

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012

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**PART I INFORMATION REQUIRED FOR QUARTERLY, HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a)(i) INCOME STATEMENT**

	Note	Group THREE MONTHS ENDED			Group TWELVE MONTHS ENDED		
		31 Dec 2012	31 Dec 2011	Change	31 Dec 2012	31 Dec 2011	Change
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	8.1.1	<b>767,818</b>	1,014,644	-24.3%	<b>3,620,781</b>	4,467,933	-19.0%
Cost of sales	8.1.2	<b>(715,562)</b>	(934,934)	-23.5%	<b>(3,408,599)</b>	(4,282,314)	-20.4%
Gross profit	8.1.3	<b>52,256</b>	79,710	-34.4%	<b>212,182</b>	185,619	14.3%
Other income	8.1.7	<b>4,626</b>	2,262	104.5%	<b>10,840</b>	7,873	37.7%
Expenses							
- Selling and distribution expenses	8.1.4	<b>(30,498)</b>	(38,419)	-20.6%	<b>(109,193)</b>	(109,747)	-0.5%
- Administrative expenses	8.1.8	<b>(18,494)</b>	(23,404)	-21.0%	<b>(72,159)</b>	(64,685)	11.6%
- Other (losses) / gains	8.1.5	<b>(2,771)</b>	(12,218)	-77.3%	<b>(6,127)</b>	31,868	n.m.
- Finance costs	8.1.9	<b>(4,365)</b>	(3,417)	27.7%	<b>(17,477)</b>	(12,887)	35.6%
Share of profit of associated company		<b>28</b>	20	40.0%	<b>60</b>	123	-51.2%
Profit before tax	8.1.10	<b>782</b>	4,534	-82.8%	<b>18,126</b>	38,164	-52.5%
Income tax credit	8.1.11	<b>7,685</b>	7,203	6.7%	<b>5,399</b>	1,094	393.5%
<b>Profit after tax</b>	8.1.12	<b>8,467</b>	11,737	-27.9%	<b>23,525</b>	39,258	-40.1%
<b>Profit after tax attributable to:</b>							
<b>Equity holders of the company</b>	8.1.12	<b>9,043</b>	12,665	-28.6%	<b>24,788</b>	42,245	-41.3%
Non-controlling interests		<b>(576)</b>	(928)	-37.9%	<b>(1,263)</b>	(2,987)	-57.7%
		<b>8,467</b>	11,737	-27.9%	<b>23,525</b>	39,258	-40.1%

**The following items have been included**

**in arriving at profit after tax:**

Interest income	<b>4,573</b>	1,955	133.9%	<b>9,571</b>	5,548	72.5%
Fair value gains on put option	<b>1,260</b>	-	n.m.	<b>1,260</b>	-	n.m.
Impairment of goodwill	<b>(3,161)</b>	(2,717)	16.3%	<b>(3,161)</b>	(2,717)	16.3%
Depreciation	<b>(4,486)</b>	(3,776)	18.8%	<b>(16,889)</b>	(14,142)	19.4%
Amortisation	<b>(327)</b>	(58)	463.8%	<b>(929)</b>	(58)	1501.7%

n.m. – not meaningful

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012

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

	Group			Group		
	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	31 Dec 2012	31 Dec 2011	Change	31 Dec 2012	31 Dec 2011	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Profit after tax</b>	<b>8,467</b>	11,737	-27.9%	<b>23,525</b>	39,258	-40.1%
<b>Other comprehensive income:</b>						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from foreign subsidiaries, net of tax	<b>1,091</b>	1,879	-41.9%	<b>7,853</b>	(3,798)	n.m.
<b>Total comprehensive income, net of tax</b>	<b>9,558</b>	13,616	-29.8%	<b>31,378</b>	35,460	-11.5%
<b>Total comprehensive income attributable to:</b>						
<b>Equity holders of the company</b>	<b>10,239</b>	14,613	-29.9%	<b>32,659</b>	38,247	-14.6%
Non-controlling interests	<b>(681)</b>	(997)	-31.7%	<b>(1,281)</b>	(2,787)	-54.0%
	<b>9,558</b>	13,616	-29.8%	<b>31,378</b>	35,460	-11.5%

