

**MEWAH INTERNATIONAL INC.**

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

**AND ITS SUBSIDIARIES**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

*For the first half year ended 30 June 2021*

**MEWAH INTERNATIONAL INC.  
AND ITS SUBSIDIARIES**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
*Unaudited for the first half year ended 30 June 2021*

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**MEWAH INTERNATIONAL INC.  
AND ITS SUBSIDIARIES**
**CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT**
*Unaudited for the first half year ended 30 June 2021*

	Note to Condensed report	Note to Appendix 7.2	6 months ended 30 Jun 2021 US\$'000	6 months ended 30 Jun 2020 US\$'000	Change %
Revenue	3	8.1.2	<b>2,117,315</b>	1,485,252	42.6%
Cost of sales		8.1.2	<b>(1,973,753)</b>	(1,352,193)	46.0%
Gross profit		8.1.3	<b>143,562</b>	133,059	7.9%
Other income		8.1.5	<b>2,155</b>	1,820	18.4%
Other expenses and other losses (net)					
- Impairment loss on property, plant and equipment, and provision	5.1	8.1.6	<b>(2,378)</b>	(6,454)	-63.2%
- Other losses (Note A)	5.1	8.1.6	<b>(13,012)</b>	(21,114)	-38.4%
Provision of expected credit losses		8.1.7	<b>(3,052)</b>	(5,975)	-48.9%
Expenses					
- Selling and distribution		8.1.8	<b>(49,022)</b>	(18,839)	160.2%
- Administrative		8.1.9	<b>(41,657)</b>	(40,346)	3.2%
- Finance		8.1.10	<b>(3,968)</b>	(5,405)	-26.6%
Share of profit of associated company			<b>14</b>	20	-30.0%
Profit before tax	5	8.1.11	<b>32,642</b>	36,766	-11.2%
Income tax expense	6	8.1.12	<b>(8,422)</b>	(9,558)	-11.9%
<b>Profit for the financial period, net of tax</b>		8.1.13	<b>24,220</b>	27,208	-11.0%
<b>Profit after tax attributable to:</b>					
Equity holders of the Company			<b>24,488</b>	27,834	-12.0%
Non-controlling interests			<b>(268)</b>	(626)	-57.2%
			<b>24,220</b>	27,208	-11.0%
Earnings per share attributable to equity holders of the Company (expressed in US cents per share)					
- Basic and diluted			<b>1.63</b>	1.85	-11.9%

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

	Note to Appendix 7.2	6 months ended 30 Jun 2021 US\$'000	6 months ended 30 Jun 2020 US\$'000	Change %
Gross profit		<b>143,562</b>	133,059	7.9%
Add: Depreciation in Cost of sales		<b>10,019</b>	7,706	30.0%
Less: Selling and distribution expenses		<b>(49,022)</b>	(18,839)	160.2%
Less: Provision of expected credit losses		<b>(3,052)</b>	(5,975)	-48.9%
Less: Foreign exchange losses		<b>(13,134)</b>	(21,062)	-37.6%
<b>Operating margin</b>	8.1.4	<b>88,373</b>	94,889	-6.9%

*The accompanying notes form an integral part of these condensed interim financial statements.*

**MEWAH INTERNATIONAL INC.  
AND ITS SUBSIDIARIES****CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT***Unaudited for the first half year ended 30 June 2021*

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Note A: Other losses included foreign exchange losses of US\$13,134,000 for the first half year (H1 2020: losses of US\$21,062,000). 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 are better read together with gross profit.

**MEWAH INTERNATIONAL INC.  
AND ITS SUBSIDIARIES**
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME**
*Unaudited for the first half year ended 30 June 2021*

	6 months ended 30 Jun 2021 US\$'000	6 months ended 30 Jun 2020 US\$'000	Change %
<b>Profit for the financial period, net of tax</b>	<b>24,220</b>	27,208	-11.0%
<b>Other comprehensive income:</b>			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from foreign subsidiaries, net of tax			
- Losses	<b>(4,361)</b>	(5,962)	-26.9%
<b>Total comprehensive income for the period, net of tax</b>	<b>19,859</b>	21,246	-6.5%
<b>Total comprehensive income attributable to:</b>			
<b>Equity holders of the Company</b>	<b>19,907</b>	21,959	-9.3%
Non-controlling interests	<b>(48)</b>	(713)	-93.3%
	<b>19,859</b>	21,246	-6.5%

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*The accompanying notes form an integral part of these condensed interim financial statements.*

**MEWAH INTERNATIONAL INC.  
AND ITS SUBSIDIARIES**
**CONDENSED INTERIM BALANCE SHEET – GROUP AND COMPANY**
*Unaudited as at 30 June 2021*

	Note to Appendix 7.2	Group		Company	
		As at 30 Jun 2021 US\$'000	As at 31 Dec 2020 US\$'000	As at 30 Jun 2020 US\$'000	As at 31 Dec 2020 US\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Inventories	8.2.1	340,637	295,506	-	-
Trade receivables		318,508	282,875	-	-
Other receivables		56,864	64,425	316,758	302,476
Current income tax recoverable		794	3,008	-	-
Derivative financial instruments		47,977	110,238	-	-
Cash and cash equivalents		120,538	78,169	148	83
		<b>885,318</b>	<b>834,221</b>	<b>316,906</b>	<b>302,559</b>
<b>Non-current assets</b>					
Intangible asset	8.2.2	7,360	970	-	-
Property, plant and equipment		445,444	447,824	-	-
Investments in subsidiaries		-	-	849	849
Investment in associated company		625	667	-	-
Deferred income tax assets		614	503	-	-
Derivative financial instruments		1,194	-	18	-
		<b>455,237</b>	<b>449,964</b>	<b>867</b>	<b>849</b>
<b>Total assets</b>		<b>1,340,555</b>	<b>1,284,185</b>	<b>317,773</b>	<b>303,408</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables		116,168	141,486	-	-
Other payables		73,178	70,000	137	232
Contract liabilities		19,486	13,962	-	-
Lease liabilities		466	460	-	-
Current income tax liabilities		6,951	6,906	43	102
Derivative financial instruments		72,789	119,479	-	25
Borrowings		349,821	248,703	-	-
		<b>638,859</b>	<b>600,996</b>	<b>180</b>	<b>359</b>
<b>Non-current liabilities</b>					
Lease liabilities		5,735	5,971	-	-
Deferred income tax liabilities		28,502	31,413	2,341	2,150
Borrowings		38,417	35,476	-	-
		<b>72,654</b>	<b>72,860</b>	<b>2,341</b>	<b>2,150</b>
<b>Total liabilities</b>	8.2.3	<b>711,513</b>	<b>673,856</b>	<b>2,521</b>	<b>2,509</b>
<b>NET ASSETS</b>		<b>629,042</b>	<b>610,329</b>	<b>312,252</b>	<b>300,899</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company:</b>					
Share capital		1,501	1,501	1,501	1,501
Share premium		180,012	180,012	180,012	180,012
Other reserves		(38,490)	(33,909)	3,509	3,509
Retained profits		481,297	463,593	130,230	115,877
		<b>624,320</b>	<b>611,197</b>	<b>315,252</b>	<b>300,899</b>
<b>Non-controlling interests</b>		<b>4,722</b>	<b>(868)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>629,042</b>	<b>610,329</b>	<b>315,252</b>	<b>300,899</b>

