



Credit Suisse (Singapore) Limited acted as the Sole Global Coordinator, Joint Bookrunner, Underwriter and Issue Manager, BNP Paribas, Singapore Branch acted as Joint Bookrunner and Underwriter, RHB Bank Berhad, Singapore Branch, and United Overseas Bank Limited acted as Joint Lead Managers and Underwriters in respect of the initial public offering of ordinary shares in the capital of the Company which was completed on 24 November 2010, and assume no responsibility for the contents of the announcement.

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**MEWAH INTERNATIONAL INC.**

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

**Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011**

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**PART I INFORMATION REQUIRED FOR QUARTERLY, HALF-YEAR AND FULL YEAR ANNOUNCEMENTS****1(a)(i) INCOME STATEMENT**

	Group			Group		
	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	31 Dec 2011	31 Dec 2010	Inc/(Dec)	31 Dec 2011	31 Dec 2010	Inc/(Dec)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	<b>1,014,644</b>	1,060,080	-4.3%	<b>4,467,933</b>	3,533,071	26.5%
Cost of sales	<b>(934,934)</b>	(968,807)	-3.5%	<b>(4,282,314)</b>	(3,266,821)	31.1%
Gross profit	<b>79,710</b>	91,273	-12.7%	<b>185,619</b>	266,250	-30.3%
Other income	<b>2,262</b>	1,868	21.1%	<b>7,873</b>	5,161	52.5%
Expenses						
- Selling and distribution expenses	<b>(38,419)</b>	(32,716)	17.4%	<b>(109,747)</b>	(96,058)	14.3%
- Administrative expenses	<b>(23,404)</b>	(24,797)	-5.6%	<b>(64,685)</b>	(62,039)	4.3%
- Other operating (losses)/gains	<b>(12,218)</b>	4,518	n.m.	<b>31,868</b>	5,150	518.8%
- Finance costs	<b>(3,417)</b>	(3,854)	-11.3%	<b>(12,887)</b>	(9,779)	31.8%
Share of profit of associate	<b>20</b>	3	566.7%	<b>123</b>	3	4000.0%
Profit before tax	<b>4,534</b>	36,295	-87.5%	<b>38,164</b>	108,688	-64.9%
Income tax	<b>7,203</b>	(213)	n.m.	<b>1,094</b>	(16,248)	n.m.
<b>Profit after tax</b>	<b>11,737</b>	36,082	-67.5%	<b>39,258</b>	92,440	-57.5%
<b>Profit after tax attributable to:</b>						
Equity holders of the Company	<b>12,665</b>	36,051	-64.9%	<b>42,245</b>	92,352	-54.3%
Non-controlling interests	<b>(928)</b>	31	n.m.	<b>(2,987)</b>	88	n.m.
	<b>11,737</b>	36,082	-67.5%	<b>39,258</b>	92,440	-57.5%

**ADDITIONAL INFORMATION****Operating margin:**

Revenue	<b>1,014,644</b>	1,060,080	-4.3%	<b>4,467,933</b>	3,533,071	26.5%
Less: Cost of sales (excluding depreciation)	<b>(932,764)</b>	(965,741)	-3.4%	<b>(4,274,359)</b>	(3,258,808)	31.2%
Less: Selling and distribution expenses	<b>(38,419)</b>	(32,716)	17.4%	<b>(109,747)</b>	(96,058)	14.3%
Add/Less: Foreign exchange (losses)/gains(net)	<b>(9,464)</b>	4,860	n.m.	<b>35,212</b>	6,208	467.2%
<b>Operating margin</b>	<b>33,997</b>	66,483	-48.9%	<b>119,039</b>	184,413	-35.4%

n.m. – not meaningful

## Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

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

	Group			Group		
	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	31 Dec 2011	31 Dec 2010	Inc/(Dec)	31 Dec 2011	31 Dec 2010	Inc/(Dec)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Profit after tax</b>	<b>11,737</b>	36,082	-67.5%	<b>39,258</b>	92,440	-57.5%
<b>Other comprehensive income:</b>						
Currency translation differences arising from foreign operations, net of tax	<b>1,879</b>	784	139.7%	<b>(3,798)</b>	25,385	n.m.
<b>Total comprehensive income</b>	<b>13,616</b>	36,866	-63.1%	<b>35,460</b>	117,825	-69.9%
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	<b>14,613</b>	36,803	-60.3%	<b>38,247</b>	117,637	-67.5%
Non-controlling interests	<b>(997)</b>	63	n.m.	<b>(2,787)</b>	188	n.m.
	<b>13,616</b>	36,866	-63.1%	<b>35,460</b>	117,825	-69.9%

## Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

**1(b)(i) STATEMENT OF FINANCIAL POSITION**

	Group		Company	
	As at	As at	As at	As at
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Inventories	307,490	242,781	-	-
Trade receivables	410,963	427,109	-	-
Other receivables	24,590	26,920	154,434	61,890
Tax recoverable	20,613	5,847	-	-
Derivative financial instruments	38,747	87,040	-	-
Cash and cash equivalents	136,799	215,322	41,082	142,863
	<b>939,202</b>	<b>1,005,019</b>	<b>195,516</b>	<b>204,753</b>
<b>Non-current assets</b>				
Property, plant and equipment	287,796	217,933	-	-
Leasehold prepayments	13,514	-	-	-
Investment in subsidiaries	-	-	820	*
Investment in associate	204	86	-	-
Intangible asset	3,189	5,846	-	-
Derivative financial instruments	185	4,442	-	-
	<b>304,888</b>	<b>228,307</b>	<b>820</b>	<b>-</b>
<b>Total assets</b>	<b>1,244,090</b>	<b>1,233,326</b>	<b>196,336</b>	<b>204,753</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	210,463	253,322	-	-
Other payables	51,353	49,808	203	20,935
Tax payable	1,157	13,337	248	-
Derivative financial instruments	42,317	66,674	30	-
Borrowings	339,359	307,797	-	-
	<b>644,649</b>	<b>690,938</b>	<b>481</b>	<b>20,935</b>
<b>Non-current liabilities</b>				
Borrowings	46,771	18,359	-	-
Deferred tax liabilities	14,880	15,453	-	-
	<b>61,651</b>	<b>33,812</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>706,300</b>	<b>724,750</b>	<b>481</b>	<b>20,935</b>
<b>NET ASSETS</b>	<b>537,790</b>	<b>508,576</b>	<b>195,855</b>	<b>183,818</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company:</b>				
Share capital	1,507	1,507	1,507	1,507
Share premium	185,416	185,416	185,416	185,416
Other reserves	(15,415)	(9,506)	-	-
Retained profits/(Accumulated losses)	368,334	330,287	8,932	(3,105)
	<b>539,842</b>	<b>507,704</b>	<b>195,855</b>	<b>183,818</b>
<b>Non-controlling interests</b>	<b>(2,052)</b>	<b>872</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>537,790</b>	<b>508,576</b>	<b>195,855</b>	<b>183,818</b>

\*As at 31 Dec 2010, the nominal value of investment in subsidiaries is US\$104.

## Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

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

	Group		Group	
	31 Dec 2011		31 Dec 2010	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
The amount repayable in one year or less, or on demand	<b>68,040</b>	<b>271,319</b>	63,908	243,889
The amount repayable after one year	<b>46,771</b>	-	18,359	-
	<b>114,811</b>	<b>271,319</b>	82,267	243,889

**Details of collaterals**

The borrowings of the Group are secured by:

- Letter of subordination of substantial shareholders and group entities
- Joint and several guarantees by a certain director and related parties
- Specific fixed charge and legal charge against the assets of certain subsidiaries
- Fixed and floating debentures against existing and future assets of certain subsidiaries
- Corporate guarantees by the Company and certain subsidiaries

## Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

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

	Group		Group	
	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
Profit after tax	11,737	36,082	39,258	92,440
Adjustments for:				
- Income tax	(7,203)	213	(1,094)	16,248
- Amortisation	58	-	58	-
- Depreciation	3,776	4,076	14,142	13,264
- (Gains)/losses on disposals of property, plant and equipment	(7)	(233)	367	81
- Property, plant and equipment written off	19	654	260	977
- Placement and listing expenses	-	4,737	-	4,737
- Impairment of goodwill	2,717	-	2,717	-
- Interest income	(1,955)	(1,644)	(5,548)	(4,148)
- Interest expense	3,417	3,854	12,887	9,779
- Share of profit of associate	(20)	(3)	(123)	(3)
- Exchange differences (net)	(358)	(1,706)	4,864	7,433
<b>Operating cash flows before working capital changes</b>	<b>12,181</b>	<b>46,030</b>	<b>67,788</b>	<b>140,808</b>
Changes in operating assets and liabilities:				
- Inventories	(101,141)	(79,055)	(64,709)	(76,634)
- Trade and other receivables	60,265	(71,977)	15,690	(150,600)
- Trade and other payables	50,192	62,800	(40,993)	90,737
- Derivative financial instruments	15,718	(9,768)	28,193	2,822
<b>Cash flows generated from/(used in) operations</b>	<b>37,215</b>	<b>(51,970)</b>	<b>5,969</b>	<b>7,133</b>
Interest received	1,664	1,497	4,753	3,834
Interest paid	(3,417)	(3,854)	(12,887)	(9,779)
Income tax paid	332	2,445	(26,424)	(25,333)
<b>Net cash flows from/(used in) operating activities</b>	<b>35,794</b>	<b>(51,882)</b>	<b>(28,589)</b>	<b>(24,145)</b>
<b>Cash flows from investing activities</b>				
Acquisition of non-controlling interests	(114)	(582)	(748)	(1,258)
Acquisition of subsidiaries	-	3,604	-	3,604
Investment in associate	-	(83)	-	(83)
Other receivables	2,388	(554)	2,723	(6,164)
Purchase of property, plant and equipment	(26,546)	(18,010)	(92,238)	(40,552)
Additions in leasehold prepayments	(14,063)	-	(14,063)	-
Proceeds from disposal of property, plant and equipment	38	667	574	706
<b>Net cash flows used in investing activities</b>	<b>(38,297)</b>	<b>(14,958)</b>	<b>(103,752)</b>	<b>(43,747)</b>

## Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

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

	Group		Group	
	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from financing activities</b>				
Proceeds from placement and listing	-	191,281	-	191,281
Placement and listing expenses	-	(7,699)	<b>(1,422)</b>	(7,699)
Proceeds from issue of new shares to existing shareholders	-	1,270	-	1,270
Repayment of shareholders' loan	-	(20,926)	-	(22,819)
Dividends paid to equity holders of the Company	-	-	<b>(4,333)</b>	(24,085)
Dividends paid to non-controlling interests	-	-	-	(224)
Restricted short term bank deposits	<b>(3)</b>	(1)	<b>(1)</b>	(19)
Repayment (to)/from related parties	-	(328)	-	1,301
Proceeds from long term borrowings	<b>33,550</b>	1,476	<b>37,867</b>	9,905
Repayment of long term borrowings	<b>(4,021)</b>	(1,281)	<b>(12,706)</b>	(5,480)
Net (repayment to)/proceeds from short term borrowings	<b>(83,514)</b>	68,805	<b>34,648</b>	99,555
Interest received	<b>291</b>	147	<b>795</b>	314
<b>Net cash flows (used in)/from financing activities</b>	<b>(53,697)</b>	232,744	<b>54,848</b>	243,300
<b>Net change in cash and cash equivalents</b>	<b>(56,200)</b>	165,904	<b>(77,493)</b>	175,408
Cash and cash equivalents at beginning of the financial period/year	<b>192,101</b>	48,918	<b>215,152</b>	37,376
Effect of changes in exchange rate on cash and cash equivalents	<b>563</b>	330	<b>(1,195)</b>	2,368
Cash and cash equivalents at end of the financial period/year	<b>136,464</b>	215,152	<b>136,464</b>	215,152
<b>Represented by:</b>				
Cash and bank balances	<b>136,799</b>	215,322	<b>136,799</b>	215,322
Less: Restricted short term bank deposits	<b>(171)</b>	(170)	<b>(171)</b>	(170)
Less: Bank overdrafts	<b>(164)</b>	-	<b>(164)</b>	-
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<b>136,464</b>	215,152	<b>136,464</b>	215,152



MEWAH INTERNATIONAL INC.

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

For the period from 1 Oct 2011 to 31 Dec 2011 Group	Attributable to Equity Holders of the Company							Total US\$'000	Non- controlling Interests US\$'000	Total Equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Merger reserve US\$'000	General reserve US\$'000	Asset revaluation reserve US\$'000	Currency translation reserve US\$'000	Retained profits US\$'000			
<b>Beginning of the financial period</b>										
As previously stated	1,507	185,416	(50,749)	(1,012)	10,176	25,848	355,639	526,825	(685)	526,140
Finalisation of purchase price allocation	-	-	-	-	-	-	-	-	(592)	(592)
<b>Beginning of the financial period (restated)</b>	<b>1,507</b>	<b>185,416</b>	<b>(50,749)</b>	<b>(1,012)</b>	<b>10,176</b>	<b>25,848</b>	<b>355,639</b>	<b>526,825</b>	<b>(1,277)</b>	<b>525,548</b>
Acquisition of non-controlling interests	-	-	-	(336)	-	-	-	(336)	222	(114)
Written put option to non-controlling interests	-	-	-	(1,260)	-	-	-	(1,260)	-	(1,260)
Realisation of reserve upon disposal	-	-	-	-	(30)	-	30	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,948	12,665	14,613	(997)	13,616
<b>End of the financial period</b>	<b>1,507</b>	<b>185,416</b>	<b>(50,749)</b>	<b>(2,608)</b>	<b>10,146</b>	<b>27,796</b>	<b>368,334</b>	<b>539,842</b>	<b>(2,052)</b>	<b>537,790</b>