n.m. – not meaningful

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012

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

	Note	Group		Company	
		As at	As at	As at	As at
		31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
		US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Inventories	8.3.1	243,446	307,490	-	-
Trade receivables	8.3.2	443,963	410,963	-	-
Other receivables	8.3.5	93,473	24,590	201,750	154,434
Current income tax recoverable		16,518	20,613	-	-
Deferred income tax assets		661	-	-	-
Derivative financial instruments	8.3.6	101,235	38,747	2	-
Cash and cash equivalents	8.3.7	48,747	136,799	381	41,082
		<b>948,043</b>	<b>939,202</b>	<b>202,133</b>	<b>195,516</b>
<b>Non-current assets</b>					
Property, plant and equipment	8.3.8	338,661	287,796	-	-
Leasehold prepayments	8.3.9	17,780	13,514	-	-
Investments in subsidiaries		-	-	820	820
Investment in associated company		271	204	-	-
Intangible asset	8.3.10	-	3,189	-	-
Derivative financial instruments	8.3.6	796	185	-	-
		<b>357,508</b>	<b>304,888</b>	<b>820</b>	<b>820</b>
<b>Total assets</b>		<b>1,305,551</b>	<b>1,244,090</b>	<b>202,953</b>	<b>196,336</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables	8.3.3	243,503	210,463	-	-
Other payables		46,078	51,353	250	203
Current income tax liabilities		3,784	1,157	492	248
Derivative financial instruments	8.3.6	56,099	42,317	-	30
Borrowings	8.3.11	284,266	339,359	-	-
		<b>633,730</b>	<b>644,649</b>	<b>742</b>	<b>481</b>
<b>Non-current liabilities</b>					
Borrowings	8.3.11	99,406	46,771	-	-
Deferred income tax liabilities		12,468	14,880	375	-
		<b>111,874</b>	<b>61,651</b>	<b>375</b>	<b>-</b>
<b>Total liabilities</b>		<b>745,604</b>	<b>706,300</b>	<b>1,117</b>	<b>481</b>
<b>NET ASSETS</b>		<b>559,947</b>	<b>537,790</b>	<b>201,836</b>	<b>195,855</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
Retained profits		383,946	368,334	14,913	8,932
Other reserves		(7,589)	(15,415)	-	-
		<b>563,280</b>	<b>539,842</b>	<b>201,836</b>	<b>195,855</b>
<b>Non-controlling interests</b>		<b>(3,333)</b>	<b>(2,052)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>559,947</b>	<b>537,790</b>	<b>201,836</b>	<b>195,855</b>

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012

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

	Group 31 Dec 2012		Group 31 Dec 2011	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
The amount repayable in one year or less, or on demand	<b>25,156</b>	<b>259,110</b>	68,040	271,319
The amount repayable after one year	<b>96,809</b>	<b>2,597</b>	46,771	-
	<b>121,965</b>	<b>261,707</b>	114,811	271,319

**Details of collaterals**

Borrowings of the Group are secured by:

- Specific fixed charges and legal charges against certain assets of certain subsidiaries
- Personal guarantee by a director of a subsidiary
- Corporate guarantees by the Company and certain subsidiaries

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012

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

	Group		Group	
	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
Profit after tax	8,467	11,737	23,525	39,258
Adjustments for:				
- Income tax credit	(7,685)	(7,203)	(5,399)	(1,094)
- Amortisation	327	58	929	58
- Depreciation	4,486	3,776	16,889	14,142
- (Gains)/losses on disposal of property, plant and equipment	(7)	(7)	(300)	367
- Property, plant and equipment written off	12	19	24	260
- Fair value gains on put option	(1,260)	-	(1,260)	-
- Impairment of goodwill	3,161	2,717	3,161	2,717
- Interest income	(4,573)	(1,955)	(9,571)	(5,548)
- Interest expense	4,365	3,417	17,477	12,887
- Share of profit of associated company	(28)	(20)	(60)	(123)
- Exchange differences (net)	(1,850)	(358)	(3,656)	4,864
<b>Operating cash flows before working capital changes</b>	<b>5,415</b>	<b>12,181</b>	<b>41,759</b>	<b>67,788</b>
Changes in operating assets and liabilities:				
- Inventories	14,130	(101,141)	64,044	(64,709)
- Trade and other receivables	6,811	60,265	(101,161)	15,690
- Trade and other payables	12,452	50,192	29,025	(40,993)
- Derivative financial instruments	2,361	15,718	(49,317)	28,193
<b>Cash flows generated from/(used in) operations</b>	<b>41,169</b>	<b>37,215</b>	<b>(15,650)</b>	<b>5,969</b>
Interest received	4,468	1,664	9,130	4,753
Interest paid	(4,365)	(3,417)	(17,477)	(12,887)
Income tax refund received/(tax paid)	7,462	332	9,490	(26,424)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>48,734</b>	<b>35,794</b>	<b>(14,507)</b>	<b>(28,589)</b>
<b>Cash flows from investing activities</b>				
Acquisition of non-controlling interests	-	(114)	-	(748)
Decrease/(increase) in other receivables	8,556	2,388	(722)	2,723
Additions to property, plant and equipment	(20,355)	(26,546)	(58,532)	(92,238)
Additions of leasehold prepayment	(299)	(14,063)	(5,195)	(14,063)
Proceeds from disposals of property, plant and equipment	252	38	884	574
<b>Net cash flows used in investing activities</b>	<b>(11,846)</b>	<b>(38,297)</b>	<b>(63,565)</b>	<b>(103,752)</b>