*The accompanying notes form an integral part of these condensed interim financial statements.*

**MEWAH INTERNATIONAL INC.  
AND ITS SUBSIDIARIES**
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY - GROUP**
*Unaudited for the first half year ended 30 June 2021*

		← Attributable to equity holders of the Company →									
Note to Condensed report	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>2021</b>											
	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(1,425)</b>	<b>17,012</b>	<b>463,593</b>	<b>611,197</b>	<b>(868)</b>	<b>610,329</b>	
	-	-	-	-	-	-	24,488	24,488	(268)	24,220	
	-	-	-	-	-	(4,581)	-	(4,581)	220	(4,361)	
	-	-	-	-	-	<b>(4,581)</b>	<b>24,488</b>	<b>19,907</b>	<b>(48)</b>	<b>19,859</b>	
15	-	-	-	-	-	-	-	-	5,775	5,775	
7	-	-	-	-	-	-	(6,784)	(6,784)	(137)	(6,921)	
	-	-	-	-	-	-	<b>(6,784)</b>	<b>(6,784)</b>	<b>5,638</b>	<b>(1,146)</b>	
	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(1,425)</b>	<b>12,431</b>	<b>481,297</b>	<b>624,320</b>	<b>4,722</b>	<b>629,042</b>	
<b>2020</b>											
	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>12,261</b>	<b>378,700</b>	<b>522,258</b>	<b>309</b>	<b>522,567</b>	
	-	-	-	-	-	-	27,834	27,834	(626)	27,208	
	-	-	-	-	-	(5,875)	-	(5,875)	(87)	(5,962)	
	-	-	-	-	-	<b>(5,875)</b>	<b>27,834</b>	<b>21,959</b>	<b>(713)</b>	<b>21,246</b>	
7	-	-	-	-	-	-	-	-	(241)	(241)	
	-	-	-	-	-	-	-	-	<b>(241)</b>	<b>(241)</b>	
	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>6,386</b>	<b>406,534</b>	<b>544,217</b>	<b>(645)</b>	<b>543,572</b>	

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**MEWAH INTERNATIONAL INC.  
AND ITS SUBSIDIARIES**

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY - COMPANY**

*Unaudited for the first half year ended 30 June 2021*

	Note to Condensed report	Attributable to equity holders of the Company				Total equity US\$'000
		Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Retained profits US\$'000	
<b>2021</b>						
<b>Balance at 1 January 2021</b>		<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>115,877</b>	<b>300,899</b>
Profit for the period		-	-	-	21,137	21,137
<b>Total comprehensive income for the period</b>		-	-	-	<b>21,137</b>	<b>21,137</b>
Dividends	7	-	-	-	(6,784)	(6,784)
<b>Total transactions with owners, recognised directly in equity</b>		-	-	-	<b>(6,784)</b>	<b>(6,784)</b>
<b>Balance at 30 June 2021</b>		<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>130,230</b>	<b>315,252</b>
<b>2020</b>						
<b>Balance at 1 January 2020</b>		<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>114,233</b>	<b>299,255</b>
Profit for the period		-	-	-	2,795	2,795
<b>Total comprehensive income for the period</b>		-	-	-	<b>2,795</b>	<b>2,795</b>
<b>Balance at 30 June 2020</b>		<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>117,028</b>	<b>302,050</b>

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**MEWAH INTERNATIONAL INC.  
AND ITS SUBSIDIARIES**
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**
*Unaudited for the first half year ended 30 June 2021*

	Note to Condensed Report	<b>6 months ended 30 June 2021 US\$'000</b>	6 months ended 30 June 2020 US\$'000
<b>Cash flows from operating activities</b>			
Profit after tax		<b>24,220</b>	27,208
Adjustments for:			
- Income tax expense	6	<b>8,422</b>	9,558
- Depreciation of property, plant and equipment		<b>13,284</b>	11,131
- (Gains)/losses on disposal of property, plant and equipment		<b>(122)</b>	43
- Property, plant and equipment written off	5.1	<b>-</b>	9
- Impairment loss on property, plant and equipment	5.1	<b>2,378</b>	3,762
- Interest income		<b>(755)</b>	(604)
- Interest expense		<b>3,968</b>	5,405
- Share of profit of associated company		<b>(14)</b>	(20)
Operating cash flows before working capital changes		<b>51,381</b>	56,492
Changes in operating assets and liabilities:			
- Inventories		<b>(49,356)</b>	68,470
- Trade and other receivables		<b>(14,826)</b>	127,554
- Contract liabilities		<b>5,524</b>	1,607
- Trade and other payables		<b>(40,186)</b>	22,480
- Derivative financial instruments		<b>15,478</b>	(54,141)
Cash flows (used in)/from operations		<b>(31,985)</b>	222,462
Interest received		<b>755</b>	152
Interest paid		<b>(3,968)</b>	(5,405)
Income tax (paid)/refunded		<b>(8,590)</b>	891
<b>Net cash flows (used in)/from operating activities</b>		<b>(43,788)</b>	218,100
<b>Cash flows from investing activities</b>			
Decrease/(Increase) in other receivables		<b>3,934</b>	(1,230)
Additions to property, plant and equipment		<b>(8,452)</b>	(11,957)
Acquisition of subsidiaries	15	<b>(12,315)</b>	-
Proceeds from disposal of property, plant and equipment		<b>273</b>	75
<b>Net cash flows used in investing activities</b>		<b>(16,560)</b>	(13,112)
<b>Cash flows from financing activities</b>			
Proceeds from long term borrowings		<b>8,268</b>	11,371
Repayment of long term borrowings		<b>(11,231)</b>	(9,599)
Net proceeds/(repayments) from short term borrowings		<b>113,445</b>	(108,071)
Interest received		<b>-</b>	452
Repayment of lease liabilities		<b>(230)</b>	(281)
Dividends paid to equity holders of the Company	7	<b>(6,784)</b>	-
Dividends paid to non-controlling interests		<b>(137)</b>	(241)
<b>Net cash flows from/(used in) financing activities</b>		<b>103,331</b>	(106,369)
<b>Net change in cash and cash equivalents</b>		<b>42,983</b>	98,619
Cash and cash equivalents at beginning of financial period		<b>78,169</b>	61,814
Effect of changes in exchange rate on cash and cash equivalents		<b>(614)</b>	(1,861)
<b>Cash and cash equivalents at end of financial period</b>		<b>120,538</b>	158,572

