

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2019

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*Some figures and percentages within the explanations may not exactly match due to rounding off.*

**Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2019**
**Part I Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements**
**1(a)(i) INCOME STATEMENT**

	Note	Group			Group		
		THREE MONTHS ENDED			SIX MONTHS ENDED		
		30 Jun 2019	30 Jun 2018	Change	30 Jun 2019	30 Jun 2018	Change
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	8.1.2	<b>694,786</b>	742,374	-6.4%	<b>1,419,162</b>	1,579,272	-10.1%
Cost of sales	8.1.3	<b>(652,343)</b>	(716,790)	-9.0%	<b>(1,352,111)</b>	(1,531,458)	-11.7%
Gross profit	8.1.4	<b>42,443</b>	25,584	65.9%	<b>67,051</b>	47,814	40.2%
Other income	8.1.8	<b>758</b>	734	3.3%	<b>3,523</b>	1,982	77.7%
Other (losses)/gains (Note A)	8.1.6	<b>(4,914)</b>	(6,925)	-29.0%	<b>355</b>	10,945	-96.8%
(Provision)/Reversal of expected credit losses	8.1.5(a)	<b>(203)</b>	6,819	n.m.	<b>100</b>	7,293	-98.6%
Expenses							
- Selling and distribution	8.1.5(b)	<b>(12,626)</b>	(6,476)	95.0%	<b>(20,558)</b>	(13,540)	51.8%
- Administrative	8.1.9	<b>(19,922)</b>	(19,361)	2.9%	<b>(40,449)</b>	(43,203)	-6.4%
- Finance	8.1.10	<b>(3,713)</b>	(3,407)	9.0%	<b>(8,108)</b>	(6,780)	19.6%
Share of profit of associated company		<b>15</b>	17	-11.8%	<b>40</b>	40	0.0%
Profit/(Loss) before tax	8.1.11	<b>1,838</b>	(3,015)	n.m.	<b>1,954</b>	4,551	-57.1%
Income tax (expense)/credit	8.1.12	<b>(57)</b>	3,567	n.m.	<b>530</b>	864	-38.7%
<b>Profit after tax</b>	8.1.13	<b>1,781</b>	552	222.6%	<b>2,484</b>	5,415	-54.1%
<b>Profit after tax attributable to:</b>							
<b>Equity holders of the Company</b>	8.1.13	<b>1,941</b>	577	236.4%	<b>2,791</b>	5,423	-48.5%
Non-controlling interests		<b>(160)</b>	(25)	540.0%	<b>(307)</b>	(8)	3737.5%
		<b>1,781</b>	552	222.6%	<b>2,484</b>	5,415	-54.1%

The Group measures and tracks the earnings in terms of Operating Margin ("OM") as calculated below.

	Group			Group		
	THREE MONTHS ENDED			SIX MONTHS ENDED		
	30 Jun 2019	30 Jun 2018	Change	30 Jun 2019	30 Jun 2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Gross profit	<b>42,443</b>	25,584	65.9%	<b>67,051</b>	47,814	40.2%
Add: Depreciation in Cost of sales	<b>3,356</b>	3,124	7.4%	<b>6,732</b>	6,246	7.8%
Less: Selling and distribution expenses	<b>(12,626)</b>	(6,476)	95.0%	<b>(20,558)</b>	(13,540)	51.8%
(Less)/Add: (Provision)/Reversal of expected credit losses	<b>(203)</b>	6,819	n.m.	<b>100</b>	7,293	-98.6%
(Less)/Add: Foreign exchange (losses)/gains	<b>(4,871)</b>	(6,874)	-29.1%	<b>354</b>	11,071	-96.8%
<b>Operating margin</b>	<b>28,099</b>	22,177	26.7%	<b>53,679</b>	58,884	-8.8%

n.m. – not meaningful

Note A Other (losses)/gains included foreign exchange losses of US\$4.9 million for the quarter and gains of US\$0.4 million for the half year. Foreign exchange gains or losses arise within the entities in the Group when transactions are denominated in currencies other than the entities' functional currencies. Variance is explained by changes in the exchange rates from the dates of transactions to the dates of settlements or the financial reporting date. The Group uses currency forward contracts to hedge against the foreign exchange fluctuation risk resulting from commodities forward contracts. The foreign exchange gains or losses being of hedging nature are better not read in isolation.

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2019

**1(a)(ii) STATEMENT OF COMPREHENSIVE INCOME**

	Group			Group		
	THREE MONTHS ENDED			SIX MONTHS ENDED		
	30 Jun 2019	30 Jun 2018	Change	30 Jun 2019	30 Jun 2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Profit after tax</b>	<b>1,781</b>	552	222.6%	<b>2,484</b>	5,415	-54.1%
<b>Other comprehensive income:</b>						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from foreign subsidiaries, net of tax						
- Losses	<b>(1,888)</b>	(8,588)	-78.0%	<b>(106)</b>	(219)	-51.6%
<b>Total comprehensive (loss)/income, net of tax</b>	<b>(107)</b>	(8,036)	-98.7%	<b>2,378</b>	5,196	-54.2%
<b>Total comprehensive income attributable to:</b>						
<b>Equity holders of the Company</b>	<b>84</b>	(7,963)	n.m.	<b>2,707</b>	5,270	-48.6%
Non-controlling interests	<b>(191)</b>	(73)	161.6%	<b>(329)</b>	(74)	344.6%
	<b>(107)</b>	(8,036)	-98.7%	<b>2,378</b>	5,196	-54.2%