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012

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

	Group		Group	
	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from financing activities</b>				
Placement and listing expenses	-	-	-	(1,422)
Dividends paid to equity holders of the Company	-	-	(9,646)	(4,333)
Increase in restricted short term deposits	(10)	(3)	(19)	(1)
Proceeds from long term borrowings	26,675	33,550	81,965	37,867
Repayment of long term borrowings	(5,698)	(4,021)	(11,000)	(12,706)
Net (repayment)/proceeds from short term borrowings	(90,195)	(83,416)	(72,896)	35,040
Repayment of lease liabilities	(91)	(98)	(363)	(392)
Interest received	105	291	441	795
<b>Net cash flows (used in)/from financing activities</b>	<b>(69,214)</b>	<b>(53,697)</b>	<b>(11,518)</b>	<b>54,848</b>
<b>Net change in cash and cash equivalents</b>	<b>(32,326)</b>	<b>(56,200)</b>	<b>(89,590)</b>	<b>(77,493)</b>
Cash and cash equivalents at				
beginning of the financial period/year	80,425	192,101	136,464	215,152
Effect of changes in exchange rate				
on cash and cash equivalents	458	563	1,683	(1,195)
<b>Cash and cash equivalents at</b>				
<b>end of the financial period/year</b>	<b>48,557</b>	<b>136,464</b>	<b>48,557</b>	<b>136,464</b>
<b>Represented by:</b>				
Cash and bank balances	48,747	136,799	48,747	136,799
Less: restricted short term bank deposits	(190)	(171)	(190)	(171)
Less: bank overdrafts	-	(164)	-	(164)
<b>Cash and cash equivalents per</b>				
<b>consolidated statement of cash flows</b>	<b>48,557</b>	<b>136,464</b>	<b>48,557</b>	<b>136,464</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 2012**
**1(d)(i) STATEMENT OF CHANGES IN EQUITY**

For the period from 1 Oct 2012 to 31 Dec 2012 Group	Attributable to Equity Holders of the Company									
	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	Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
<b>Beginning of the financial period</b>	1,507	185,416	(50,749)	(2,608)	9,717	34,471	374,862	552,616	(2,652)	549,964
Acquisition of subsidiaries under common control	-	-	43	-	-	-	-	43	-	43
Realisation of reserve upon disposal	-	-	-	-	(41)	-	41	-	-	-
Tax relating to asset revaluation reserve	-	-	-	-	382	-	-	382	-	382
Total comprehensive income for the period	-	-	-	-	-	1,196	9,043	10,239	(681)	9,558
<b>End of the financial period</b>	<b>1,507</b>	<b>185,416</b>	<b>(50,706)</b>	<b>(2,608)</b>	<b>10,058</b>	<b>35,667</b>	<b>383,946</b>	<b>563,280</b>	<b>(3,333)</b>	<b>559,947</b>

For the period from 1 Oct 2011 to 31 Dec 2011 Group	Attributable to Equity Holders of the Company									
	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	Total US\$'000	Non- controlling interests US\$'000	Total equity 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)
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>

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 2012

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

For the period from 1 Oct 2012 to 31 Dec 2012 Company	Attributable to Equity Holders of the Company			
	Share capital US\$'000	Share premium US\$'000	Retained profits US\$'000	Total equity US\$'000
<b>Beginning of the financial period</b>	1,507	185,416	1,128	188,051
Dividends	-	-	-	-
Total comprehensive income for the period	-	-	13,785	13,785
<b>End of the financial period</b>	<b>1,507</b>	<b>185,416</b>	<b>14,913</b>	<b>201,836</b>

For the period from 1 Oct 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
<b>Beginning of the financial period</b>	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>

**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 2012**
**(d)(i) STATEMENT OF CHANGES IN EQUITY (continued)**

For the year from 1 Jan 2012 to 31 Dec 2012 Group	Attributable to Equity Holders of the Company									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	Total US\$'000	Non- controlling interests US\$'000	
<b>Beginning of the financial year</b>	1,507	185,416	(50,749)	(2,608)	10,146	27,796	368,334	539,842	(2,052)	537,790
Acquisition of subsidiaries under common control	-	-	43	-	-	-	-	43	-	43
Realisation of reserve upon disposal	-	-	-	-	(470)	-	470	-	-	-
Dividends	-	-	-	-	-	-	(9,646)	(9,646)	-	(9,646)
Tax relating to asset revaluation reserve	-	-	-	-	382	-	-	382	-	382
Total comprehensive income for the financial year	-	-	-	-	-	7,871	24,788	32,659	(1,281)	31,378
<b>End of the financial year</b>	<b>1,507</b>	<b>185,416</b>	<b>(50,706)</b>	<b>(2,608)</b>	<b>10,058</b>	<b>35,667</b>	<b>383,946</b>	<b>563,280</b>	<b>(3,333)</b>	<b>559,947</b>

  

For the year from 1 Jan 2011 to 31 Dec 2011 Group	Attributable to Equity Holders of the Company									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	Total US\$'000	Non- controlling interests US\$'000	
<b>Beginning of the financial year</b>	1,507	185,416	(50,749)	(832)	10,281	31,794	330,287	507,704	1,464	509,168
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)
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 financial 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>

**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 2012**
**(d)(i) STATEMENT OF CHANGES IN EQUITY (continued)**

For the year from 1 Jan 2012 to 31 Dec 2012 Company	Attributable to Equity Holders of the Company			
	Share capital US\$'000	Share premium US\$'000	Retained profits US\$'000	Total equity US\$'000
<b>Beginning of the financial year</b>	1,507	185,416	8,932	195,855
Dividends	-	-	(9,646)	(9,646)
Total comprehensive income for the year	-	-	15,627	15,627
<b>End of the financial year</b>	<b>1,507</b>	<b>185,416</b>	<b>14,913</b>	<b>201,836</b>

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
<b>Beginning of the financial year</b>	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>

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012

**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 2012</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 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>

**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 2012 (31 Dec 2011: 1,507,061,440).

The Company did not hold any treasury shares as at 31 Dec 2012 (31 Dec 2011: Nil). There were no unissued shares of the Company or its subsidiaries under option as at 31 Dec 2012 (31 Dec 2011: 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.