*The accompanying notes form an integral part of these condensed interim financial statements.*

**MEWAH INTERNATIONAL INC.  
AND ITS SUBSIDIARIES**
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**
*Unaudited for the first half year ended 30 June 2021*
**Reconciliation of liabilities arising from financing activities**

	1 January 2021 US\$'000	Proceeds from borrowings US\$'000	Principal payments US\$'000	Non-cash changes Foreign exchange movement US\$'000	30 June 2021 US\$'000
Borrowings	<b>284,179</b>	<b>8,268</b>	<b>102,214</b>	<b>(6,423)</b>	<b>388,238</b>
Lease liabilities	<b>6,431</b>	-	<b>(230)</b>	-	<b>6,201</b>

  

	1 January 2020 US\$'000	Proceeds from borrowings US\$'000	Principal payments US\$'000	Non-cash changes Foreign exchange movement US\$'000	30 June 2020 US\$'000
Borrowings	400,897	11,371	(117,670)	(8,695)	285,903
Lease liabilities	7,727	-	(281)	-	7,446

*The accompanying notes form an integral part of these condensed interim financial statements.*

**MEWAH INTERNATIONAL INC.  
AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

*Unaudited for the first half year ended 30 June 2021*

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**1. Corporate information**

Mewah International Inc. (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in the Cayman Islands. These condensed interim financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the “Group”). The principal activity of the Company is that of investment holding.

The primary principal activities of the Group are:

- a. Manufacturing and selling of palm oil products;
- b. Trading of edible oils, fats, dairy, food products and agricultural raw materials

**2. Basis of preparation**

The condensed interim financial statements for the first half year ended 30 June 2021 have been prepared in accordance with the SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States Dollar (“US\$”) (“presentation currency”), which is the functional currency of the Company.

**2.1 New and amended standards adopted by the Group**

On 1 January 2021, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the current reporting period. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior interim periods.

**MEWAH INTERNATIONAL INC.  
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*Unaudited for the first half year ended 30 June 2021*

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**2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

(i) Valuation of commodities forward contracts

The Group is exposed to fluctuations in the prices of agri-commodities it deals in, including crude palm oil and palm oil products. The Group minimises the risk arising from such fluctuations by entering into commodities forward contracts and futures contracts (Note 9). As the Group has not adopted hedge accounting, the fair value changes on these derivative financial instruments are recognised in the profit or loss when the changes arise. The Group's commodities forward contracts are not traded in an active market and hence their fair values are estimated using a valuation technique as described in Note 9.

(ii) Assessment of recoverability of past due trade receivables of the Group

Management reviews its trade receivables on a regular basis to identify specific trade receivables that are credit impaired and recognises a loss allowance 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, management considers historical loss rates and adjusts to reflect current and forward looking macro-economic factors affecting the ability of the customers to settle the receivables.

**MEWAH INTERNATIONAL INC.  
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*Unaudited for the first half year ended 30 June 2021*

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**2.2 Use of judgements and estimates (continued)****(iii) Impairment assessment of the Group's property, plant and equipment**

Property, plant and equipment ("PPE") is tested for impairment whenever there are indications that these assets may be impaired. Management performs reviews to determine whether there are any indications of impairment in relation to the PPE held by the Group.

At 30 June 2021, management has identified indications of impairment relating to PPE of the Group. As the recoverable amount determined by management is less than the net book value of the PPE, the Group has recognised an impairment charge during the financial year amounting to US\$2,378,000. The recoverable amounts of the identified PPE are determined based on the value-in-use calculations.

The value-in-use calculations are based on a discounted cash flow model and requires the Group to make an estimate of the expected future cash flows from the continuing use of the PPE. The key assumption used in the value-in-use calculation that were subject to critical accounting estimates were relating to the estimation of the revenue, discount rate, terminal growth rate and operating margin.

**(iv) Uncertain tax position of the Group**

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances, incentives and deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction. Where the final outcome of these matters is different from the amounts that were initially recorded, such as due to changes in tax rules or revised interpretations of existing tax laws and precedent, such differences will impact the income tax provisions in the corresponding periods.

**(v) Business combination**

The consolidated financial statements reflect the acquisition of businesses during the financial period. The Group accounts for the acquired business using the acquisition method which requires the use of accounting estimates and assumptions to allocate the purchase price to the fair values of the acquiree's identifiable assets and liabilities at the acquisition date, particularly the fair value of the intangible assets identified from the acquisition. As at 30 June 2021, initial accounting of the business combination were based on the provisional amounts (Note 15).

**MEWAH INTERNATIONAL INC.  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

*Unaudited for the first half year ended 30 June 2021*

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**3. Segment and revenue information**

**3.1 Reportable segments**

Management has determined the operating segments based on the reports reviewed by the Management Committee (“Mancom”) that are used to make strategic decisions, allocate resources, and assess performance. The Mancom is the Group’s chief operating decision-maker and comprises the Chief Executive Officer, Chief Operating Officer, the Chief Financial Officer, and the department heads of each business within each segment.

The Mancom considers the business from two segments:

- (i) The bulk segment which sources, manufactures and sells edible oils and specialty fats and oils in bulk for a variety of end uses; and
- (ii) The consumer pack segment which manufactures and sells edible oils and bakery fats and rice to consumers in packaged form.

The Group measures and tracks the profitability in terms of operating margin and adjusted earnings before interest, tax, depreciation and amortisation (“Adjusted EBITDA”).

Operating margin is calculated as revenue, less cost of sales (excluding depreciation), selling and distribution expenses, allowance for expected credit losses and foreign exchange gains/(losses). Operating margin relating to inter-segment sales are reported under the segment where the final sales to third parties are made.

Sales between segments reported to the Mancom is measured in a manner consistent with the Group's accounting policies.

Adjusted EBITDA is calculated as operating margin add other income, less administrative expenses (excluding depreciation) and other gains excluding foreign exchange gains or losses which has considered in operating margin.