n.m. – not meaningful

**Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2019**
**1(b)(i) STATEMENT OF FINANCIAL POSITION**

	Group		Company	
	As at 30 Jun 2019 US\$'000	As at 31 Dec 2018 US\$'000	As at 30 Jun 2019 US\$'000	As at 31 Dec 2018 US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Inventories	341,302	401,675	-	-
Trade receivables	202,071	221,592	-	-
Other receivables	45,640	91,980	299,805	283,443
Current income tax recoverable	7,242	6,966	-	-
Derivative financial instruments	61,023	61,679	-	-
Cash and cash equivalents	63,159	48,611	228	590
	<b>720,437</b>	<b>832,503</b>	<b>300,033</b>	<b>284,033</b>
<b>Non-current assets</b>				
Intangible asset	523	5,496	-	-
Property, plant and equipment	445,964	412,229	-	-
Investments in subsidiaries	-	-	849	849
Investment in associated company	532	491	-	-
Deferred income tax assets	3,072	3,457	-	-
Derivative financial instruments	3,317	894	21	-
	<b>453,408</b>	<b>422,567</b>	<b>870</b>	<b>849</b>
<b>Total assets</b>	<b>1,173,845</b>	<b>1,255,070</b>	<b>300,903</b>	<b>284,882</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	132,881	142,154	-	-
Other payables	59,879	64,051	179	265
Contract liabilities	14,462	10,182	-	-
Lease liabilities	313	-	-	-
Current income tax liabilities	4,259	3,289	226	314
Derivative financial instruments	42,088	34,071	-	28
Borrowings	333,563	404,555	-	-
	<b>587,445</b>	<b>658,302</b>	<b>405</b>	<b>607</b>
<b>Non-current liabilities</b>				
Lease liabilities	6,901	-	-	-
Deferred income tax liabilities	25,246	30,253	1,353	1,029
Borrowings	36,699	46,310	-	-
	<b>68,846</b>	<b>76,563</b>	<b>1,353</b>	<b>1,029</b>
<b>Total liabilities</b>	<b>656,291</b>	<b>734,865</b>	<b>1,758</b>	<b>1,636</b>
<b>NET ASSETS</b>	<b>517,554</b>	<b>520,205</b>	<b>299,145</b>	<b>283,246</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the</b>				
Share capital	1,501	1,501	1,501	1,501
Share premium	180,012	180,012	180,012	180,012
Other reserves	(39,165)	(39,081)	3,509	3,509
Retained profits	374,921	377,094	114,123	98,224
	<b>517,269</b>	<b>519,526</b>	<b>299,145</b>	<b>283,246</b>
<b>Non-controlling interests</b>	<b>285</b>	<b>679</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>517,554</b>	<b>520,205</b>	<b>299,145</b>	<b>283,246</b>

## Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2019

**1(b)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES**

	Group		Group	
	As at		As at	
	30 Jun 2019		31 Dec 2018	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
The amount repayable in one year or less, or on demand	7,196	326,367	9,496	395,059
The amount repayable after one year	18,699	18,000	22,310	24,000
	<b>25,895</b>	<b>344,367</b>	31,806	419,059

The table above excludes current and non-current lease liabilities recognised due to the adoption of SFRS(I) 16, amounting to US\$313,000 and US\$6,901,000 respectively, which are secured over the right-of-use assets of US\$7,083,000 as at 30 June 2019.

**Details of collaterals**

Certain borrowings are collateralised by certain property, plant and equipment that are financed by certain banks and financial institutions. The collaterals also include corporate guarantees by the Company.

**MEWAH INTERNATIONAL INC.**

(Incorporated in the Cayman Islands. Registration Number: CR-166055)

**Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2019**
**1(c) STATEMENT OF CASH FLOWS**

	Group		Group		
	THREE MONTHS ENDED		SIX MONTHS ENDED		
	Note	30 Jun 2019 US\$'000	30 Jun 2018 US\$'000	30 Jun 2019 US\$'000	30 Jun 2018 US\$'000
<b>Cash flows from operating activities</b>					
Profit after tax		1,781	552	2,484	5,415
Adjustments for:					
- Income tax expense/(credit)		57	(3,567)	(530)	(864)
- Depreciation		4,572	4,848	9,476	9,552
- Gains on disposal of property, plant and equipment		38	51	(24)	(136)
- Property, plant and equipment written off		1	-	19	-
- Interest income		(126)	(314)	(2,106)	(564)
- Interest expense		3,713	3,407	8,108	6,780
- Share of profit of associated company		(15)	(17)	(40)	(40)
<b>Operating cash flows before working capital changes</b>		<b>10,021</b>	<b>4,960</b>	<b>17,387</b>	<b>20,143</b>
Changes in operating assets and liabilities:					
- Inventories		60,751	(44,914)	60,666	2,593
- Trade and other receivables		57,536	76,972	59,839	48,546
- Contract liabilities		6,896	(1,285)	4,280	(1,285)
- Trade and other payables		(5,836)	(46,073)	(13,081)	(50,418)
- Derivative financial instruments		(18,351)	9,106	5,565	33,617
<b>Cash flows from/(used in) from operations</b>		<b>111,017</b>	<b>(1,234)</b>	<b>134,656</b>	<b>53,196</b>
Interest received		49	191	1,920	267
Interest paid		(3,713)	(3,407)	(8,108)	(6,780)
Income tax paid		(1,757)	(1,446)	(2,877)	(2,692)
Increase in restricted short term bank deposits		-	998	-	301
<b>Net cash flows from/(used in) operating activities</b>		<b>105,596</b>	<b>(4,898)</b>	<b>125,591</b>	<b>44,292</b>
<b>Cash flows from investing activities</b>					
Increase in other receivables		5,878	(758)	5,248	(5,614)
Additions to property, plant and equipment		(19,642)	(14,580)	(30,422)	(27,828)
Proceeds from disposals of property, plant and equipment		54	41	144	270
<b>Net cash flows used in investing activities</b>		<b>(13,710)</b>	<b>(15,297)</b>	<b>(25,030)</b>	<b>(33,172)</b>
<b>Cash flows from financing activities</b>					
(Increase)/Decrease in restricted short term bank deposits		-	(990)	333	(1,030)
Proceeds from long term borrowings		-	30,367	-	31,149
Repayment of long term borrowings		(2,358)	(3,829)	(5,963)	(9,151)
Net repayment to short term borrowings		(68,714)	(7,547)	(74,745)	(36,797)
Interest received		77	123	186	297
Repayment of lease liabilities		(79)	-	(157)	-
Dividends paid to equity holders of the Company		(4,964)	(4,517)	(4,964)	(4,517)
Dividends paid to non-controlling interest		(136)	-	(327)	(191)
<b>Net cash flows (used in)/from financing activities</b>		<b>(76,174)</b>	<b>13,607</b>	<b>(85,637)</b>	<b>(20,240)</b>
<b>Net change in cash and cash equivalents</b>		<b>15,712</b>	<b>(6,588)</b>	<b>14,924</b>	<b>(9,120)</b>
Cash and cash equivalents at beginning of the financial period		47,631	64,896	48,278	65,850
Effect of changes in exchange rate on cash and cash equivalents		(184)	(1,919)	(43)	(341)
<b>Cash and cash equivalents at end of the financial period</b>		<b>63,159</b>	<b>56,389</b>	<b>63,159</b>	<b>56,389</b>
<b>Represented by:</b>					
Cash and bank balances		63,159	60,861	63,159	60,861
Less: restricted short term bank deposits		-	(4,472)	-	(4,472)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>		<b>63,159</b>	<b>56,389</b>	<b>63,159</b>	<b>56,389</b>

**1(c) STATEMENT OF CASH FLOWS (continued)**

Reconciliation of liabilities arising from financing activities.

	<b>1 Jan</b>	<b>Proceeds from</b>		<b>Non-cash changes</b>	
	US\$'000	<b>borrowings</b>	<b>Principal payments</b>	<b>Foreign exchange</b>	<b>30 Jun</b>
	US\$'000	US\$'000	US\$'000	<b>movement</b>	US\$'000
				US\$'000	
<b>2019</b>					
Borrowings	450,865	-	(80,708)	105	<b>370,262</b>
Lease liabilities	7,371	-	(157)	-	<b>7,214</b>
<b>2018</b>					
Borrowings	404,477	31,149	(45,948)	1,842	<b>391,520</b>



**MEWAH INTERNATIONAL INC.**

(Incorporated in the Cayman Islands. Registration Number: CR-166055)

**Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2019**
**1(d)(i) STATEMENT OF CHANGES IN EQUITY**

For the period from 1 Apr 2019 to 30 Jun 2019 Group	Attributable to Equity Holders of the Company									
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Merger reserve US\$'000	General reserve US\$'000	Currency translation reserve US\$'000	Retained profits US\$'000	Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
<b>Beginning of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>12,908</b>	<b>377,944</b>	<b>522,149</b>	<b>350</b>	<b>522,499</b>
Profit for the period	-	-	-	-	-	-	1,941	1,941	(160)	1,781
Other comprehensive loss for the period	-	-	-	-	-	(1,857)	-	(1,857)	(31)	(1,888)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,857)</b>	<b>1,941</b>	<b>84</b>	<b>(191)</b>	<b>(107)</b>
Dividend paid	-	-	-	-	-	-	(4,964)	(4,964)	(136)	(5,100)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	262	262
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,964)</b>	<b>(4,964)</b>	<b>126</b>	<b>(4,838)</b>
<b>End of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>11,051</b>	<b>374,921</b>	<b>517,269</b>	<b>285</b>	<b>517,554</b>

For the period from 1 Apr 2018 to 30 Jun 2018 Group	Attributable to Equity Holders of the Company									
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Merger reserve US\$'000	General reserve US\$'000	Currency translation reserve US\$'000	Retained profits US\$'000	Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
<b>Beginning of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>24,349</b>	<b>374,110</b>	<b>529,756</b>	<b>941</b>	<b>530,697</b>
Profit for the period	-	-	-	-	-	-	577	577	(25)	552
Other comprehensive loss for the period	-	-	-	-	-	(8,540)	-	(8,540)	(48)	(8,588)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,540)</b>	<b>577</b>	<b>(7,963)</b>	<b>(73)</b>	<b>(8,036)</b>
Dividend paid	-	-	-	-	-	-	(4,517)	(4,517)	-	(4,517)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,517)</b>	<b>(4,517)</b>	<b>-</b>	<b>(4,517)</b>
<b>End of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>15,809</b>	<b>370,170</b>	<b>517,276</b>	<b>868</b>	<b>518,144</b>

MEWAH INTERNATIONAL INC.