For the period from 1 Oct 2010 to 31 Dec 2010 Group	Attributable to Equity Holders of the Company							Total US\$'000	Non- controlling Interests US\$'000	Total Equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Merger reserve US\$'000	General reserve US\$'000	Asset revaluation reserve US\$'000	Currency translation reserve US\$'000	Retained profits US\$'000			
<b>Beginning of the financial period</b>	11	-	(50,191)	(429)	10,318	31,042	294,199	284,950	664	285,614
Issue of new shares to existing shareholders	1,270	-	-	-	-	-	-	1,270	-	1,270
Issue of shares pursuant to the Listing	226	191,055	-	-	-	-	-	191,281	-	191,281
Placement and listing expenses	-	(5,639)	-	-	-	-	-	(5,639)	-	(5,639)
Cash paid/payable arising from acquisition of subsidiaries under common control	-	-	(558)	-	-	-	-	(558)	-	(558)
Acquisition of non-controlling interests	-	-	-	(403)	-	-	-	(403)	(183)	(586)
Realisation of reserve upon disposal	-	-	-	-	(37)	-	37	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	920	920
Total comprehensive income for the period	-	-	-	-	-	752	36,051	36,803	63	36,866
<b>End of the financial period (as previously stated)</b>	<b>1,507</b>	<b>185,416</b>	<b>(50,749)</b>	<b>(832)</b>	<b>10,281</b>	<b>31,794</b>	<b>330,287</b>	<b>507,704</b>	<b>1,464</b>	<b>509,168</b>
Finalisation of purchase price allocation	-	-	-	-	-	-	-	-	(592)	(592)
<b>End of the financial period (restated)</b>	<b>1,507</b>	<b>185,416</b>	<b>(50,749)</b>	<b>(832)</b>	<b>10,281</b>	<b>31,794</b>	<b>330,287</b>	<b>507,704</b>	<b>872</b>	<b>508,576</b>

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

For the period from 1 Oct 2011 to 31 Dec 2011 Company	Attributable to Equity Holders of the Company			
	Share capital	Share premium	Retained profits	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
Beginning of the financial period	1,507	185,416	7,353	194,276
Total comprehensive income for the period	-	-	1,579	1,579
<b>End of the financial period</b>	<b>1,507</b>	<b>185,416</b>	<b>8,932</b>	<b>195,855</b>

For the period from 1 Oct 2010 to 31 Dec 2010 Company	Attributable to Equity Holders of the Company			
	Share capital	Share premium	Retained profits	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
Beginning of the financial period	11	-	424	435
Issue of new shares to existing shareholders	1,270	-	-	1,270
Issue of shares pursuant to the Listing	226	191,055	-	191,281
Placement and listing expenses	-	(5,639)	-	(5,639)
Total comprehensive income for the period	-	-	(3,529)	(3,529)
<b>End of the financial period</b>	<b>1,507</b>	<b>185,416</b>	<b>(3,105)</b>	<b>183,818</b>

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

For the year from 1 Jan 2011 to 31 Dec 2011 Group	Attributable to Equity Holders of the Company							Total	Non- controlling Interests	Total Equity
	Share capital	Share premium	Merger reserve	General reserve	Asset revaluation 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 year</b>										
As previously stated	1,507	185,416	(50,749)	(832)	10,281	31,794	330,287	507,704	1,464	509,168
Finalisation of purchase price allocation	-	-	-	-	-	-	-	-	(592)	(592)
<b>Beginning of the financial year (restated)</b>	<b>1,507</b>	<b>185,416</b>	<b>(50,749)</b>	<b>(832)</b>	<b>10,281</b>	<b>31,794</b>	<b>330,287</b>	<b>507,704</b>	<b>872</b>	<b>508,576</b>
Acquisition of non-controlling interests	-	-	-	(516)	-	-	-	(516)	(232)	(748)
Written put option to non-controlling interests	-	-	-	(1,260)	-	-	-	(1,260)	-	(1,260)
Realisation of reserve upon disposal	-	-	-	-	(135)	-	135	-	-	-
Dividends	-	-	-	-	-	-	(4,333)	(4,333)	-	(4,333)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	95	95
Total comprehensive income for the year	-	-	-	-	-	(3,998)	42,245	38,247	(2,787)	35,460
<b>End of the financial year</b>	<b>1,507</b>	<b>185,416</b>	<b>(50,749)</b>	<b>(2,608)</b>	<b>10,146</b>	<b>27,796</b>	<b>368,334</b>	<b>539,842</b>	<b>(2,052)</b>	<b>537,790</b>

For the year from 1 Jan 2010 to 31 Dec 2010 Group	Attributable to Equity Holders of the Company							Total	Non- controlling Interests	Total Equity
	Share capital	Share premium	Merger reserve	General reserve	Asset revaluation 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 year</b>										
Issue of new shares to existing shareholders	1,270	-	-	-	-	-	-	1,270	-	1,270
Issue of shares pursuant to the listing	226	191,055	-	-	-	-	-	191,281	-	191,281
Placement and listing expenses	-	(5,639)	-	-	-	-	-	(5,639)	-	(5,639)
Cash paid/payable arising from acquisition of subsidiaries under common control	-	-	(11,915)	-	-	-	-	(11,915)	-	(11,915)
Acquisition of non-controlling interests	-	-	-	(832)	-	-	-	(832)	(426)	(1,258)
Realisation of reserve upon disposal	-	-	-	-	(750)	-	750	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	920	920
Dividends	-	-	-	-	-	-	(22,105)	(22,105)	(224)	(22,329)
Total comprehensive income for the year	-	-	-	-	-	25,285	92,352	117,637	188	117,825
<b>End of the financial year (as previously stated)</b>	<b>1,507</b>	<b>185,416</b>	<b>(50,749)</b>	<b>(832)</b>	<b>10,281</b>	<b>31,794</b>	<b>330,287</b>	<b>507,704</b>	<b>1,464</b>	<b>509,168</b>
Finalisation of purchase price allocation	-	-	-	-	-	-	-	-	(592)	(592)
<b>End of the financial year (restated)</b>	<b>1,507</b>	<b>185,416</b>	<b>(50,749)</b>	<b>(832)</b>	<b>10,281</b>	<b>31,794</b>	<b>330,287</b>	<b>507,704</b>	<b>872</b>	<b>508,576</b>

MEWAH INTERNATIONAL INC.