**MEWAH INTERNATIONAL INC.  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**
*Unaudited for the first half year ended 30 June 2021*
**3. Segment and revenue information (continued)**
**3.1 Reportable segments (continued)**

The segment information provided to the Mancom for the reportable segments for the first half year ended 30 June 2021 is as follows:

<u>Group</u>	<u>Bulk</u> US\$'000	<u>Consumer</u> <u>Pack</u> US\$'000	<u>Total</u> US\$'000
<b>Revenue</b>			
Total segment sales	1,739,699	536,919	2,276,618
Inter-segment sales	(152,837)	(6,466)	(159,303)
Revenue from external parties	<u>1,586,862</u>	<u>530,453</u>	<u>2,117,315</u>
<b>Operating margin</b>	<b>61,901</b>	<b>26,472</b>	<b>88,373</b>
Other income excluding interest income	735	665	1,400
Interest income	560	195	755
Administrative expenses, excluding depreciation	(17,827)	(20,565)	(38,392)
Other gains excluding foreign exchange gains and impairment of assets	29	93	122
<b>Adjusted EBITDA</b>	<b>45,398</b>	<b>6,860</b>	<b>52,258</b>
Depreciation	(9,154)	(4,130)	(13,284)
Finance expense	(2,348)	(1,620)	(3,968)
Impairment of assets	(2,378)	-	(2,378)
<b>Segment results</b>	<b>31,518</b>	<b>1,110</b>	<b>32,628</b>
<b>Unallocated</b>			
Income tax expense			(8,422)
Share of profit of an associate			14
<b>Profit after tax</b>			<u><b>24,220</b></u>
<b>Total segment assets</b>	<b>942,837</b>	<b>388,325</b>	<b>1,331,162</b>
<b>Unallocated</b>			
Current income tax recoverable			794
Intangible asset			7,360
Investment in associated company			625
Deferred income tax assets			614
<b>Total assets</b>			<u><b>1,340,555</b></u>
Total assets include:			
Additions to:			
- Property, plant and equipment	5,061	3,391	8,452
<b>Total segment liabilities</b>	<b>(466,148)</b>	<b>(209,912)</b>	<b>(676,060)</b>
<b>Unallocated</b>			
Current income tax liabilities			(6,951)
Deferred income tax liabilities			(28,502)
<b>Total liabilities</b>			<u><b>(711,513)</b></u>

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**3. Segment and revenue information (continued)**

**3.1 Reportable segments (continued)**

The segment information provided to the Mancom for the reportable segments for the financial year ended 30 June 2020 was as follows:

<u>Group</u>	<u>Bulk</u> US\$'000	<u>Consumer</u> <u>Pack</u> US\$'000	<u>Total</u> US\$'000
<b>Revenue</b>			
Total segment sales	1,240,902	398,151	1,639,053
Inter-segment sales	(149,462)	(4,339)	(153,801)
Revenue from external parties	<u>1,091,440</u>	<u>393,812</u>	<u>1,485,252</u>
<b>Operating margin</b>	<b>70,642</b>	<b>24,247</b>	<b>94,889</b>
Other income excluding interest income	805	411	1,216
Interest income	478	126	604
Administrative expenses, excluding depreciation	(18,926)	(17,995)	(36,921)
Other losses excluding foreign exchange gains	(30)	(22)	(52)
<b>Adjusted EBITDA</b>	<b>52,969</b>	<b>6,767</b>	<b>59,736</b>
Depreciation	(7,812)	(3,319)	(11,131)
Finance expense	(3,585)	(1,820)	(5,405)
Impairment of assets	(376)	(6,078)	(6,454)
<b>Segment results</b>	<b>41,196</b>	<b>(4,450)</b>	<b>36,746</b>
<b>Unallocated</b>			
Income tax credit			(9,558)
Share of profit of an associate			20
<b>Profit after tax</b>			<u><b>27,208</b></u>
<b>Total segment assets</b>	<b>815,656</b>	<b>277,275</b>	<b>1,092,931</b>
<b>Unallocated</b>			
Current income tax recoverable			1,060
Intangible asset			970
Investment in associated company			564
Deferred income tax assets			2,792
<b>Total assets</b>			<u><b>1,098,317</b></u>
Total assets include:			
Additions to:			
- Property, plant and equipment	7,631	4,326	11,957
<b>Total segment liabilities</b>	<b>(382,218)</b>	<b>(146,334)</b>	<b>(528,552)</b>
<b>Unallocated</b>			
Current income tax liabilities			(2,483)
Deferred income tax liabilities			(23,710)
<b>Total liabilities</b>			<u><b>(554,745)</b></u>



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**3. Segment and revenue information (continued)**
**3.2 Disaggregation of revenue**

	At a point in time US\$'000	Group	
		Over time US\$'000	Total US\$'000
<b>First half year ended 30 June 2021</b>			
Sale of palm based products in bulk	1,565,138	-	1,565,138
Sale of consumer products including edible oils and fats, rice and dairy in consumer packs	500,035	-	500,035
Shipping services*	-	48,548	48,548
Charter income	-	3,594	3,594
Total	<b>2,065,173</b>	<b>52,142</b>	<b>2,117,315</b>
<b>First half year ended 30 June 2020</b>			
Sale of palm based products in bulk	1,076,964	-	1,076,964
Sale of consumer products including edible oils and fats, rice and dairy in consumer packs	373,188	-	373,188
Shipping services*	-	32,199	32,199
Charter income	-	2,901	2,901
Total	<b>1,450,152</b>	<b>35,100</b>	<b>1,485,252</b>

\* Shipping services relate to revenue earned arising from the delivery of products sold to customers.

There is no transaction with a single external customer amounting to 10 per cent or more of the Group's revenues for the first half year ended 30 June 2021 and 2020.

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**4. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2021 US\$'000</b>	<b>31 December 2020 US\$'000</b>	<b>30 June 2021 US\$'000</b>	<b>31 December 2020 US\$'000</b>
Financial assets at fair value through profit or loss	<b>49,171</b>	110,238	<b>18</b>	-
Financial liabilities at fair value through profit or loss	<b>(72,789)</b>	(119,479)	-	(25)
Financial assets at amortised cost	<b>463,103</b>	392,449	<b>302,523</b>	302,462
Financial liabilities at amortised cost	<b>(578,144)</b>	(496,432)	<b>(137)</b>	(232)

**5. Profit before taxation**
**5.1 Other expenses and other losses (net)**

	<b>Group</b>	
	<b>6 months ended 30 June 2021 US\$'000</b>	<b>6 months ended 30 June 2020 US\$'000</b>
<b>Other expenses</b>		
Impairment losses on property, plant and equipment	<b>(2,378)</b>	(3,762)
Impairment losses on other receivables	-	(2,692)
	<b>(2,378)</b>	(6,454)
<b>Other losses</b>		
Foreign exchange losses – net	<b>(13,134)</b>	(21,062)
Gains/(losses) on disposal of property, plant and equipment	<b>122</b>	(43)
Property, plant and equipment written off	-	(9)
	<b>(13,012)</b>	(21,114)

**MEWAH INTERNATIONAL INC.  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**
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**5. Profit before taxation (continued)**
**5.2 Related party transactions**

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	<b>6 months ended 30 June 2021 US\$'000</b>	<b>Group 6 months ended 30 June 2020 US\$'000</b>
Sales of finished goods to related parties	7,519	7,668
Purchases of raw materials from related parties	584	367
Gains from derivative financial instruments from related parties	137	53
Rental received/receivable		
- Associated company	2	2
- Related party	21	15
Interest income from related parties	1	-
Service fee income received/receivable		
- Associated company	21	21
Services paid/payable		
- Transportation and forwarding		
- Associated company	894	1,141
- Related party	65	96
- Packing material to related parties	254	182
- Consultation fees to related parties	1,081	995
- Travelling expenses to related parties	16	15

Related parties comprise mainly companies or individuals which are controlled or significantly influenced by the Group's key management personnel and their close family members.