(Incorporated in the Cayman Islands. Registration Number: CR-166055)

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2019

**1(d)(i) STATEMENT OF CHANGES IN EQUITY (continued)**

For the period from 1 Apr 2019 to 30 Jun 2019 Company	Attributable to Equity Holders of the Company				
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Retained profits US\$'000	Total equity US\$'000
<b>Beginning of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>100,754</b>	<b>285,776</b>
Profit for the period	-	-	-	18,333	18,333
<b>Total comprehensive income for the period</b>	-	-	-	<b>18,333</b>	<b>18,333</b>
Dividend paid	-	-	-	(4,964)	(4,964)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	-	<b>(4,964)</b>	<b>(4,964)</b>
<b>End of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>114,123</b>	<b>299,145</b>

For the period from 1 Apr 2018 to 30 Jun 2018 Company	Attributable to Equity Holders of the Company				
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Retained profits US\$'000	Total equity US\$'000
<b>Beginning of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>77,956</b>	<b>262,978</b>
Profit for the period	-	-	-	1,043	1,043
<b>Total comprehensive income for the period</b>	-	-	-	<b>1,043</b>	<b>1,043</b>
Dividend paid	-	-	-	(4,517)	(4,517)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	-	<b>(4,517)</b>	<b>(4,517)</b>
<b>End of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>74,482</b>	<b>259,504</b>

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**1(d)(i) STATEMENT OF CHANGES IN EQUITY (continued)**

For the period from 1 Jan 2019 to 30 Jun 2019 Group	Attributable to Equity Holders of the Company							Total	Non- controlling interests	Total equity
	Share capital	Share premium	Capital redemption reserve	Merger reserve	General reserve	Currency translation reserve	Retained profits			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Beginning of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>11,135</b>	<b>377,094</b>	<b>519,526</b>	<b>679</b>	<b>520,205</b>
Profit for the period	-	-	-	-	-	-	2,791	2,791	(307)	2,484
Other comprehensive loss for the period	-	-	-	-	-	(84)	-	(84)	(22)	(106)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(84)</b>	<b>2,791</b>	<b>2,707</b>	<b>(329)</b>	<b>2,378</b>
Dividend paid	-	-	-	-	-	-	(4,964)	(4,964)	(327)	(5,291)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	262	262
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,964)</b>	<b>(4,964)</b>	<b>(65)</b>	<b>(5,029)</b>
<b>End of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>11,051</b>	<b>374,921</b>	<b>517,269</b>	<b>285</b>	<b>517,554</b>

  

For the period from 1 Jan 2018 to 30 Jun 2018 Group	Attributable to Equity Holders of the Company							Total	Non- controlling interests	Total equity
	Share capital	Share premium	Capital redemption reserve	Merger reserve	General reserve	Currency translation reserve	Retained profits			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Beginning of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>15,962</b>	<b>369,264</b>	<b>516,523</b>	<b>1,133</b>	<b>517,656</b>
Profit for the period	-	-	-	-	-	-	5,423	5,423	(8)	5,415
Other comprehensive loss for the period	-	-	-	-	-	(153)	-	(153)	(66)	(219)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(153)</b>	<b>5,423</b>	<b>5,270</b>	<b>(74)</b>	<b>5,196</b>
Dividend paid	-	-	-	-	-	-	(4,517)	(4,517)	(191)	(4,708)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,517)</b>	<b>(4,517)</b>	<b>(191)</b>	<b>(4,708)</b>
<b>End of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>15,809</b>	<b>370,170</b>	<b>517,276</b>	<b>868</b>	<b>518,144</b>

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**1(d)(i) STATEMENT OF CHANGES IN EQUITY (continued)**

For the period from 1 Jan 2019 to 30 Jun 2019 Company	Attributable to Equity Holders of the Company				
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Retained profits US\$'000	Total equity US\$'000
Beginning of the financial period	1,501	180,012	3,509	98,224	283,246
Profit for the period	-	-	-	20,863	20,863
<b>Total comprehensive income for the period</b>	-	-	-	<b>20,863</b>	<b>20,863</b>
Dividend paid	-	-	-	(4,964)	(4,964)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	-	<b>(4,964)</b>	<b>(4,964)</b>
<b>End of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>114,123</b>	<b>299,145</b>

For the period from 1 Jan 2018 to 30 Jun 2018 Company	Attributable to Equity Holders of the Company				
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Retained profits US\$'000	Total equity US\$'000
Beginning of the financial period	1,501	180,012	3,509	65,354	250,376
Profit for the period	-	-	-	13,645	13,645
<b>Total comprehensive income for the period</b>	-	-	-	<b>13,645</b>	<b>13,645</b>
Dividend paid	-	-	-	(4,517)	(4,517)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	-	<b>(4,517)</b>	<b>(4,517)</b>
<b>End of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>74,482</b>	<b>259,504</b>

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### 1(d)(ii) SHARE CAPITAL

Details of any changes in the company's share capital arising from rights 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

	No. of ordinary shares	Share capital US\$'000
<b>FY 2019</b>		
Issued and fully paid ordinary shares		
Balance at beginning/end of the financial year	1,500,667,440	1,501
<b>FY 2018</b>		
Issued and fully paid ordinary shares		
Balance at beginning/end of the financial year	1,500,667,440	1,501

### 1(d)(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 Company's total number of issued shares is 1,500,667,440 as at 30 Jun 2019 (31 Dec 2018: 1,500,667,440).

The Company did not hold any treasury shares as at 30 Jun 2019 (31 Dec 2018: Nil). There were no unissued shares of the Company or its subsidiaries under option as at 30 Jun 2019 (31 Dec 2018: Nil).