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

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

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

For the year from 1 Jan 2011 to 31 Dec 2011 Company	Attributable to Equity Holders of the Company			
	Share capital US\$'000	Share premium US\$'000	Retained profits US\$'000	Total Equity US\$'000
Beginning of the financial year	1,507	185,416	(3,105)	183,818
Dividends	-	-	(4,333)	(4,333)
Total comprehensive income for the year	-	-	16,370	16,370
<b>End of the financial year</b>	<b>1,507</b>	<b>185,416</b>	<b>8,932</b>	<b>195,855</b>

For the year from 1 Jan 2010 to 31 Dec 2010 Company	Attributable to Equity Holders of the Company			
	Share capital US\$'000	Share premium US\$'000	Retained profits US\$'000	Total Equity US\$'000
Beginning of the financial year	11	-	-	11
Issue of new shares to existing shareholders	1,270	-	-	1,270
Issue of shares pursuant to the Listing	226	191,055	-	191,281
Placement and listing expenses	-	(5,639)	-	(5,639)
Dividends	-	-	(22,105)	(22,105)
Total comprehensive income for the year	-	-	19,000	19,000
<b>End of the financial year</b>	<b>1,507</b>	<b>185,416</b>	<b>(3,105)</b>	<b>183,818</b>

Finalisation of purchase price allocation

The statement of financial position, Group's borrowings and debt securities, statement of cash flows and statement of changes in equity for the year ended 31 Dec 2010 have been restated due to additional information obtained as part of the process of finalising the purchase price allocation in accordance with FRS 103 – Business Combinations.

Acquisition of entities under common control

Acquisitions of entities under common control have been accounted for using the pooling-of-interest method. Under the method, the financial statements of the Group have been prepared as if the Group structure immediately after the transaction has been in existence since the earliest date the entities are under common control. The comparative figures of the Group represent the income statement, statement of comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity have been prepared as if the combination had occurred from the date when the combining entities or businesses first came under common control. Accordingly, the Group's comparatives for 1 Jan 2010 have been restated.

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

**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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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 2011</b>		
<b>Issued and fully paid ordinary shares</b>		
Balance at beginning/end of the financial year	<u>1,507,061,440</u>	<u>1,507</u>
<b>FY 2010</b>		
<b>Issued and fully paid ordinary shares</b>		
Balance at beginning of the financial year	<u>1,050,002</u>	<u>11</u>
Subdivision of authorised share capital and issued share capital	Note 1 10,500,020	11
Issue of new shares to existing shareholders	Note 2 1,270,502,420	1,270
Issue of shares pursuant to the Listing	Note 3 226,059,000	226
Balance at end of the financial year	<u>1,507,061,440</u>	<u>1,507</u>

Note 1 The sub-division of 1,050,002 issued and paid up shares of par value US\$0.01 each in the capital of the Company into 10,500,020 shares of par value US\$0.001 each in the capital of the Company.

Note 2 The issue and allotment of 1,270,502,420 new shares of par value US\$0.001 each (US\$1,270,000) in the capital of the Company to the shareholders as at the date of the resolution in proportion to their shareholding, for a cash consideration at US\$0.001 per new share.

Note 3 On 24 November 2010, the Company issued 226,059,000 new shares at SGD1.10 per share as placement in connection with the Listing and raised gross proceeds of SGD248,665,000 (US\$191,281,000). US\$226,000 and US\$191,055,000 have been recognised in share capital and share premium respectively.

**1(d)(iii) 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 1,507,061,440 as at 31 Dec 2011 (31 Dec 2010: 1,507,061,440).

The Company did not hold any treasury shares as at 31 Dec 2011 (31 Dec 2010: Nil). There were no unissued shares of the Company or its subsidiaries under option as at 31 Dec 2011 (31 Dec 2010: Nil).

**1(d)(iv) ALL SALES, TRANSFERS, DISPOSAL, CANCELLATION AND/OR USE OF TREASURY SHARES AS AT THE END OF THE CURRENT FINANCIAL PERIOD REPORTED ON**

Not applicable.

**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**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current year compared to the Group's most recently audited financial statements for the year ended 31 Dec 2010 except for new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year beginning on or after 1 Jan 2011. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of these FRS and INT FRS has no significant impact on the Group's results.

**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**

There was no change to the accounting policies and method of computation in the financial statements, except as mentioned in item 4 above.

**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).

The earnings per share for the financial periods ended 31 Dec 2011 and 2010 were computed based on weighted average number of shares adjusted to take into account the subdivision, and issue of new ordinary shares as explained under item 1(d)(ii). The Company's pre-invitation capital of 1,281,002,440 shares was assumed to be issued throughout the relevant periods.

	Group		Group	
	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
Basic and diluted based on weighted average number of shares (US cents per share)	<b>0.84</b>	2.62	<b>2.80</b>	7.08
Weighted average number of shares applicable to basic and diluted earnings per share ('000)	<b>1,507,061</b>	1,374,375	<b>1,507,061</b>	1,304,537

## Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

**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.

For computing net asset value per share, the Company's subdivision of shares and pre-invitation capital shares were assumed to be issued throughout the relevant periods.

	Group		Company	
	As at		As at	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	35.82	33.69	13.00	12.20

**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**

High crude palm oil ("CPO") production in Indonesia and Malaysia combined with slow demand from destination markets due to uncertain global economic conditions and resultant high levels of inventories in origin countries continued to push CPO prices down for Q4 2011. In line with falling CPO prices, the Group's average selling prices dropped 9.5% from US\$1,220.6 for Q3 2011 to US\$1,104.3 for Q4 2011. Last year, the prices for CPO were on rising trend and in line with the trend, the Group's average selling prices had increased by 19.1% for Q4 2010 compared to Q3 2010. Under depressed economic conditions and falling prices, the buyers continued to keep their inventories level low and press hard for prices.

Uncertainty in the palm oil industry continued due to Indonesian government's decision to reduce export duties for refined oil compared to CPO, and lack of clarity about Malaysian government's expected response to help the refiners in Malaysia.

Under such tough economic conditions and uncertainty, the Group continued to be prudent by participating selectively in trade flows and in selecting its customers and trade terms.

**Revenue**

7.5% lower sales volume and 3.5% higher average selling prices resulted in revenue decreasing by 4.3% from US\$1,060.1 million for the fourth quarter ended last year ("Q4 2010") to US\$1,014.6 million for the fourth quarter ended 31 Dec 2011 ("Q4 2011").

For the full year ended 31 Dec 2011 ("FY 2011"), revenue increased by 26.5% from US\$3,533.1 million last year ("FY 2010") to US\$4,467.9 million on the back of 33.4% higher average selling prices though the sales volume decreased by 5.2%.

## Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

**8.1. Income statement (continued)****Cost of Sales**

	Group THREE MONTHS ENDED			Group TWELVE MONTHS ENDED		
	31 Dec 2011	31 Dec 2010	Inc/(Dec)	31 Dec 2011	31 Dec 2010	Inc/(Dec)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost of inventories	938,962	927,574	1.2%	4,212,598	3,280,599	28.4%
(Gains)/losses from derivative financial instruments	(14,295)	31,661	n.m.	31,139	(48,341)	n.m.
<b>Subtotal</b>	<b>924,667</b>	<b>959,235</b>	<b>-3.6%</b>	<b>4,243,737</b>	<b>3,232,258</b>	<b>31.3%</b>
Labour costs and other overheads	10,267	9,572	7.3%	38,577	34,563	11.6%
<b>Total</b>	<b>934,934</b>	<b>968,807</b>	<b>-3.5%</b>	<b>4,282,314</b>	<b>3,266,821</b>	<b>31.1%</b>

For Q4 2011 the Group had gains from derivative financial instruments of US\$14.3 million compared to losses of US\$31.7 million for the corresponding quarter 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. Gains or losses from derivative financial instruments being hedging instruments should be read together with the cost of inventories. Cost of inventories coupled with gains or losses from financial derivative financial instruments reduced by 3.6% in line with reduction of 4.3% in the revenue. Labour costs and other overheads increased by 7.3%, mainly on account of higher consumables, to US\$10.3 million. Effectively, the cost of sales decreased by 3.5% to US\$934.9 million for the quarter.

For FY 2011, the Group had losses from derivative financial instruments of US\$31.1 million compared to gains of US\$48.3 million last year. Cost of inventories coupled with gains or losses from derivative financial instruments increased by 31.3% in line with increase of 26.5% in the revenue. Labour costs and other overheads increased by 11.6%, mainly on account of higher consumables, to US\$38.6 million. Effectively, the cost of sales increased by 31.1% to US\$4,282.3 million for the year.

**Gross profit**

For Q4 2011, a decrease in revenue by 4.3% and a decrease in cost of sale by 3.5% resulted in gross profit declining by 12.7% to US\$79.7 million.

For FY 2011, an increase in revenue by 26.5% and an increase in cost of sale by 31.1% resulted in gross profit declining by 30.3% to US\$185.6 million.

**Selling and distribution expenses**

	Group THREE MONTHS ENDED			Group TWELVE MONTHS ENDED		
	31 Dec 2011	31 Dec 2010	Inc/(Dec)	31 Dec 2011	31 Dec 2010	Inc/(Dec)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Selling and distribution expenses	38,419	32,716	17.4%	109,747	96,058	14.3%
Included in selling and distribution expenses:						
Freight	20,141	24,174	-16.7%	68,689	77,256	-11.1%
Marine insurance	912	887	2.8%	4,569	2,576	77.4%
Transportation and forwarding	3,509	2,720	29.0%	12,225	10,038	21.8%
Allowance/(reversal) for doubtful debts	6,260	1,161	439.0%	5,086	(4,027)	n.m.



## Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

**8.1. Income statement (continued)****Selling and distribution expenses (continued)**

Freight, transportation and forwarding and marine insurance are generally passed to the customers through the selling prices. The amount may vary from period to period depending on the sales terms with the customers.

For Q4 2011, allowance for doubtful debts of US\$6.3 million (Q4 2010: US\$1.2 million) was based on the assessment of recoveries from customers under the contracts that have been recognised as revenue in the financial statements. The Group assesses the recoverability from time to time and when the Group has strong reasons to expect the recovery, such allowances are reversed. For FY 2011, allowances, net of reversals were US\$5.1 million compared to net reversals of US\$4.0 million last year.

**Segment review**

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

The Bulk segment sources, manufactures and sells edible oils and fats (including specialty fats) in bulk to wholesalers and processors for a variety of end uses including applications in the food, pharmaceutical and oleochemical industries.

The Consumer Pack segment manufactures, packs and sells a wide range of edible oils and fats and specialised bakery and confectionery oils and fats which are sold to end customers in consumer packs under the Group's own brands or to customers who then sell the products under their own brands.

The Group measures and tracks the profitability in terms of Operating Margin ("OM") per metric tonne ("MT") of sales volume. OM is calculated as revenue, less cost of sales (excluding depreciation), selling and distribution expenses and foreign exchange gains or losses. OM relating to inter-segment sales are reported under the segment where the final sales to third parties are made.

OM and the related ratios in this document are supplemental measures of the performance and are not required by, or presented in accordance with FRS and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with FRS. Other companies may calculate OM differently from us, limiting its usefulness as comparative measures.

The Group usually experiences stronger demand in sales of its products during the second half of the year due to the festive seasons.

The following table summarises the sales volume, sales revenue and OM:

	Total			Bulk			Consumer Pack		
	Q4 2011	Q4 2010	Inc/(Dec)	Q4 2011	Q4 2010	Inc/(Dec)	Q4 2011	Q4 2010	Inc/(Dec)
Sales volume (MT'000)	918.8	993.8	-7.5%	684.5	747.1	-8.4%	234.3	246.7	-5.0%
Sales revenue (US\$'million)	1,014.6	1,060.1	-4.3%	700.6	756.4	-7.4%	314.0	303.7	3.4%
Average selling prices (US\$)	1,104.3	1,066.7	3.5%	1,023.5	1,012.5	1.1%	1,340.2	1,230.9	8.9%
OM (US\$'million)	34.0	66.5	-48.9%	23.6	36.5	-35.4%	10.4	30.0	-65.3%
OM per MT (US\$)	37.0	66.9	-44.7%	34.5	48.9	-29.4%	44.4	121.5	-63.5%

  

	Total			Bulk			Consumer Pack		
	FY 2011	FY 2010	Inc/(Dec)	FY 2011	FY 2010	Inc/(Dec)	FY 2011	FY 2010	Inc/(Dec)
Sales volume (MT'000)	3,649.9	3,851.5	-5.2%	2,761.3	2,975.7	-7.2%	888.6	875.8	1.5%
Sales revenue (US\$'million)	4,467.9	3,533.1	26.5%	3,187.9	2,558.0	24.6%	1,280.1	975.1	31.3%
Average selling prices (US\$)	1,224.1	917.3	33.4%	1,154.5	859.6	34.3%	1,440.6	1,113.4	29.4%
OM (US\$'million)	119.0	184.4	-35.4%	76.6	102.3	-25.1%	42.4	82.2	-48.4%
OM per MT (US\$)	32.6	47.9	-31.9%	27.7	34.4	-19.5%	47.8	93.8	-49.0%

## 8.1. Income statement (continued)

### *Segment review* (continued)

#### ***Segmental Sales volume***

Due to tough economic and market conditions and the Group's prudence to be selective in trade flow participation throughout the current year, Group's sales volume was lower for the quarter as well as for the year.

For Q4 2011, the Group achieved total sales volume of 918.8 thousand MT, 7.5% lower than the corresponding quarter last year. Sales volume for both Bulk segment and Consumer Pack segment reduced by 8.4% and 5.0% respectively. Bulk segment and Consumer Pack segment contributed 74.5% and 25.5% of total sales volume respectively (Q4 2010: 75.2% and 24.8% respectively).

For FY 2011, total sales volume was 3,649.9 thousand MT, 5.2% lower than last year. Sales volume for Bulk segment lower by 7.2% was partially offset by increase in sales volume for Consumer Pack segment by 1.5%. Bulk segment and Consumer Pack segment contributed 75.7% and 24.3% of total sales volume respectively (FY 2010: 77.3% and 22.7% respectively).