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**6. Taxation**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated income statement are:

	<b>6 months ended 30 June 2021 US\$'000</b>	6 months ended 30 June 2020 US\$'000
Current income tax expense	15,607	3,797
Deferred income tax (credit)/expense relating to origination and reversal of temporary differences	<b>(7,185)</b>	5,761
	<b>8,422</b>	9,558

**7. Dividends**

<b>Group and Company</b>	
<b>6 months ended 30 June 2021 US\$'000</b>	6 months ended 30 June 2020 US\$'000

**Declared and paid during the financial period:**

Dividends on ordinary shares:

- Final exempt one-tier dividend of S\$0.0060 for 2020  
(2019: S\$Nil) per share

**6,784**

-

**Declared after the financial period and not recognised  
as a liability as at 30 June:**

Interim exempt one-tier dividend of S\$0.0027 (2020:  
S\$0.0015) per share

3,013

1,647

**8. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2021 US\$'000</b>	31 December 2020 US\$'000	<b>30 June 2021 US\$'000</b>	31 December 2020 US\$'000
Net asset value per ordinary share	<b>41.60</b>	40.73	<b>21.01</b>	20.05

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**9. Fair value measurement**

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	<u>Level 1</u> US\$'000	<u>Level 2</u> US\$'000	<u>Total</u> US\$'000
<b>Group</b>			
<b>30 June 2021</b>			
<b>Financial Assets</b>			
Derivative financial instruments (Note 12)			
- Currency forward contracts	-	6,577	6,577
- Commodities forward contracts	-	36,592	36,592
- Futures contracts on commodity exchange	6,002	-	6,002
	<b>6,002</b>	<b>43,169</b>	<b>49,171</b>
<b>Financial Liabilities</b>			
Derivative financial instruments (Note 12)			
- Currency forward contracts	-	(4,878)	(4,878)
- Commodities forward contracts	-	(67,911)	(67,911)
	-	<b>(72,789)</b>	<b>(72,789)</b>
<b>31 December 2020</b>			
<b>Financial Assets</b>			
Derivative financial instruments (Note 12)			
- Currency forward contracts	-	9,069	9,069
- Commodities forward contracts	-	57,643	57,643
- Futures contracts on commodity exchange	43,526	-	43,526
	<b>43,526</b>	<b>66,712</b>	<b>110,238</b>
<b>Financial Liabilities</b>			
Derivative financial instruments (Note 12)			
- Currency forward contracts	-	(13,105)	(13,105)
- Commodities forward contracts	-	(106,374)	(106,374)
	-	<b>(119,479)</b>	<b>(119,479)</b>

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**
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**9. Fair value measurement (continued)**

	<u>Level 1</u> US\$'000	<u>Level 2</u> US\$'000	<u>Total</u> US\$'000
<b>Company</b>			
<b>30 June 2021</b>			
<b>Financial Assets</b>			
Derivative financial instruments (Note 12)			
- Currency forward contracts	-	18	18
<b>31 December 2020</b>			
<b>Financial Liabilities</b>			
Derivative financial instruments (Note 12)			
- Currency forward contracts	-	(25)	(25)

There were no transfers between Levels 1 and 2 during the year. The Group's commodities futures contracts are traded in active markets and their fair values reflect quoted prices at the balance sheet date in active markets such as Bursa Malaysia. These instruments are included in Level 1.

The Group's commodities forward contracts are not traded in an active market. Their fair values are estimated by a valuation technique that takes into consideration various sources of indicative market prices. The sources of indicative market prices include prices listed on the Malaysian Palm Oil Board (MPOB), prices obtained from an international news agency, quotes obtained from brokers and actual contracted prices entered into at the balance sheet date. The fair values of currency forward contracts are determined using quoted forward exchange rates at the balance sheet date. These instruments are included in Level 2.

The carrying value less allowance for expected credit losses of trade and other receivables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of current borrowings and lease liabilities approximates their carrying amounts.

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**10. Intangible asset**

	Goodwill US\$'000	Group Intangible assets US\$'000	Total US\$'000
<b>Arising from acquisition of subsidiaries</b>			
<b>At 30 June 2021</b>			
Beginning of first half year	970	-	970
Acquisition of subsidiaries (Note 15)	-	6,390	6,390
End of first half year	<u>970</u>	<u>6,390</u>	<u>7,360</u>
<b>At 31 December 2020</b>			
Beginning and end of financial year	<u>970</u>	-	<u>970</u>

Intangible asset in relation to acquisition of subsidiaries (Note 15) have been determined provisionally as the underlying purchase price allocation is still ongoing. The purchase price allocation to goodwill, intangibles (excluding goodwill) and other assets and liabilities is currently being assessed and is expected to be finalised within 12 months from the date of acquisition and hence the intangibles asset has not been allocated to the relevant cash-generating-units.

Based on the management's assessment, there were no impairment indicators for the goodwill as at 30 June 2021.

**MEWAH INTERNATIONAL INC.  
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*Unaudited for the first half year ended 30 June 2021*


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**11. Property, plant and equipment**

During the first half year ended 30 June 2021, the Group acquired property, plant and equipment amounting to US\$8,452,000 (30 June 2020: US\$11,957,000), acquisition from subsidiaries amounting to US\$17,522,000 (30 June 2020: US\$Nil) and disposed of property, plant and equipment amounting to US\$151,000 (30 June 2020: US\$32,000).

**12. Derivative financial instruments**

Currency forward contracts are entered into by the Group to manage exposure to fluctuations in foreign currency exchange rates.

The Group enters into commodities forward contracts and futures contracts to protect the Group from movements in market prices of crude palm oil and palm oil products by establishing the price at which the products will be sold or purchased.