### 1(d)(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.

### 1(d)(v) A STATEMENT SHOWING ALL SALES, TRANSFERS, CANCELLATION AND/OR USE OF SUBSIDIARY HOLDINGS AS AT THE END OF THE CURRENT FINANCIAL PERIOD REPORTED ON

Not applicable.

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**2. WHETHER THE FIGURES HAVE BEEN AUDITED OR REVIEWED, AND IN ACCORDANCE WITH WHICH AUDITING STANDARD OR PRACTICE**

The financial statements presented have not been audited or reviewed by the Company's independent 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**

Except as discussed in the paragraph below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period compared to the Group's most recently audited financial statements for the year ended 31 December 2018.

The Group has adopted SFRS(I) 16 Leases retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in the standard.

On adoption of SFRS(I) 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of SFRS(I) 1-17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2019.

The Group has presented the right-of-use assets as part of property, plant and equipment of approximately US\$7,083,000 and the corresponding lease liabilities of approximately US\$7,214,000 in the statement of financial position of the Group as at 30 June 2019.

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**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**

Except as disclosed under paragraph 4, there was no change to the accounting policies and method of computation in the financial statements.

**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:-**

- (a) Based on the weighted average number of ordinary shares on issue; and  
(b) On a fully diluted basis (detailing any adjustments made to the earnings)

	Group		Group	
	THREE MONTHS ENDED		SIX MONTHS ENDED	
	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
Basic and diluted based on weighted average number of shares (US cents per share)	0.13	0.04	0.19	0.36
Weighted average number of shares applicable to basic and diluted earnings per share ('000)	1,500,667	1,500,667	1,500,667	1,500,667

**7. NET ASSET 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

	Group		Company	
	As at		As at	
	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	34.47	34.62	19.93	18.87

**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.

**8.1 Income statement**

The Group's business consists of two segments, namely Bulk segment and Consumer Pack segment.

The Bulk segment produces and sells vegetable-based edible oil and fat products such as Refined, Bleached and Deodorised ("RBD") palm oil, RBD palm olein and RBD palm stearin, in bulk form primarily to distributors and factories involved in the production of confectionery, bakery products and other food items.

The Consumer Pack segment produces vegetable-based edible oil and fat products, in the form of consumer packs and sells under own brands and under the brands of third parties, primarily to importers and distributors at destination markets. The specialty fats and confectionary oils are sold primarily to distributors, and factories involved in the production of confectionery, bakery products and other food items. Besides edible oil and fat products, the Group also sells rice and dairy products in consumer pack form under its own brands.

The following table summarises the segmental sales volume, sales revenue and operating margin:

For the quarter	Total			Bulk			Consumer Pack		
	Q2 2019	Q2 2018	Change	Q2 2019	Q2 2018	Change	Q2 2019	Q2 2018	Change
Sales volume (MT'000)	1,141.5	993.4	14.9%	870.1	731.2	19.0%	271.4	262.2	3.5%
Revenue (US\$'million)	694.8	742.4	-6.4%	491.1	503.8	-2.5%	203.7	238.6	-14.6%
Average selling prices (US\$)	608.7	747.3	-18.5%	564.4	689.0	-18.1%	750.6	910.0	-17.5%
OM (US\$'million)	28.1	22.2	26.7%	11.5	14.1	-18.4%	16.6	8.1	104.9%
OM per MT (US\$)	24.6	22.3	10.3%	13.2	19.3	-31.6%	61.2	30.9	98.1%

  

For the period	Total			Bulk			Consumer Pack		
	H1 2019	H1 2018	Change	H1 2019	H1 2018	Change	H1 2019	H1 2018	Change
Sales volume (MT'000)	2,316.9	2,109.5	9.8%	1,767.9	1,570.3	12.6%	549.0	539.2	1.8%
Revenue (US\$'million)	1,419.2	1,579.3	-10.1%	1,005.9	1,108.6	-9.3%	413.3	470.7	-12.2%
Average selling prices (US\$)	612.5	748.7	-18.2%	569.0	706.0	-19.4%	752.8	873.0	-13.8%
OM (US\$'million)	53.7	58.9	-8.8%	22.3	36.4	-38.7%	31.4	22.5	39.6%
OM per MT (US\$)	23.2	27.9	-16.8%	12.6	23.2	-45.7%	57.2	41.7	37.2%

Operating margin relating to inter-segment sales is reported under the segment where the final sales to third parties are made.



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The Group performed reasonably well in this quarter even though CPO prices were lower resulting in lower revenue. The Group remains focused in its strategy to develop more sustainable profits through increased sales in the premium oils and fats segments and investments in the downstream part of its business. With weaker palm oil prices and fixed refining costs, our operating margin continued to experience some pressure in the Bulk business. Bulk's operating margin for this quarter was lower by -18.4% compared to Q2 2018 (Y-o-Y) but higher by +6.5% compared to Q1 2019 (Q-oQ). On the other hand, the Consumer Pack business has done well this quarter, its operating margin increased by +104.9% Y-o-Y and +12.2% Q-o-Q. This was due to higher demand from destination markets and the business managed to sell more higher margin products. Considering the overall market conditions during this quarter, the Group is pleased with its performance.

**8.1.1 Sales volume**

For the second quarter ended 30 Jun 2019 ("Q2 2019"), the Group's sales volume has registered an increase of 14.9% to 1,141,500 MT. Bulk Segment recorded an increase of 19.0% to 870,100 MT and Consumer Pack segment recorded an increase of 3.5% to 271,400 MT this year. Bulk and Consumer Pack segments contributed 76.2% and 23.8% of total sales volume respectively (Q2 2018: 73.6% and 26.4% respectively).