#### ***Segmental revenue***

For Q4 2011, 3.5% higher average selling prices and 7.5% lower sales volume resulted in the revenue decreasing by 4.3% to US\$1,014.6 million (Q4 2010: US\$1,060.1 million). For Bulk segment, 1.1% higher average selling prices and 8.4% lower sales volume resulted in revenue decreasing by 7.4% to US\$700.6 million (Q4 2010: US\$756.4 million). For Consumer Pack segment, 8.9% higher average selling prices and 5.0% lower sales volume resulted in revenue increasing by 3.4% to US\$314.0 million (Q4 2010: US\$303.7 million). Bulk segment and Consumer Pack segment contributed 69.1% and 30.9% of total revenue respectively (Q4 2010: 71.4% and 28.6% respectively).

For FY 2011, 33.4% higher average selling prices and 5.2% lower sales volume resulted in the revenue increasing by 26.5% to US\$4,467.9 million (FY 2010: US\$3,533.1 million). For Bulk segment, 34.3% higher average selling prices and 7.2% lower sales volume resulted in revenue increasing by 24.6% to US\$3,187.9 million (FY 2010: US\$2,558.0 million). For Consumer Pack segment, 29.4% higher average selling prices and 1.5% higher sales volume resulted in revenue increasing by 31.3% to US\$1,280.1 million (FY 2010: US\$975.1 million). Bulk segment and Consumer Pack segment contributed 71.4% and 28.6% of total revenue respectively (FY 2010: 72.4% and 27.6% respectively).

#### ***Segmental Operating Margin (OM)***

Under tough market condition while the Group was selective in trade flows, the margins improved when compared to last quarter ("Q3 2011"). However, the margins were substantially lower for the current quarter ("Q4 2011") and current year ("FY 2011") due to worsened economic, financial and market conditions this year. Our joint venture company, through its subsidiary, being the importer and distributor of our consumer pack products in West Africa and other subsidiaries in Europe continued to experience slow demand resulting in higher inventory carrying cost and pressure on margins.

For Q4 2011, OM was US\$34.0 million, 48.9% lower from US\$66.5 million for the corresponding quarter last year. For Bulk segment, lower OM per MT of US\$34.5 for the quarter compared to US\$48.9 for the corresponding quarter last year, coupled with sales volume lower by 8.4% resulted in OM decreasing by 35.4% from US\$36.5 million for the corresponding quarter last year to US\$23.6 million this quarter. For Consumer Pack segment, lower OM per MT of US\$44.4 this quarter compared to US\$121.5 for the corresponding quarter last year, coupled with sales volume lower by 5.0% resulted in OM decreasing by 65.3% from US\$30.0 million for the corresponding quarter last year to US\$10.4 million this quarter. Bulk segment and Consumer Pack segment contributed 69.4% and 30.6% of total OM respectively (Q4 2010: 54.9% and 45.1% respectively).

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

**8.1. Income statement (continued)**

**Segmental Operating Margin (OM) (continued)**

For FY 2011, OM declined by 35.4% to US\$119.0 million. For Bulk segment, lower OM per MT of US\$27.7 this year compared to US\$34.4 last year, coupled with sales volume lower by 7.2% resulted in OM decreasing by 25.1% from US\$102.3 million last year to US\$76.6 million this year. For Consumer Pack segment, lower OM per MT of US\$47.8 this year compared to US\$93.8 last year and sales volume higher by 1.5%, resulted in OM decreasing by 48.4% from US\$82.2 million last year to US\$42.4 million this year. Bulk segment and Consumer Pack segment contributed 64.4% and 35.6% of total OM respectively (FY 2010: 55.4% and 44.6% respectively).

**Other income**

For Q4 2011, other income of US\$2.3 million (Q4 2010: US\$1.9 million) included interest income of US\$2.0 million (Q4 2010: US\$1.6 million).

For FY 2011, other income of US\$7.9 million (Q4 2010: US\$5.2 million) included interest income of US\$5.5 million (Q4 2010: US\$4.1 million).

Other income also includes rental income, commission income and sales of by-products and waste.

**Administrative expenses**

For Q4 2011, administrative expenses were US\$23.4 million compared to US\$24.8 million for the corresponding quarter last year. The expenses last year included placement and listing expenses of US\$4.7 million. Excluding placement and listing expenses, administrative expenses were higher this quarter mainly due to higher employee compensation and bank charges.

For FY 2011, administrative expenses were US\$64.7 million, compared to US\$62.0 million last year. Excluding placement and listing expenses of US\$4.7 million last year, administrative expenses this year were higher primarily due to higher bank charges and depreciation.

**Other operating (losses)/gains**

	Group			Group		
	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	31 Dec 2011	31 Dec 2010	Inc/(Dec)	31 Dec 2011	31 Dec 2010	Inc/(Dec)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Other operating (losses)/gains	<b>(12,218)</b>	4,518	n.m.	<b>31,868</b>	5,150	518.8%
Included in other operating (losses)/gains:						
Foreign exchange (losses)/gains	<b>(9,464)</b>	4,860	n.m.	<b>35,212</b>	6,208	467.2%
Impairment of goodwill	<b>(2,717)</b>	-	n.m.	<b>(2,717)</b>	-	n.m.

Foreign exchange gains or losses arise mainly on account of hedging, are of operational nature and are considered for the calculation of operating margins.

In FY 2010, the Group acquired 52.0% stake in the issued equity of Molly Foods bvba, which was further increased to 70% in FY 2011. The Group tested the goodwill for impairment based on past performance and its expectations of the market developments at the reporting date and has written down the goodwill by US\$2.7 million leaving carrying value of US\$3.2 million.

**8.1. Income statement (continued)****Finance costs**

For Q4 2011, finance costs representing interest on borrowings decreased to US\$3.4 million from US\$3.9 million for the corresponding quarter last year. Though the borrowings were higher this year, lower interest rates helped to reduce the finance costs.

For FY 2011, finance costs representing interest on borrowings increased to US\$12.9 million from US\$9.8 million last year in line with the increase in borrowings.

**Profit before tax**

For Q4 2011, lower sales volume and lower OM per MT resulted in Operating Margin decreasing by US\$32.5 million or 48.9% to US\$34.0 million. Additionally, goodwill impairment of US\$2.7 million and gains of US\$3.4 million on account of change in Other Income and Expenses resulted in Profit Before Tax decreasing by US\$31.8 million or 87.5% to US\$4.5 million.

For FY 2011, lower sales volume and lower OM per MT resulted in Operating Margin decreasing by US\$65.4 million or 35.4% to US\$119.0 million. Additionally, goodwill impairment of US\$2.7 million and losses of US\$2.4 million on account of change in Other Income and Expenses resulted in Profit Before Tax decreasing by US\$70.5 million or 64.9% to US\$38.2 million.

**Income tax**

Income tax was based on the statutory tax rates of the respective countries, adjusted for income not subject to tax, tax incentives and non-deductible expenses.