**(a) Current portion**

	<b>Group</b>	
	<b><u>Fair values</u></b>	
	<b>Asset</b>	<b>Liability</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>30 June 2021</b>		
Currency forward contracts (Note 9)	6,577	(4,878)
Commodities forward contracts (Note 9)	36,298	(67,911)
Futures contracts on commodity exchange (Note 9)	5,102	-
<b>Total</b>	<b><u>47,977</u></b>	<b><u>(72,789)</u></b>
<b>31 December 2020</b>		
Currency forward contracts (Note 9)	9,069	(13,105)
Commodities forward contracts (Note 9)	57,643	(106,374)
Futures contracts on commodity exchange (Note 9)	43,526	-
<b>Total</b>	<b><u>110,238</u></b>	<b><u>(119,479)</u></b>
<b>Company</b>		
<b><u>Fair values</u></b>		
	<b>Asset</b>	<b>Liability</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>30 June 2021</b>		
Currency forward contracts (Note 9)	<u>18</u>	-
<b>31 December 2020</b>		
Currency forward contracts (Note 9)	<u>-</u>	<u>(25)</u>



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**12. Derivative financial instruments (continued)**
**(b) Non-current portion**

	<b>Group Fair values</b>	
	<b>Asset US\$'000</b>	<b>Liability US\$'000</b>
<b>30 June 2021</b>		
Commodities forward contracts (Note 9)	294	-
Futures contracts on commodity exchange (Note 9)	900	-
	<b>1,194</b>	<b>-</b>

**13. Borrowings**

	<b>Group</b>	
	<b>30 June 2021 US\$'000</b>	<b>31 December 2020 US\$'000</b>
<i>Current</i>		
Bank borrowings:		
- Trade financing	<b>342,882</b>	227,819
- Revolving credit	-	7,233
- Hire purchase	<b>478</b>	477
- Term loans	<b>6,461</b>	13,174
	<b>349,821</b>	<b>248,703</b>
<i>Non-current</i>		
Bank borrowings:		
- Hire purchase	<b>2,360</b>	2,692
- Term loans	<b>36,057</b>	32,784
	<b>38,417</b>	<b>35,476</b>
Total borrowings	<b>388,238</b>	<b>284,179</b>

Securities granted

Total borrowings include secured liabilities of US\$37,920,000 (31 December 2020: US\$36,343,000). The borrowings of the Group are secured by certain property, plant and equipment.

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**14. Share capital and share premium**

	<u>No. of ordinary shares</u>		<u>Amount</u>		
	Authorised share capital at par value of <u>US\$0.001</u> '000	Issued share capital at par value of <u>US\$0.001</u> '000	Authorised share capital at par value of <u>US\$0.001</u> US\$'000	Share capital at par value of <u>US\$0.001</u> US\$'000	Share premium US\$'000
<u>Group and Company</u>					
<b>30 June 2021</b>					
Beginning and end of interim period, ordinary shares at par value, US\$0.001	<b>30,000,000</b>	<b>1,500,667</b>	<b>30,000</b>	<b>1,501</b>	<b>180,012</b>
<b>31 December 2020</b>					
Beginning and end of financial year, ordinary shares at par value, US\$0.001	30,000,000	1,500,667	30,000	1,501	180,012

All issued ordinary shares were fully paid. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

**15. Business combinations**
Business combinations under "acquisition method"

On 1 March 2021, the Group completed the acquisition of 68.4% of the issued equity of Mega Agro Pte. Ltd. ("MAPL"), a company incorporated in Singapore, from a non-related party, Able Perfect International Pte. Ltd. ("APIPL") through its wholly owned subsidiary, Ngo Chew Hong Investment Pte Ltd, a company incorporated in Singapore. MAPL holds 95% equity interest in PT Able Commodities Indonesia ("PTACI"), an Indonesian company which owns and operates facilities to refine and pack palm oil and its derivatives. The total purchase consideration of US\$17,115,000 comprises the purchase of 68.4% MAPL's shares amounting to US\$3,815,000 and the settlement of a loan payable of US\$13,300,000 to APIPL by PTACI.

The effects of the acquisition are as follows:

	<b>US\$'000</b>
(i) <i>Purchase consideration</i>	
Cash paid	12,315
Contingent consideration [Note (vi) below]	4,800
Total purchase consideration	<b>17,115</b>
(ii) <i>Effect on cash flows of the Group</i>	
Cash paid (as above)	(12,315)
Less: Cash and cash equivalents in subsidiaries acquired	-
<b>Cash outflow on acquisition</b>	<b>(12,315)</b>

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**15. Business combinations (continued)**
Business combinations under “acquisition method” (continued)

	<b>At estimated fair value US\$'000</b>
<i>(iii) Identifiable assets acquired and liabilities assumed</i>	
Property, plant and equipment	17,522
Inventories	4,862
Trade and other receivables	5,418
Cash and cash equivalents	983
Deferred tax liabilities	5
Total assets	<u>28,790</u>
Trade and other payables	(12,268)
Current tax liabilities	(22)
Total liabilities	<u>(12,290)</u>
<b>Total identifiable net assets</b>	<b>16,500</b>
Less: Non-controlling interests at fair value [Note (v) below]	(5,775)
Add: Intangible asset (Note 10)	6,390
<b>Consideration transferred for the business</b>	<b><u>17,115</u></b>

*(iv) Fair values and intangible asset*

The purchase price allocation to goodwill, intangibles (excluding goodwill) and other assets and liabilities is currently being assessed and is expected to be finalised within 12 months from the date of acquisition and hence the intangibles asset has not been allocated to the relevant cash-generating-units.

*(v) Non-controlling interests*

The Group has recognised the 35.0% non-controlling interests of US\$5,775,000.

*(vi) Contingent consideration*

The Group is required to make contingent payments after satisfactory commissioning of the refinery plant by the Group and installation of an additional packing facility by APIPL. The contractual timelines can be extended by mutual agreement between both the parties. The fair value of these contingent consideration as at acquisition date was estimated to be US\$4,800,000.

**16. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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**MEWAH INTERNATIONAL INC.  
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Other Information Required by Listing Rule  
Appendix 7.2

**MEWAH INTERNATIONAL INC.  
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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 current financial period reported on; and immediately preceding financial year	32
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*Some figures and percentages within the explanations may not exactly match due to rounding off.*

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**Part I Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements**
**1(a)(i) INCOME STATEMENT**

Please refer to Condensed Interim Consolidated Income Statement.

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

Please refer to Condensed Interim Consolidated Statement of Comprehensive Income.

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

Please refer to Consolidated Interim Balance Sheet.

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

	Group As at 30 Jun 2021		Group As at 31 Dec 2020	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
The amount repayable in one year or less, or on demand	6,094	343,727	4,477	244,226
The amount repayable after one year	31,826	6,591	31,866	3,610
	<b>37,920</b>	<b>350,318</b>	<b>36,343</b>	<b>247,836</b>

**Details of collaterals**

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

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

Please refer to Condensed Interim Consolidated Statement of Cash Flows.

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

Please refer to Condensed Interim Statements of Changes in Equity.