For the half year ended 30 Jun 2019 ("H1 2019"), the Group's sales volume has registered an increase of 9.8% to 2,316,900 MT. Bulk Segment recorded an increase of 12.6% to 1,767,900 MT and Consumer Pack segment recorded an increase of 1.8% to 549,000 MT this year. Bulk and Consumer Pack segments contributed 76.3% and 23.7% of total sales volume respectively (H1 2018: 74.4% and 25.6% respectively).

**8.1.2 Revenue**

For Q2 2019, revenue decreased 6.4% to US\$694.8 million due to 18.5% lower average selling prices, partially offset by 14.9% higher sales volume. Both Bulk and Consumer Pack recorded a drop of 2.5% and 14.6% in revenue respectively. Bulk and Consumer Pack segments contributed 70.7% and 29.3% of total revenue respectively (Q2 2018: 67.9% and 32.1% respectively).

For H1 2019, revenue decreased 10.1% to US\$1,419.2 million due to 18.2% lower average selling prices, partially offset by 9.8% higher sales volume. Both Bulk and Consumer Pack recorded a drop of 9.3% and 12.2% in revenue respectively. Bulk and Consumer Pack segments contributed 70.9% and 29.1% of total revenue respectively (H1 2018: 70.2% and 29.8% respectively).

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**8.1.3 Cost of sales**

	Group			Group		
	THREE MONTHS ENDED			SIX MONTHS ENDED		
	30 Jun 2019	30 Jun 2018	Change	30 Jun 2019	30 Jun 2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Cost of inventories	<b>632,258</b>	698,127	-9.4%	<b>1,291,717</b>	1,496,836	-13.7%
Losses from derivative financial instruments	<b>5,976</b>	7,489	-20.2%	<b>33,982</b>	12,329	175.6%
	<b>638,234</b>	705,616	-9.5%	<b>1,325,699</b>	1,509,165	-12.2%
Labour costs and other overheads	<b>14,109</b>	11,174	26.3%	<b>26,412</b>	22,293	18.5%
<b>Total</b>	<b>652,343</b>	716,790	-9.0%	<b>1,352,111</b>	1,531,458	-11.7%

For Q2 2019, the Group recorded losses from derivative financial instruments of US\$6.0 million compared to US\$7.5 million last year. Variance is explained by changes in the fair value of derivative financial instruments from the date of the contracts, to the relevant financial reporting date and upon settlement. Cost of inventories decreased 9.5% after taking into account the losses from derivative financial instruments. Labour costs and other overheads increased 26.3% to US\$14.1 million. Taking into account labour costs and other overheads, cost of sales decreased 9.0%, in line with the decrease in revenue for the quarter.

For H1 2019, the Group recorded losses from derivative financial instruments of US\$34.0 million compared to US\$12.3 million last year. Variance is explained by changes in the fair value of derivative financial instruments from the date of the contracts, to the relevant financial reporting date and upon settlement. Cost of inventories decreased 12.2% after taking into account the losses from derivative financial instruments. Labour costs and other overheads increased 18.5% to US\$26.4 million. Taking into account labour costs and other overheads, cost of sales decreased 11.7%, in line with the decrease in revenue for the quarter.

**8.1.4 Gross profit**

For Q2 2019, a decrease of US\$47.6 million in revenue and a higher decrease of US\$64.4 million in cost of sales resulted in gross profit increasing by US\$16.9 million.

For H1 2019, a decrease of US\$160.1 million in revenue and a higher decrease of US\$179.3 million in cost of sales resulted in gross profit increasing by US\$19.2 million.

The Group reviews the performance at operating margin level as explained under section 8.1.7.

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**8.1.5(a) (Provision)/Reversal of expected credit losses**

The Group has identified specific trade receivables that are credit impaired and recognised a loss allowance at amount equal to lifetime expected credit loss in respect of these receivables. For the remaining trade receivables, they are grouped based on similar risk characteristics and days past due to determine the expected credit loss rate to be applied. In calculating the expected credit loss rates, the Group considers historical loss rates and adjusts to reflect current and forward looking macroeconomic factors affecting the ability of the customers to settle the receivables.

**8.1.5(b) Selling and distribution expenses**

	Group			Group		
	THREE MONTHS ENDED			SIX MONTHS ENDED		
	30 Jun 2019	30 Jun 2018	Change	30 Jun 2019	30 Jun 2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Freight	661	1,033	-36.0%	1,419	1,359	4.4%
Storage, handling and forwarding	9,212	4,928	86.9%	15,478	11,386	35.9%
Export duties	-	372	-100.0%	143	611	-76.6%
Other selling and distribution expenses	2,753	143	1825.2%	3,518	184	1812.0%
<b>Total</b>	<b>12,626</b>	<b>6,476</b>	<b>95.0%</b>	<b>20,558</b>	<b>13,540</b>	<b>51.8%</b>

The selling and distribution expenses are generally passed-on to customers through the selling prices. The amounts may vary from period to period depending on the sale-terms with the customers.