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012
 

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**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 preparation of the financial statements for the current period compared to the Group's most recently audited financial statements for the year ended 31 Dec 2011 except for the adoption of new or amended Financial Reporting Standards ("FRS") and Interpretation to FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2012. The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies, and there is no material impact to the financial statements.

Numbers for the beginning of the financial year 2011 in the statement of changes in equity 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.

**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.

**6. EARNINGS PER ORDINARY SHARE OF THE GROUP FOR THE CURRENT FINANCIAL PERIOD REPORTED ON AND THE CORRESPONDING PERIOD OF THE IMMEDIATELY PRECEDING FINANCIAL YEAR, AFTER DEDUCTING ANY PROVISION FOR PREFERENCE DIVIDENDS:-**

(a) Based on the weighted average number of ordinary shares on issue; and

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group		Group	
	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Basic and diluted based on weighted average number of shares (US cents per share)	<b>0.60</b>	0.84	<b>1.64</b>	2.80
Weighted average number of shares applicable to basic and diluted earnings per share ('000)	<b>1,507,061</b>	1,507,061	<b>1,507,061</b>	1,507,061

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012

**7. NET ASSET VALUE (FOR THE ISSUER AND GROUP) PER ORDINARY SHARE BASED ON THE TOTAL NUMBER OF ISSUED SHARES EXCLUDING TREASURY SHARES OF THE ISSUER AT THE END OF THE:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	As at		As at	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	<b>37.38</b>	35.82	<b>13.39</b>	13.00

**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**

As the CPO prices bottomed out during the quarter, the Company witnessed some revival in demand from destination markets which helped the Group to achieve better sales volumes and margins for the Consumer Pack segment. However, high inventory levels in origin countries i.e. Malaysia and Indonesia kept the margins under pressure, particularly for Malaysian refiners due to export duty disadvantage compared to Indonesian peers. Under tough operating conditions for Malaysian refiners, the Group experienced marginal drop in volumes and reduced margins for its Bulk segment.

**8.1.1 Revenue**

Revenue decreased by 24.3% to US\$767.8 million for the fourth quarter ended 31 Dec 2012 ("Q4 2012") compared to US\$1,014.6 million for the corresponding quarter last year ("Q4 2011"). The decrease was due to 9.6% lower sales volume and 16.2% lower average selling prices.

For the full year ended 31 Dec 2012 ("FY 2012"), 6.8% lower sales volume and 13.0% lower average selling prices resulted in revenue decreasing by 19.0% to US\$3,620.8 million from US\$4,467.9 million last year ("FY 2011").

Refer to Note 8.2.2 for Segmental revenue.

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012

**8.1.2 Cost of sales**

	Group			Group		
	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	31 Dec 2012	31 Dec 2011	Change	31 Dec 2012	31 Dec 2011	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Cost of inventories	<b>695,591</b>	938,962	-25.9%	<b>3,403,121</b>	4,212,598	-19.2%
Losses/(gains) from derivative financial instruments	<b>10,399</b>	(14,295)	n.m.	<b>(33,363)</b>	31,139	n.m.
	<b>705,990</b>	924,667	-23.6%	<b>3,369,758</b>	4,243,737	-20.6%
Labour costs and other overheads	<b>9,572</b>	10,267	-6.8%	<b>38,841</b>	38,577	0.7%
<b>Total</b>	<b>715,562</b>	934,934	-23.5%	<b>3,408,599</b>	4,282,314	-20.4%

For Q4 2012, the Group had losses from derivative financial instruments of US\$10.4 million compared to gains of US\$14.3 million for Q4 2011. 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. Such gains or losses should be read together with the cost of inventories. Cost of inventories coupled with gains or losses from derivative financial instruments decreased by 23.6%. Considering labour costs and other overheads of US\$9.6 million, cost of sales decreased by 23.5% to US\$715.6 million compared to decrease of 24.3% in revenue for the quarter.

For FY 2012, cost of inventories coupled with gains or losses from derivative financial instruments decreased by 20.6% to US\$3,369.8 million. Together with labour costs and other overheads of US\$38.8 million, cost of sales decreased by 20.4% to US\$3,408.6 million compared to decrease of 19.0% in revenue.

**8.1.3 Gross profit**

A decrease of US\$246.8 million in revenue partially offset by decrease of US\$219.4 million in cost of sales resulted in gross profit decreasing by US\$27.5 million to US\$52.3 million for Q4 2012 from US\$79.7 million for Q4 2011.

For FY 2012, a decrease of US\$847.2 million in revenue was more than offset by a higher decrease of US\$873.7 million in cost of sales that resulted in gross profit increasing by US\$26.6 million to US\$212.2 million from US\$185.6 million for FY 2011.