For Q4 2011, income tax credit was US\$7.2 million compared to income tax expense of US\$0.2 million for the corresponding quarter last year.

For FY 2011, income tax credit was US\$1.1 million compared to income tax expense of US\$16.2 million last year.

Changes in income tax for Q4 2011 and FY 2011 were due to lower profits, change in the mix of results of the subsidiaries in various tax jurisdictions and impact of various tax incentive schemes. Additionally, income tax this year included write-back of US\$6.0 million provided last year of which US\$4.7 million was on account of lower tax rate approved under Global Trader Programme for Singapore-based operating subsidiaries. The approval was received this year and impacted income tax relating to last year.

Excluding income tax write-back, income tax credit of US\$1.2 million for Q4 2011 was due to revision in the weighted average effective tax rate for the current year compared to the weighted average effective tax rate estimated at the end of nine months period ended 30 September 2011.

Excluding income tax write-back for the current year, the weighted average effective tax rate for FY 2011 is 12.8%.

**Profit after tax**

For Q4 2011, the Group achieved a profit after tax of US\$11.7 million, 67.5% lower than US\$36.1 million for the corresponding quarter last year.

For FY 2011, the Group achieved a profit after tax of US\$39.3 million, 57.5% lower than US\$92.4 million last year.

Profit after tax attributable to equity holders of the Company was US\$12.7 million and US\$42.2 million for Q4 2011 and FY 2011 respectively (Q4 2010: US\$36.1 million and FY 2010: US\$92.4 million).

## **8.2. Statement of financial position**

### **Inventories**

On 31 Dec 2011, the Group had inventories of US\$307.5 million in line with higher revenue this year and represented inventories of 26.2 days (31 Dec 2010: US\$242.8 million and 27.1 days respectively).

### **Trade receivables**

On 31 Dec 2011, the Group had trade receivables of US\$411.0 million representing trade receivables of 33.6 days (31 Dec 2010: US\$427.1 million and 44.1 days respectively).

### **Trade payables**

On 31 Dec 2011, the Group had trade payables of US\$210.5 million representing trade payables of 17.9 days (31 Dec 2010: US\$253.3 million and 28.3 days respectively). Amount of trade payables at any time is part of overall cash flow planning and payment terms for the purchases.

### **Cycle time**

On 31 Dec 2011, cycle time (inventories days add trade receivables days less trade payables days) was 41.9 days (31 Dec 2010: 42.9 days).

### **Other receivables**

#### Group

On 31 Dec 2011, other receivables of US\$24.6 million (31 Dec 2010: US\$26.9 million) included US\$6.3 million of advance payments for capital expenditure projects (31 Dec 2010: US\$8.9 million) and subsidy receivable from Malaysian Palm Oil Board of US\$6.8 million (31 Dec 2010: US\$6.2 million).

#### Company

On 31 Dec 2011, other receivables of US\$154.4 million (31 Dec 2010: US\$61.9 million) were mainly on account of amounts receivable from subsidiaries.

### **Property, plant and equipment**

Property, plant and equipment increased from US\$217.9 million on 31 Dec 2010 to US\$287.8 million on 31 Dec 2011, mainly as a result of the additions to capital expenditure for acquisition of industrial land in Malaysia, Consumer Pack Project to produce soap and shortening, Westport Expansion Project for expanding specialty fats plant, Pasir Gudang Expansion Project for a new specialty fats plant and Sabah Refinery Project for building a new refinery.

### **Leasehold prepayments**

On 31 Dec 2011, leasehold prepayments were US\$13.5 million resulting from the acquisition of land use rights in Indonesia.

### **Intangible asset**

On 31 Dec 2011, intangible asset of US\$3.2 million (31 Dec 2010: US\$5.8 million) represented carrying value of goodwill resulting from acquisition of Molly Foods bvba.

## **8.2 Statement of financial position (continued)**

### **Debt**

On 31 Dec 2011, Group borrowings were US\$386.1 million giving debt to equity ratio (Borrowings divided by Total equity) of 0.72 (31 Dec 2010: US\$326.2 million and 0.64 respectively).

On 31 Dec 2011, net debt (Borrowings less cash and cash equivalents) was US\$249.3 million, giving net debt to equity ratio of 0.46 (31 Dec 2010: US\$110.9 million and 0.22 respectively).

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

#### **Q4 2011**

The Group generated operating cash flows before working capital changes of US\$12.2 million. Cash flows of US\$25.0 million generated from the changes in operating assets and liabilities resulted in cash flows generated from operations of US\$37.2 million. Adjusting for interest and income tax, net cash flows generated from operating activities was US\$35.8 million.

The Group used US\$38.3 million in investing activities, primarily for the purchase of property, plant and equipment and leasehold prepayments. Net cash flows of US\$53.7 million were used in financing activities, resulting in net decrease in cash and cash equivalents of US\$56.2 million.

Net decrease of US\$56.2 million for the quarter, along with increase of US\$0.6 million due to changes in exchange rate, resulted in decrease of cash and cash equivalents from US\$192.1 million in the beginning of the quarter to US\$136.5 million at the end of the quarter.

#### **FY 2011**

The Group generated operating cash flows before working capital changes of US\$67.8 million. Cash flows of US\$61.8 million used in the changes in operating assets and liabilities mainly on account of increase in inventories by US\$64.7 million resulted in cash flows generated from operations of US\$6.0 million. Adjusting for interest and income tax, net cash flows used in operating activities was US\$28.6 million.

The Group used US\$103.8 million in investing activities, primarily for the purchase of property, plant and equipment and leasehold prepayments. Net cash flows of US\$54.8 million were generated from financing activities, resulting in net decrease in cash and cash equivalents of US\$77.5 million.

Net decrease of US\$77.5 million for the year, along with decrease of US\$1.2 million due to changes in exchange rate, resulted in decrease of cash and cash equivalents from US\$215.2 million at the beginning of the year to US\$136.5 million at the end of the year.

## **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 a 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

In view of continuing weak global macro factors, weakening global growth, tightening financial markets and tough market conditions, our business outlook for the short term remains cautious. High CPO production in 2011, increased inventory levels at origin countries, i.e. Malaysia and Indonesia, lower inventory levels at destination levels, and uncertainty over Malaysia's response to Indonesia's decision to reduce export duties for refined palm oil continue to keep the margins under pressure. During these uncertain times, the Group continues to consolidate its position as a leading palm oil refiner and look for opportunities to diversify its portfolio across the value chain, products and geographies. Meanwhile the Group continues to manage its risks and rewards prudently.

However we remain optimistic on long term industry outlook for the palm oil industry and our business prospects as integrated supply chain manager. We expect midstream and downstream players in palm oil industry to benefit from slowing production growth for palm oil, and expected drop in soya bean production in 2012, rising demand for cooking oils particularly from China and India and improvement in end demand as economic conditions improve. Our strong position as integrated palm oil player supported by large scale integrated production facilities, well established brands and strong distribution capabilities places us in good position to embrace the opportunities as and when they arise.

