroleum products. It is 100% held by Wang Zhihui who is a private investor.

The information in this paragraph 3.2 has been provided by the respective Subscribers.

- 3.3 As at the date of this announcement, the Subscribers do not hold any shares in the Company.
- 3.4 No placement agent has been appointed in relation to the Subscription. In addition, the Subscription Shares will not be issued to any of the persons set out in Rule 812(1) of the Listing Manual of the SGX-ST.

4. FINANCIAL EFFECTS OF THE SUBSCRIPTION

Based on the audited accounts of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2014 and the issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this Announcement, the Subscription will increase the net tangible asset value per Share of the Group from US\$0.0004 to approximately US\$0.0424 (based on an exchange rate of S\$1 to US\$0.72). The Company was in an audited net tangible liability position of US\$0.0008 as at 31 December 2014 and as at the date of this Announcement, the Subscription will result in a net tangible asset per Share of the Company of approximately US\$0.0415 (based on an exchange rate of S\$1 to US\$0.72).

The abovementioned financial effects have been calculated for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Group or Company after completion of the Subscription.

5. USE OF PROCEEDS

The net proceeds from the Subscription (after deducting expenses relating thereto) of approximately S\$246,845,841.25 will be used by the Company in the following estimated proportions:

Use of Proceeds	Percentage Allocation (%)
Expansion of trading business (including commodity and derivative trading)	Approximately 45% to 75%
Repayment of shareholder loans	Approximately 0% to 15%
General working capital of the Group	Approximately 10% to 20%
General corporate activities, including but not limited to potential acquisitions and joint ventures	Approximately 0% to 20%

Pending the deployment of the net proceeds, such proceeds may be deposited with banks or financial institutions, invested in money market instruments or marketable securities, or used as part of treasury management, as the Directors may, in their absolute discretion, deem fit from time to time.

The actual apportionment of net proceeds for the aforementioned purposes would be subject to the market conditions and business opportunities, the availability and size of investment and acquisition opportunities, the relative timing of various requirements for funds, and the Company's overall objective of achieving an optimal cost of capital to fund its growth initiatives. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the net proceeds are materially disbursed.

The Company will make periodic announcements on the utilisation of proceeds from the Subscription as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

6. GENERAL

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Subscription, other than through their shareholdings in the Company (if any).

The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Subscription Shares has been obtained from the SGX-ST.

Lu Da Chuan
Executive Director
10 August 2015