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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, subdivision, consolidation, 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>H1 2021</b>		
<b>Issued and fully paid ordinary shares</b>		
Balance at beginning/end of the 6 months period	<u>1,500,667,440</u>	<u>1,501</u>
<b>H1 2020</b>		
<b>Issued and fully paid ordinary shares</b>		
Balance at beginning/end of the financial year	<u>1,500,667,440</u>	<u>1,501</u>

**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 2021 (31 Dec 2020: 1,500,667,440).

The Company did not hold any treasury shares as at 30 Jun 2021 (31 Dec 2020: Nil). There were no unissued shares of the Company or its subsidiaries under option as at 30 Jun 2021 (31 Dec 2020: 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.

**3A. WHERE THE LATEST FINANCIAL STATEMENTS ARE SUBJECT TO AN ADVERSE OPINION, QUALIFIED OPINION OR DISCLAIMER OF OPINION**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 period compared to the Group's most recently audited financial statements for the year ended 31 Dec 2020 except for the new or amended SFRS(I) that are mandatory for application for the financial year beginning on or after 1 Jan 2021. Changes to the Group's accounting policies have been made as required. The adoption of these new or amended SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

**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.

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**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 SIX MONTHS ENDED	
	30 Jun 2021	30 Jun 2020
Basic and diluted based on weighted average number of shares (US cents per share)	1.63	1.85
Weighted average number of shares applicable to basic and diluted earnings per share ('000)	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 As at		Company As at	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	41.60	40.73	21.01	20.05

**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.

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**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 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 consumer pack form and sell 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 ("OM"):

	Total			Bulk			Consumer Pack		
	H1 2021	H1 2020	Change	H1 2021	H1 2020	Change	H1 2021	H1 2020	Change
Sales volume (MT'000)	<b>2,124.5</b>	2,169.9	-2.1%	<b>1,571.6</b>	1,661.8	-5.4%	<b>552.9</b>	508.1	8.8%
Revenue (US\$'million)	<b>2,117.3</b>	1,485.3	42.6%	<b>1,586.8</b>	1,091.4	45.4%	<b>530.5</b>	393.9	34.7%
Average selling prices (US\$)	<b>996.6</b>	684.5	45.6%	<b>1,009.7</b>	656.8	53.7%	<b>959.5</b>	775.2	23.8%
OM (US\$'million)	<b>88.4</b>	94.9	-6.9%	<b>61.9</b>	70.6	-12.3%	<b>26.5</b>	24.3	9.1%
OM per MT (US\$)	<b>41.6</b>	43.7	-4.8%	<b>39.4</b>	42.5	-7.3%	<b>47.9</b>	47.8	0.2%

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

In the first half of 2021 there has been gradual economic recovery from the effects of Covid-19 across many major economies including China and slowly Europe and USA. Overall market sentiments have cautiously improved though the Covid-19 pandemic is still widespread as can be seen from the surge in Covid-19 cases in Southeast Asia. However, the continuing monetary easing measures by various central banks together with government stimulus in response to Covid-19 pressures are some of the reasons that commodity prices have remained high. Crude Palm Oil ("CPO") price also recorded its historical high since 2008 at RM4,787/tonne in May 2021 and MPOB spot price closed higher at RM3,850/tonne in H12021 compared to RM2,395/tonne in H12020. Foreign labour shortage in Malaysia together with dry weather conditions in major competing edible oil producing countries added to the factors supporting these high CPO prices. In H12021, due to continuing market demand amidst sentiments of a constrained supply, the Group was able to retain the trust of their customers with its supply chain resilience, dependability and financial stability.

The bulk segment of the Group was able to repeat its strong first half performance of 2020 though with a slight reduction by 5.4% in the sales volume and a correction of 12.3% in the operating margin due to a higher base of H12020. For the consumer pack segment, despite the escalated ocean freights caused by the tightness in containers availability, the Group has maintained its operating margin of H12020 with an increase of 8.8% in volumes compared to H12020. These impressive results were an outcome of Group's integrated business model, large-scale manufacturing facilities, strong distribution capabilities, deep market insights, loyal and long-standing customer-supplier base, well-established brands and the unwavering spirit of the employees to deliver day upon day relentlessly under the present Covid-19 environment.

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**8.1.1 Sales volume**

For the first half year ended 30 Jun 2021 (“H1 2021”), the Group’s sales volume has registered a decrease of 2.1% to 2,124,500 MT. Bulk Segment recorded a decrease of 5.4% to 1,571,600 MT and Consumer Pack segment recorded an increase of 8.8% to 552,900 MT. Bulk and Consumer Pack segments contributed 74.0% and 26.0% of total sales volume respectively (H1 2020: 76.6% and 23.4% respectively).

**8.1.2 Revenue and Cost of sales**

For H1 2021, revenue increased 42.6% to US\$2,117.3 million on the back of 45.6% higher average selling prices, despite 2.1% lower sales volume. Bulk segment recorded an increase of 45.4% in revenue supported by 53.7% higher average selling prices partially offset by 5.4% lower sales volume. Consumer Pack segment recorded an increase of 34.7% in revenue due to 8.8% higher sales volume and 23.8% higher average selling prices. Bulk and Consumer Pack segments contributed 74.9% and 25.1% of total revenue respectively (H1 2020: 73.5% and 26.5% respectively). Correspondingly, cost of sales, mainly consisting of cost of inventories increased 46.0% to US\$1,973.8 million, in line with the increase in revenue.

**8.1.3 Gross profit**

For H1 2021, an increase of US\$632.1 million in revenue and increase in cost of sales of US\$621.6 million resulted in gross profit increasing by US\$10.5 million.

The Group reviews the performance at operating margin level as explained under section 8.1.4.

**8.1.4 Operating margin**

For H1 2021, 2.1% lower sales volume and lower OM of US\$41.6 per MT compared to US\$43.7 in H1 2020 resulted in total operating margin decreased 6.9% to US\$88.4 million. For Bulk segment, 5.4% lower sales volume and lower OM of US\$39.4 per MT compared to US\$42.5 in H1 2020 resulted in total operating margin decreased 12.3% to US\$61.9 million. For Consumer Pack segment, operating margin increased 9.1% to US\$26.5 million on the back of 8.8% higher sales volume and higher operating margin of US\$47.9 per MT compared to US\$47.8 in H1 2020. The segments contributed 70.0% and 30.0% of total operating margin respectively (H1 2020: 74.4% and 25.6% respectively).

**8.1.5 Other income**

For H1 2021, other income of US\$2.2 million (H1 2020: US\$1.8 million) included interest income of US\$0.8 million (H1 2020: US\$0.6 million).