**8.1.6 Other (losses)/gains**

	Group			Group		
	THREE MONTHS ENDED			SIX MONTHS ENDED		
	30 Jun 2019	30 Jun 2018	Change	30 Jun 2019	30 Jun 2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Foreign exchange (losses)/gains	(4,871)	(6,874)	-29.1%	354	11,071	-96.8%
(Losses)/Gains on disposal of property, plant and equipment	(38)	(51)	-25.5%	24	136	-82.4%
Property, plant and equipment written off	(1)	-	n.m.	(19)	-	n.m.
Impairment losses on other receivables	(4)	-	n.m.	(4)	(262)	-98.5%
<b>Total</b>	<b>(4,914)</b>	<b>(6,925)</b>	<b>-29.0%</b>	<b>355</b>	<b>10,945</b>	<b>-96.8%</b>

Foreign exchange gains or losses arise within the entities in the Group when transactions are denominated in currencies other than the entities' functional currencies. Variance is explained by changes in the exchange rates from the dates of transactions to the dates of settlements or the financial reporting date. The Group uses currency forward contracts to hedge against the foreign exchange fluctuation risk resulting from commodities forward contracts. The foreign exchange gains or losses being of hedging nature are better not read in isolation.

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### **8.1.7 Operating margin**

For Q2 2019, total operating margin increased 26.7% to US\$28.1 million on the back of 14.9% higher sales volume and higher OM of US\$24.6 per MT compared to US\$22.3 in Q2 2018. For Bulk segment, despite 19.0% higher sales volume, lower operating margin of US\$13.2 per MT compared to US\$19.3 in Q2 2018 resulted in operating margin decreasing to US\$11.5 million. For Consumer Pack segment, operating margin increased 104.9% to US\$16.6 million on the back of higher operating margin of US\$61.2 per MT compared to US\$30.9 in Q2 2018. The segments contributed 40.9% and 59.1% of total operating margin respectively (Q2 2018: 63.5% and 36.5% respectively).

For H1 2019, despite 9.8% higher sales volume, lower OM of US\$23.2 per MT compared to US\$27.9 in H1 2018 resulted in operating margin decreasing to US\$53.7 million. For Bulk segment, despite 12.6% higher sales volume, lower operating margin of US\$12.6 per MT compared to US\$23.2 in H1 2018 resulted in operating margin decreasing to US\$22.3 million. For Consumer Pack segment, operating margin increased 39.6% to US\$31.4 million on the back of higher operating margin of US\$57.2 per MT compared to US\$41.7 in H1 2018. The segments contributed 41.5% and 58.5% of total operating margin respectively (H1 2018: 61.8% and 38.2% respectively).

### **8.1.8 Other income**

For Q2 2019, other income of US\$0.8 million (Q2 2018: US\$0.7 million) included interest income of US\$0.1 million (Q2 2018: US\$0.3 million).

For H1 2019, other income of US\$3.5 million (H1 2018: US\$2.0 million) included interest income of US\$2.1 million (H1 2018: US\$0.6 million).

Interest income depends upon the credit terms of the sales and interest recovery for any delayed payments by customers.

### **8.1.9 Administrative expenses**

For Q2 2019, administrative expenses increased to US\$19.9 million from US\$19.4 million. For H1 2019, administrative expenses decreased to US\$40.4 million from US\$43.2 million mainly on account of depreciation of currencies in the jurisdiction where the Group operates against the US dollar and lower manpower cost.

### **8.1.10 Finance costs**

For Q2 2019 and H1 2019, finance costs increased to US\$3.7 million and US\$8.1 million from US\$3.4 million and US\$6.8 million. The increase was due to higher borrowing costs.

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#### **8.1.11 Profit before tax**

For Q2 2019, the profit before tax increased US\$4.9 million from loss of US\$3.0 million in Q2 2018 to profit of US\$2.0 million for Q2 2019, mainly due to higher operating margin of US\$5.9 million, partially offset by increase in finance costs of US\$0.3 million and increase in other operating expenses of US\$0.7 million.

For H1 2019, the profit before tax decreased US\$2.6 million from profit of US\$4.6 million in H1 2018 to US\$2.0 million for Q2 2019, mainly due to lower operating margin of US\$5.2 million and increase in finance costs of US\$1.3 million, partially offset by increase in other income of US\$1.5 million and decrease in other operating expenses of US\$2.4 million.

#### **8.1.12 Income tax**

For Q2 2019, income tax expense was US\$0.1 million compared to credit of US\$3.6 million last year. For H1 2019, income tax credit was US\$0.5 million compared to US\$0.9 million for the corresponding period last year due to change in the mix of results of our subsidiaries in the various jurisdictions and the differences in taxable profits and accounting profits.

#### **8.1.13 Profit after tax**

For Q2 2019, the Group reported a profit after tax of US\$1.8 million compared to US\$0.6 million. Profit after tax attributable to equity holders of the Company was US\$1.9 million compared to US\$0.6 million for Q2 2018.

For H1 2019, the Group reported a profit after tax of US\$2.5 million compared to US\$5.4 million. Profit after tax attributable to equity holders of the Company was US\$2.8 million compared to US\$5.4 million for H1 2018.

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## **8.2 Statement of financial position**

### **8.2.1 Current assets**

Current assets decreased US\$112.1 million from US\$832.5 million to US\$720.4 million mainly due to:

- (a) decrease of US\$60.4 million in inventories, giving inventories days of 46 days (31 Dec 2018: 52 days).
- (b) decrease of US\$19.5 million in trade receivables, giving trade receivables days of 26 days (31 Dec 2018: 27 days).
- (c) decrease of US\$46.3 million in other receivables mainly due to receipt of Goods Service Tax receivable and decrease in commodity trading variation margin payment.
- (d) decrease of US\$0.7 million in derivative financial instruments assets due to changes in the fair value of derivative financial instruments from the date of the contracts to the financial reporting date.
- (e) Increase of US\$14.5 million in cash and cash equivalents as explained in Note 8.3.