## 11. DIVIDENDS

(a) Current financial period reported on	31 Dec 2011
Any dividend recommended for the current financial period reported on?	Yes
Name of dividend	Final exempt one-tier dividends
Dividend type	Cash
Dividend amount per share	S\$0.005
(b) Corresponding period of the immediately preceding financial year	31 Dec 2010
Any dividend declared for the corresponding period of the immediately preceding financial year	No
Name of dividend	Not applicable
Dividend type	Not applicable
Dividend amount per share	Not applicable
(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)	

Dividend of S\$0.005 per ordinary share is tax exempt and declared in Singapore.

**11. DIVIDENDS** (continued)

(d) Date Payable

To be announced later.

(e) Books Closure Date

To be announced later.

**12. IF NO DIVIDEND HAS BEEN DECLARED OR RECOMMENDED, A STATEMENT TO THAT EFFECT**

Not applicable.



## Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

**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)(III). 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)
	FY 2011 US\$'000	FY 2011 US\$'000
Prelude Gateway Sdn. Bhd.	Nil	2,486
Anthola Insurance Agencies Sdn. Bhd.	Nil	673
Perfect Venue Sdn. Bhd.	Nil	59
Ecolex Sdn. Bhd.	Nil	37,270
Capital Paradise Sdn. Bhd.	Nil	59
Containers Printers Pte Ltd	Nil	10,357
Choon Heng Transport & Warehousing Pte Ltd	Nil	313
Nature International Pte Ltd	Nil	124,997
AGF Insurance Agencies Sdn. Bhd.	1,485	Nil
Expertway (M) Sdn. Bhd.	1,046	Nil
Mr Cheo Seng Jin	430	Nil
Mr Cheo Tiong Choon	430	Nil
International Food Corporation Ltd	285	Nil
Kent Holidays (S) Pte Ltd	367	Nil

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

Not applicable.

## Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT****15. SEGMENTED REVENUE AND RESULTS FOR BUSINESS OR GEOGRAPHICAL SEGMENTS (OF THE GROUP) IN THE FORM PRESENTED IN THE ISSUER'S MOST RECENTLY AUDITED ANNUAL FINANCIAL STATEMENTS, WITH COMPARATIVE INFORMATION FOR THE IMMEDIATELY PRECEDING YEAR.**

Segmented revenue and results for business segments:

	Bulk US\$'000		Consumer Pack US\$'000		Total US\$'000	
	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010
<b>Sales</b>						
Total segment sales	3,945,834	3,051,237	1,401,159	1,030,969	5,346,993	4,082,206
Inter-segment sales	(757,968)	(493,257)	(121,092)	(55,878)	(879,060)	(549,135)
<b>Sales to external parties</b>	<b>3,187,866</b>	<b>2,557,980</b>	<b>1,280,067</b>	<b>975,091</b>	<b>4,467,933</b>	<b>3,533,071</b>
<b>Operating margin</b>	<b>76,593</b>	<b>102,257</b>	<b>42,446</b>	<b>82,156</b>	<b>119,039</b>	<b>184,413</b>
Other income, excluding interest income	1,346	822	979	191	2,325	1,013
Admin expenses, excluding depreciation and amortisation	(30,367)	(24,397)	(28,072)	(27,654)	(58,439)	(52,051)
Other operating expenses	(282)	(802)	(346)	(256)	(628)	(1,058)
<b>EBITDA</b>	<b>47,290</b>	<b>77,880</b>	<b>15,007</b>	<b>54,437</b>	<b>62,297</b>	<b>132,317</b>
Depreciation	(10,122)	(9,619)	(4,020)	(3,645)	(14,142)	(13,264)
Amortisation	(58)	-	-	-	(58)	-
Finance expense	(8,193)	(6,567)	(4,694)	(3,212)	(12,887)	(9,779)
Interest income	4,075	3,333	1,473	815	5,548	4,148
Impairment of goodwill	-	-	(2,717)	-	(2,717)	-
<b>Segment result</b>	<b>32,992</b>	<b>65,027</b>	<b>5,049</b>	<b>48,395</b>	<b>38,041</b>	<b>113,422</b>
<b>Unallocated:</b>						
Placement and listing expenses					-	(4,737)
Income tax expense					1,094	(16,248)
Share of profit of associate					123	3
<b>Profit after tax</b>					<b>39,258</b>	<b>92,440</b>

**16. IN THE REVIEW OF PERFORMANCE, THE FACTORS LEADING TO ANY MATERIAL CHANGES IN CONTRIBUTIONS TO TURNOVER AND EARNINGS BY THE BUSINESS OR GEOGRAPHICAL SEGMENTS.**

Not applicable, except as mentioned in Note 8.

## Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2011

**17. BREAKDOWN OF SALES**

	<u>FY 2011</u> <u>US\$'000</u>	<u>FY 2010</u> <u>US\$'000</u>	<u>% increase/ (decrease)</u>
(a) Sales reported for first half year	2,362,703	1,623,273	46%
(b) Operating profit after tax before deducting minority interests reported for first half year	22,304	35,313	-37%
(c) Sales reported for second half year	2,105,230	1,909,798	10%
(d) Operating profit after tax before deducting minority interests reported for second half year	16,954	57,127	-70%

Note: Operating profit after tax is profit after tax.

**18. BREAKDOWN OF THE TOTAL ANNUAL DIVIDENDS (IN THOUSAND DOLLAR VALUE) FOR THE ISSUER'S LATEST FULL YEAR AND ITS PREVIOUS FULL YEAR.**

	<u>FY 2011</u> <u>US\$'000</u>	<u>FY 2010</u> <u>US\$'000</u>
<b>Ordinary</b> Interim dividend - paid	<u>4,333</u>	<u>22,105</u>
<b>Ordinary</b> Final dividend - proposed*	<u>5,830</u>	<u>-</u>

\* Final dividend is proposed by the Board and is subject to shareholders' approval. The amount is based on number of shares issued as at 31 Dec 2011 and the amount to be paid in Singapore dollar has been translated to US dollar at the closing exchange rate at the reporting date.

**19. 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(11) IN THE FORMAT BELOW. IF THERE ARE NO SUCH PERSONS, THE ISSUER MUST MAKE AN APPROPRIATE NEGATIVE STATEMENT.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position And duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ms Cheo Chong Cher	64	Sister of Dr Cheo Tong Choon and Mr Cheo Seng Jin;	Manager, Controller Department since 1981	None
Ms Cheo Sor Cheng Angeline	52	Sister of Dr Cheo Tong Choon and Mr Cheo Seng Jin;	Manager, Controller Department since 1999	None
Ms Cheo Su Ching	60	Sister of Dr Cheo Tong Choon and Mr Cheo Seng Jin;	Manager, Controller Department since 2008	None

BY ORDER OF THE BOARD

MICHELLE CHEO HUI NING

Chief Executive Officer and Executive Director

28<sup>th</sup> February 2012