For better understanding, gross profit should be read together with selling and distribution expenses and foreign exchange gains or losses.



**Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012**
**8.1.4 Selling and distribution expenses**

	Group			Group		
	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	31 Dec 2012	31 Dec 2011	Change	31 Dec 2012	31 Dec 2011	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Selling and distribution expenses	<b>30,498</b>	38,419	-20.6%	<b>109,193</b>	109,747	-0.5%
Included:						
Freight	<b>22,969</b>	20,141	14.0%	<b>81,301</b>	68,689	18.4%
Handling, forwarding and transportation	<b>4,317</b>	5,194	-16.9%	<b>14,989</b>	16,358	-8.4%
Marine insurance	<b>788</b>	912	-13.6%	<b>3,567</b>	4,569	-21.9%
Net (reversal of)/allowance for doubtful debts	<b>(64)</b>	8,681	n.m.	<b>(1,806)</b>	7,507	n.m.

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

Allowance for doubtful debts is made based on the assessment of recovery from customers under the contracts that have been recognised as revenue in the financial statements. Subsequent to the allowance made, when the amount is recovered or when the Group has strong reasons to expect recovery, such allowance is reversed.

**8.1.5 Other operating (losses)/gains**

	Group			Group		
	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	31 Dec 2012	31 Dec 2011	Change	31 Dec 2012	31 Dec 2011	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Other operating (losses)/gains	<b>(2,771)</b>	(12,218)	-77.3%	<b>(6,127)</b>	31,868	n.m.
Included:						
Foreign exchange (losses)/gains	<b>(804)</b>	(9,464)	-91.5%	<b>(4,502)</b>	35,212	n.m.
Impairment of goodwill	<b>(3,161)</b>	(2,717)	16.3%	<b>(3,161)</b>	(2,717)	16.3%
Fair value gains on put option	<b>1,260</b>	-	n.m.	<b>1,260</b>	-	n.m.

Foreign exchange gains or losses arise within entities in the Group when transactions are denominated in currencies other than the entities' functional currencies. The Group uses currency forward contracts to hedge against the foreign exchange fluctuation risk. The foreign exchange gains or losses are better read together with the gross profit.

The Group tested the goodwill arising from Molly CGU for impairment. Based on the past performance and the expected future cash flows at the reporting date, the Group has fully impaired the goodwill of US\$3.2 million.

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012

### 8.1.5 Other operating (losses)/gains (continued)

In accordance with the shareholders' agreement between the Group and non-controlling shareholders, there was an option for Moi Foods Belgium N.V. to purchase the shares from the non-controlling shareholders under certain prescribed conditions. Accordingly, a put option liability of US\$1.3 million was recognised in prior year based on present value of expected consolidated profits of Molly Group for the financial years from 2014 to 2016. In view of revised expected profits at the reporting date, the fair value of the put option is nil and accordingly the liability of US\$1.3 million has been written back in the income statement.

### 8.1.6 Operating margin (OM)

The Group measures and tracks the performance 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 is 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 the Group, limiting its usefulness as comparative measure.

	Group			Group		
	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	31 Dec 2012	31 Dec 2011	Change	31 Dec 2012	31 Dec 2011	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Operating margin:</b>						
Revenue	<b>767,818</b>	1,014,644	-24.3%	<b>3,620,781</b>	4,467,933	-19.0%
Less: Cost of sales (excluding depreciation)	<b>(712,898)</b>	(932,764)	-23.6%	<b>(3,398,854)</b>	(4,274,359)	-20.5%
Less: Selling and distribution expenses	<b>(30,498)</b>	(38,419)	-20.6%	<b>(109,193)</b>	(109,747)	-0.5%
Less/Add: Foreign exchange (losses)/gains	<b>(804)</b>	(9,464)	-91.5%	<b>(4,502)</b>	35,212	n.m.
<b>Operating margin</b>	<b>23,618</b>	33,997	-30.5%	<b>108,232</b>	119,039	-9.1%

Refer to Note 8.2.3 for segmental review.

### 8.1.7 Other income

For Q4 2012, other income of US\$4.6 million (Q4 2011: US\$2.3 million) included interest income of US\$4.6 million (Q4 2011: US\$2.0 million). Increase was due to higher interest charged to customers for delayed payments.

For FY 2012, other income of US\$10.8 million (FY 2011: US\$7.9 million) included interest income of US\$9.6 million (FY 2011: US\$5.5 million). This year, generally, there were more delayed payments by customers resulting in higher interest recovery.

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

**8.1.8 Administrative expenses**

Administrative expenses evened out over four quarters this year compared to skewed fourth quarter last year due to employee compensation. US\$18.5 million for Q4 2012 was higher by US\$4.9 million compared to last year. For FY 2012, administrative expenses increased by US\$7.5 million to US\$72.2 million mainly due to higher employee compensation, bank charges, depreciation and amortisation.

**8.1.9 Finance costs**

Finance costs, i.e. interest on borrowings increased to US\$4.4 million for Q4 2012 from US\$3.4 million for Q4 2011. For FY 2012, finance costs increased to US\$17.5 million from US\$12.9 million for FY 2011. The increases were primarily due to higher effective interest rate resulting from change in mix of currencies and tenures of the borrowings.