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

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**8.1.6 Other expenses and other losses (net)**

	<b>Group</b>		<b>Change</b>
	<b>SIX MONTHS ENDED</b>		
	<b>30 Jun 2021</b>	<b>30 Jun 2020</b>	<b>%</b>
	<b>US\$'000</b>	<b>US\$'000</b>	
<b>Other expenses</b>			
Impairment losses on other receivables	-	(2,692)	-100.0%
Impairment losses on property, plant and equipment	<b>(2,378)</b>	(3,762)	-36.8%
	<b>(2,378)</b>	(6,454)	-63.2%
<b>Other losses</b>			
Foreign exchange losses	<b>(13,134)</b>	(21,062)	-37.6%
Gains/(Losses) on disposal of property, plant and equipment	<b>122</b>	(43)	n.m.
Property, plant and equipment written off	-	(9)	-100.0%
	<b>(13,012)</b>	(21,114)	-38.4%

n.m. – not meaningful

Foreign exchange losses or gains 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 losses or gains are better read together with gross profit.

For H1 2021, impairment losses on property, plant and equipment arose from certain assets that are presently expected to perform below investment projections over next year. Based on the review of the recoverable amount, an impairment loss of US\$2.4 million was provided.

**8.1.7 Provision 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.

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**8.1.8 Selling and distribution expenses**

	<b>Group</b>		Change %
	<b>30 Jun 2021</b>	<b>30 Jun 2020</b>	
	<b>US\$'000</b>	<b>US\$'000</b>	
Freight	2,231	598	273.1%
Storage, handling and forwarding	17,038	16,570	2.8%
Export duties	28,580	601	4655.4%
Other selling and distribution expenses	1,173	1,070	9.6%
<b>Total</b>	<b>49,022</b>	<b>18,839</b>	<b>160.2%</b>

n.m. – not meaningful

The selling and distribution expenses increased US\$30.2 million were mainly due to export duty imposed by Malaysia since 1 Jan 2021. 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.

**8.1.9 Administrative expenses**

For H1 2021, administrative expenses increased 3.2% to US\$41.7 million from US\$40.3 million for the corresponding period last year.

**8.1.10 Finance expenses**

For H1 2021, finance expenses decreased 26.6% to US\$4.0 million from US\$5.4 million for the corresponding period last year due to lower effective interest rates.

**8.1.11 Profit before tax**

For H1 2021, the profit before tax decreased US\$4.1 million from US\$36.8 million for H1 2020 to US\$32.6 million for the current period mainly due to decrease in operating margin of US\$6.5 million and increase in other operating expenses of US\$3.4 million, partially offset by decrease in finance expenses of US\$1.4 million, decrease in impairment losses on property, plant and equipment of US\$1.4 million, decrease in impairment losses on other receivables of US\$2.7 million and increase in other income of US\$0.3 million.

**8.1.12 Income tax**

For H1 2021, income tax expense decreased to US\$8.4 million compared to US\$9.6 million for the corresponding period last year due to lower profit before tax.

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**8.1.13 Profit after tax**

For H1 2021, the Group reported a profit after tax of US\$24.2 million compared to US\$27.2 million for H1 2020. Profit after tax attributable to equity holders of the Company was US\$24.5 million compared to US\$27.8 million for H1 2020.

**8.2 Statement of financial position****8.2.1 Current assets**

Current assets increased US\$51.1 million from US\$834.2 million to US\$885.3 million mainly due to:

- (b) increase of US\$45.1 million in inventories, giving inventories days of 31 days (31 Dec 2020: 34 days). The Group was carrying higher inventories due to higher average prices as at 30 Jun 2021.
- (c) increase of US\$35.6 million in trade receivables, giving trade receivables days of 27 days (31 Dec 2020: 30 days). The increase in trade receivables was due to higher average selling prices as at 30 Jun 2021.
- (d) decrease of US\$7.6 million in other receivables mainly due to decrease in commodity trading variation margin payment.
- (e) decrease of US\$62.3 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.
- (f) increase of US\$42.4 million in cash and cash equivalents as explained in Note 8.3.

**8.2.2 Non-current assets**

Non-current assets increased US\$5.3 million from US\$450.0 million to US\$455.2 million mainly due to intangible assets of US\$6.4 million determined provisionally as the underlying purchase price allocation of acquisition of Mega Agro Pte. Ltd. ("MAPL") is still ongoing. The purchase price allocation to goodwill, intangibles (excluding goodwill) and other assets and liabilities is currently being assessed and is expected to be finalised within 12 months from the date of acquisition and hence the intangibles asset has not been allocated to the relevant cash-generating-units.

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**8.2.3 Total liabilities**

Total liabilities increased US\$37.7 million from US\$673.9 million to US\$711.5 million mainly due to:

- (a) increase of US\$104.1 million in borrowings due to increase in working capital requirements and as part of overall cash flow planning.
- (b) decrease of US\$25.3 million in trade payables, giving trade payables days of 11 days (31 Dec 2020: 16 days). Amount of trade payables depends on payment terms for the purchases and is part of overall cash flow planning.
- (c) increase of US\$3.2 million in other payables.
- (d) increase of US\$5.5 million in contract liabilities mainly due to increase in advances received from customer.
- (e) decrease of US\$46.7 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.



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**8.3 Consolidated statement of cash flows****H1 2021**

The Group generated operating cash flows of US\$51.4 million before working capital changes and utilised US\$83.4 million from changes in working capital. The Group utilised US\$11.8 million for net interest and income tax, thus the net cash flows used in operating activities was at US\$43.8 million. US\$16.6 million was used for investing activities and US\$103.3 million generated from financing activities. After adjusting for effect of changes in exchange rate, cash and cash equivalents increased by US\$42.4 million to US\$120.5 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**

The agriculture and food sector supply chain has demonstrated very high resilience to the global Covid-19 pandemic led disruptions. The Group's business continues to perform well during this pandemic demonstrating the long-term efficacy of its strategy and plans. With the gathering pace of vaccine roll out, international borders are expected to re-open eventually leading to further improvements in business conditions. However, risks do persist, therefore supporting our customers and keeping our employees safe remain our immediate priorities. The Group with a robust balance sheet is well placed to grow sustainably. Investment in our strategic areas with focus on execution remain the key.

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**11. DIVIDEND**

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

Yes.

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

(i) Current Financial Period Reported On

Name of dividend	Interim exempt dividends
Dividend type	Cash
Dividend amount per share (Singapore cent per share)	0.27

(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)	0.15

(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 is tax exempt and declared in Singapore.

(d) Date Payable

1 September 2021

(e) Books Closure Date

23 August 2021

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

Not applicable.

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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 2021 US\$'000	H1 2021 US\$'000
Prelude Gateway Sdn. Bhd.	72	905
Ecolex Sdn. Bhd.	14	12,907
Containers Printers Pte Ltd	NIL	271
Nature International Pte Ltd	12	NIL
Mr Cheo Seng Jin	540	NIL
Mr Cheo Tiong Choon	540	NIL
Kent Holidays (S) Pte Ltd	13	NIL
Choon Heng Logistics Pte Ltd	65	NIL
Futura Ingredients Singapore Pte Ltd	85	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 2021 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  
13 Aug 2021