### **8.2.2 Non-current assets**

Non-current assets increased US\$30.8 million from US\$422.6 million to US\$453.4 million mainly due to appreciation of currencies in the jurisdiction where the Group operates against the US dollar as at 30 Jun 2019 compared to 31 Dec 2018, capital expenditure for expansion in Westport and recognition of right-of-use assets upon adoption of SFRS(I) 16 Leases, partially offset by depreciation.

In the previous financial year, the Group acquired 95.0% of the issued equity of PT Angso Duo Sawit (“PTADS”) and PT Jambi Batanghari Plantation (“PTJBP”), the companies incorporated in Indonesia involved primarily in palm oil milling and plantation businesses respectively. The total purchase consideration was at IDR120 billion or approximately US\$8.4 million. The purchase price allocation to goodwill and other assets and liabilities has been finalised, which resulted in a decrease in goodwill and increase in property, plant and equipment of US\$5.0 million and US\$5.2 million respectively.

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### **8.2.3 Total liabilities**

Total liabilities decreased US\$78.6 million from US\$734.9 million to US\$656.3 million mainly due to:

- (a) decrease of US\$80.6 million in borrowings due to decrease in working capital requirements and as part of overall cash flow planning.
- (b) decrease of US\$9.3 million in trade payables, giving trade payables days of 18 days (31 Dec 2018: 18 days). Amount of trade payables depends on payment terms for the purchases and is part of overall cash flow planning.
- (c) decrease of US\$4.2 million in other payables.
- (d) increase of US\$4.3 million in contract liabilities.
- (e) increase of US\$7.2 million in lease liabilities due to recognition of lease liabilities upon adoption of SFRS(I) 16 Leases.
- (f) increase of US\$8.0 million in derivative financial instruments liabilities due to changes in the fair value of derivative financial instruments from the date of the contracts to the financial reporting date.
- (g)

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### **8.3 Consolidated statement of cash flows**

#### **Q2 2019**

The Group generated operating cash flows of US\$10.0 million before working capital changes. US\$101.0 million was generated from working capital. The Group utilised US\$5.4 million for net interest and income tax. US\$13.7 million was used for investing activities. US\$76.2 million was used in financing activities. After adjusting for effect of changes in exchange rate, cash and cash equivalents increased US\$15.5 million to US\$63.2 million.

#### **H1 2019**

The Group generated operating cash flows of US\$17.4 million before working capital changes. US\$117.3 million was generated from working capital. The Group utilised US\$9.1 million for net interest and income tax. US\$25.0 million was used for investing activities. US\$85.6 million was used in financing activities. After adjusting for effect of changes in exchange rate, cash and cash equivalents increased US\$14.9 million to US\$63.2 million.

### **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 no prospect statement was 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 palm oil industry will continue to face some headwinds. As we enter the higher production months, output is expected to outpace demand. Tough operating conditions kept pressure on margins. Near term outlook remains challenging. The Group remains positive about its long term prospect due to its large-scale, cost-efficient and strategically-located integrated plants supported by well established brands, broad product portfolio and a large distribution network. It will continue to focus on operational efficiencies and productivity of its businesses.



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## 11. DIVIDEND

(a) Whether an interim (final) ordinary dividend has been declared (recommended) for the current financial period reported on?

No.

(b) Amount per share for current and previous corresponding period

(i) Current Financial Period Reported On

Name of dividend	Interim exempt dividends
Dividend type	Nil
Dividend amount per share (Singapore cent per share)	Nil

(ii) Corresponding period of the immediately preceding financial year

Name of dividend	Interim exempt dividends
Dividend type	Cash
Dividend amount per share (Singapore cent per share)	0.22

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable

(d) Date Payable

Not applicable

(e) 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 recommend for the second quarter ended 30 June 2019.

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**13. IF THE GROUP HAS OBTAINED A GENERAL MANDATE FROM SHAREHOLDERS FOR IPTs, THE AGGREGATE VALUE OF SUCH TRANSACTIONS AS REQUIRED UNDER RULE 920(1)(A)(II). IF NO IPT MANDATE HAS BEEN OBTAINED, A STATEMENT TO THAT EFFECT.**

Name of Interested Person	Aggregate value of all IPT during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	H1 2019 US\$'000	H1 2019 US\$'000
Prelude Gateway Sdn. Bhd.	65	1,861
Ecolex Sdn. Bhd.	16	4,069
Containers Printers Pte Ltd	NIL	609
Mr Cheo Seng Jin	530	NIL
Mr Cheo Tiong Choon	530	NIL
Kent Holidays (S) Pte Ltd	154	NIL
Choon Heng Logistics Pte Ltd	104	NIL
Futura Ingredients Singapore Pte Ltd	84	NIL

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**14. NEGATIVE CONFIRMATION PURSUANT TO RULE 705(5)**

We, Dr Cheo Tong Choon @ Lee Tong Choon and Michelle Cheo Hui Ning, being two of the directors of Mewah International Inc. (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 of the Company and of the Group for the financial period ended 30 June 2019 to be false or misleading, in any material aspect.

On behalf of the Board of Directors,

DR CHEO TONG CHOON @ LEE TONG CHOON  
Chairman and Executive Director

MICHELLE CHEO HUI NING  
Chief Executive Officer and Executive Director

**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 has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 of the Mainboard Rules) under Rule 720(1) of the Mainboard Rules.

BY ORDER OF THE BOARD

MICHELLE CHEO HUI NING  
Chief Executive Officer and Executive Director  
6 August 2019