**8.1.10 Profit before tax**

For Q4 2012, profit before tax decreased by US\$3.8 million to US\$0.8 million due to decrease in operating margin by US\$10.4 million and increase in impairment of goodwill of US\$0.4 million; partially offset by gains of US\$7.0 million on account of changes in administrative expenses, other income and other operating expenses.

For FY 2012, profit before tax decreased by US\$20.0 million to US\$18.1 million due to decrease in operating margin by US\$10.8 million, increase in impairment of goodwill of US\$0.4 million and losses of US\$8.8 million on account of changes in administrative expenses, other income and other operating expenses.

**8.1.11 Income tax credit**

The Group recognised income tax credit of US\$7.7 million for Q4 2012 (Q4 2011: US\$7.2 million) and US\$5.4 million for FY 2012 (FY 2011: US\$1.1 million).

Q4 2012 and FY 2012 included income tax credit of US\$6.7 million pertaining to earlier years on account of final tax outcome being different from the amounts that were originally estimated. The variation was on account of finalisation of reinvestment allowances on qualifying capital expenditure for Malaysian-based operating subsidiaries, qualifying incomes under the Global Trader Programme of International Enterprise Singapore for Singapore-based operating subsidiaries, capital allowances, incentives and the deductibility of certain expenses at various tax jurisdictions.

Excluding income tax credit pertaining to earlier years, income tax credit of US\$1.0 million for Q4 2012 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 2012.

Excluding income tax credit pertaining to earlier years, tax expense of US\$1.3 million for FY 2012 at weighted average effective tax rate of 7.4% compared to tax expense of US\$3.6 million for FY 2011 at weighted average effective tax rate of 9.4% was due to changes in the mix of results of the subsidiaries in various jurisdictions.

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 Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012
 

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### 8.1.12 Profit after tax

For Q4 2012, the Group achieved a profit after tax of US\$8.5 million, compared to US\$11.7 million for Q4 2011. Profit after tax attributable to equity holders of the Company was US\$9.0 million, compared to US\$12.7 million for Q4 2011.

For FY 2012, the Group achieved a profit after tax of US\$23.5 million, compared to US\$39.3 million for FY 2011. Profit after tax attributable to equity holders of the Company was US\$24.8 million, compared to US\$42.2 million for FY 2011.

Tax credit pertaining to earlier years of US\$6.7 million (Q4 2011 and FY 2011: US\$4.7 million), fair value gains on put option of US\$1.3 million (Q4 2011 and FY 2011: Nil) and impairment of goodwill of US\$3.2 million (Q4 2011 and FY 2011: US\$2.7 million) resulted in exceptional net gains of US\$4.8 million (Q4 2011 and FY 2011: gains of US\$2.0 million). Excluding the exceptional net gains, profit after tax attributable to equity holders of the Company was US\$4.2 million for Q4 2012 (Q4 2011: US\$10.7 million) and US\$20.0 million for FY 2012 (FY 2011: US\$40.2 million).

### 8.2 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 food, pharmaceutical and oleochemical industries.

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

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

	Total			Bulk			Consumer Pack		
	Q4 2012	Q4 2011	Change	Q4 2012	Q4 2011	Change	Q4 2012	Q4 2011	Change
<b>Sales volume (MT'000)</b>	<b>830.2</b>	918.8	-9.6%	<b>600.2</b>	684.5	-12.3%	<b>230.0</b>	234.3	-1.8%
<b>Revenue (US\$'million)</b>	<b>767.8</b>	1,014.6	-24.3%	<b>517.2</b>	700.6	-26.2%	<b>250.6</b>	314.0	-20.2%
Average selling prices (US\$)	924.9	1,104.3	-16.2%	861.7	1,023.5	-15.8%	1,089.6	1,340.2	-18.7%
<b>OM (US\$'million)</b>	<b>23.6</b>	34.0	-30.5%	<b>10.5</b>	23.6	-55.5%	<b>13.1</b>	10.4	26.0%
OM per MT (US\$)	28.4	37.0	-23.2%	17.5	34.5	-49.3%	57.0	44.4	28.4%

  

	Total			Bulk			Consumer Pack		
	FY 2012	FY 2011	Change	FY 2012	FY 2011	Change	FY 2012	FY 2011	Change
<b>Sales volume (MT'000)</b>	<b>3,400.6</b>	3,649.9	-6.8%	<b>2,576.1</b>	2,761.3	-6.7%	<b>824.5</b>	888.6	-7.2%
<b>Revenue (US\$'million)</b>	<b>3,620.8</b>	4,467.9	-19.0%	<b>2,649.4</b>	3,187.9	-16.9%	<b>971.4</b>	1,280.1	-24.1%
Average selling prices (US\$)	1,064.7	1,224.1	-13.0%	1,028.5	1,154.5	-10.9%	1,178.2	1,440.6	-18.2%
<b>OM (US\$'million)</b>	<b>108.2</b>	119.0	-9.1%	<b>64.5</b>	76.6	-15.8%	<b>43.8</b>	42.4	3.3%
OM per MT (US\$)	31.8	32.6	-2.5%	25.0	27.7	-9.7%	53.1	47.8	11.1%

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012

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### **8.2.1. Segmental sales volume**

For Q4 2012, total sales volume dropped by 9.6% to 830,200 MT from 918,800 MT last year.

For Bulk segment, sales volume declined by 12.3% to 600,200 MT from 684,500 MT last year. For Consumer Pack segment, sales volume declined by 1.8% to 230,000 MT from 234,300 MT last year. Bulk and Consumer Pack segments contributed 72.3% and 27.7% of total sales volume respectively for the quarter (Q4 2011: 74.5% and 25.5% respectively).

For FY 2012, total sales volume decreased by 6.8% to 3,400,600 MT.

For Bulk segment, sales volume declined by 6.7% to 2,576,100 MT from 2,761,300 MT last year. Consumer Pack segments registered decline of 7.2% to 824,500 MT from 888,600 MT last year. Bulk and Consumer Pack segments contributed 75.8% and 24.2% of total sales volume respectively for the year (FY 2011: 75.7% and 24.3% respectively).

The sales volume for Consumer Pack segment included rice sales of 8,900 MT and 124,800 MT for Q4 2012 and FY 2012 respectively (Q4 2011: 400 MT and FY 2011: 1,400 MT).

### **8.2.2 Segmental revenue**

For Q4 2012, 9.6% lower sales volume and 16.2% lower average selling prices resulted in revenue declining by 24.3% to US\$767.8 million from US\$1,014.6 million for the corresponding quarter last year.

For Bulk segment, 12.3% lower sales volume and 15.8% lower average selling prices decreased the revenue by 26.2% to US\$517.2 million from US\$700.6 million last year. For Consumer Pack, revenue decreased by 20.2% to US\$250.6 million from US\$314.0 million due to 1.8% lower sales volumes and 18.7% lower average selling prices. Bulk and Consumer Pack segments contributed 67.4% and 32.6% of total revenue respectively (Q4 2011: 69.1% and 30.9% respectively).

For FY 2012, 6.8% lower sales volume and 13.0% lower average selling prices resulted in revenue declining by 19.0% to US\$3,620.8 million from US\$4,467.9 million last year.

For Bulk segment, 6.7% lower sales volume and 10.9% lower average selling prices resulted in the revenue declining by 16.9% to US\$2,649.4 million from US\$3,187.9 million last year. For Consumer Pack, revenue declined by 24.1% to US\$971.4 million from US\$1,280.1 million due to 7.2% lower sales volumes and 18.2% lower average selling prices. Bulk and Consumer Pack segments contributed 73.2% and 26.8% of total revenue respectively (FY 2011: 71.4% and 28.6% respectively).

The revenue for Consumer Pack segment included rice sales of US\$5.0 million and US\$57.6 million for Q4 2012 and FY 2012 respectively (Q4 2011: US\$0.3 million and FY 2011: US\$0.8 million).

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012

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### **8.2.3 Segmental operating margin**

For Q4 2012, total OM decreased by 30.5% to US\$23.6 million from US\$34.0 million last year due to 9.6% lower sales volume and a lower OM of US\$28.4 per MT compared to US\$37.0 per MT last year.

For Bulk segment, 12.3% drop in sales volume and lower OM of US\$17.5 per MT compared to US\$34.5 per MT last year resulted in OM decreasing from US\$23.6 million to US\$10.5 million. For Consumer Pack segment, 1.8% lower sales volume but higher OM of US\$57.0 per MT compared to US\$44.4 per MT last year resulted in OM increasing by 26.0% to US\$13.1 million from US\$10.4 million. Bulk and Consumer Pack segments contributed 44.5% and 55.5% of total OM respectively (Q4 2011: 69.4% and 30.6% respectively).

For FY 2012, total OM decreased by 9.1% to US\$108.2 million due to 6.8% lower sales volume and lower OM of US\$31.8 per MT compared to US\$32.6 per MT last year.

For Bulk segment, 6.7% lower sales volume and lower OM of US\$25.0 per MT compared to US\$27.7 per MT last year, resulted in OM decreasing by 15.8% to US\$64.5 million. For Consumer Pack, OM increased by 3.3% to US\$43.8 million compared to US\$42.4 million as 7.2% drop in sales volume was more than offset by higher OM of US\$53.1 per MT compared to US\$47.8 per MT last year. Bulk and Consumer Pack segments contributed 59.6% and 40.4% of total operating margin respectively (FY 2011: 64.4% and 35.6% respectively).

## **8.3 Statement of financial position**

### **8.3.1 Inventories**

On 31 Dec 2012, the Group had inventories of US\$243.4 million representing inventories of 26.1 days (31 Dec 2011: US\$307.5 million and 26.2 days respectively).

### **8.3.2 Trade receivables**

On 31 Dec 2012, the Group had trade receivables of US\$444.0 million representing trade receivables of 44.8 days (31 Dec 2011: US\$411.0 million and 33.6 days respectively).

### **8.3.3 Trade payables**

On 31 Dec 2012, the Group had trade payables of US\$243.5 million representing trade payables of 26.1 days (31 Dec 2011: US\$210.5 million and 17.9 days respectively).

### **8.3.4 Cycle time**

On 31 Dec 2012, cycle time (Inventories days add trade receivables days less trade payables days) was 44.8 days (31 Dec 2011: 41.9 days).

**8.3.5 Other receivables**

## Group

On 31 Dec 2012, other receivables of US\$93.5 million (31 Dec 2011: US\$24.6 million) included US\$23.5 million (31 Dec 2011: US\$5.5 million) paid to Bursa Malaysia Derivatives Clearing Bhd (“Bursa”) for commodity trading margin and advance payments of US\$46.8 mil (31 Dec 2011: US\$1.0 mil) for purchase of raw materials, US\$7.0 million (31 Dec 2011: US\$6.3 million) of advance payments for capital expenditure projects and US\$2.9 million (31 Dec 2011: US\$6.8 million) of subsidy receivable from Malaysian Palm Oil Board.

## Company

On 31 Dec 2012, other receivables of US\$201.8 million (31 Dec 2011: US\$154.4 million) were mainly on account of amounts receivable from subsidiaries.

**8.3.6 Derivative financial instruments**

On 31 Dec 2012, the Group had derivative financial instruments assets and liabilities of US\$102.0 million and US\$56.1 million (31 Dec 2011: US\$38.9 million and US\$42.3 million respectively). The assets represent the amounts receivable for the gains and liabilities represent the amounts payable for the losses resulting from changes in the fair value of derivative financial instruments from the date of the contracts to the financial reporting date.

**8.3.7 Cash and cash equivalents**

On 31 Dec 2012, the Group had cash and cash equivalents of US\$48.7 million (31 Dec 2011: US\$136.8 million). IPO proceeds have been fully utilised as at 31 Dec 2012 compared to US\$57.7 million unutilised on 31 Dec 2011.

**8.3.8 Property, plant and equipment**

Property, plant and equipment increased from US\$287.8 million on 31 Dec 2011 to US\$338.7 million on 31 Dec 2012, on account of capital expenditure mainly for building dairy products facilities in Westport, storage facilities in Sabah and infrastructure relating to refinery and packing plant facilities in East Java, Indonesia.

**8.3.9 Leasehold prepayments**

On 31 Dec 2012, leasehold prepayments were US\$17.8 million (31 Dec 2011: US\$13.5 million) which represented the land use rights in Indonesia.

**8.3.10 Intangible asset**

On 31 Dec 2012, intangible asset relating to Molly CGU has been fully written down (31 Dec 2011: US\$3.2 million).

**8.3.11 Borrowings**

On 31 Dec 2012, Group borrowings were US\$383.7 million giving debt to equity ratio (Borrowings divided by total equity) of 0.69 (31 Dec 2011: US\$386.1 million and 0.72 respectively).

On 31 Dec 2012, net debt (Borrowings less cash and cash equivalents) was US\$334.9 million, giving net debt to equity ratio of 0.60 (31 Dec 2011: US\$249.3 million and 0.46 respectively).

**8.4 Consolidated statement of cash flows****Q4 2012**

The Group generated operating cash flows before working capital changes of US\$5.4 million. Additional generation of US\$35.8 million from changes in operating assets and liabilities and generation of US\$7.6 million for interest and income tax, resulted in net cash flows from operating activities of US\$48.7 million. The Group used US\$11.8 million in investing activities and used S\$69.2 million to reduce the borrowings. As a result, cash and cash equivalent decreased by US\$32.3 million.

The decrease of US\$32.3 million, along with increase of US\$0.5 million from the changes in exchange rate, resulted in reduction of cash and cash equivalents from US\$80.4 million at the beginning of the quarter to US\$48.6 million at the end of the quarter.

**FY 2012**

The Group generated operating cash flows before working capital changes of US\$41.8 million. Use of US\$57.4 million due to changes in operating assets and liabilities and generation of US\$1.1 million for interest and income tax, resulted in net cash flows used in operating activities of US\$14.5 million. The Group used US\$63.6 million in investing activities and US\$11.5 million to reduce borrowings respectively. As a result, cash and cash equivalents decreased by US\$89.6 million.

The decrease of US\$89.6 million, along with increase of US\$1.7 million from the changes in exchange rate, resulted in cash and cash equivalents decreasing from US\$136.5 million at the beginning of the year to US\$48.6 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**

Considering high inventories in origin countries and global economic weakness, the Group remains cautious on its near-term outlook. However, the Group believes that the current global conditions and challenging industry conditions will help the industry to consolidate and benefit stronger players in the longer term. Meanwhile the Group continues to tread cautiously in its operations while focusing on increasing refining capacity in Malaysia and participating in other non-oil consumer products.



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**11. DIVIDENDS**

(a) Current financial period reported on	<b>31 Dec 2012</b>
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\$0.0055
(b) Corresponding period of the immediately preceding financial year	<b>31 Dec 2011</b>
Any dividend declared for the corresponding period of the immediately preceding financial year?	Yes
Name of dividend	Final exempt one-tier dividends
Dividend type	Cash
Dividend amount per share	S\$0.0050

Proposed final exempt dividends of S\$0.0050 along with interim dividends of S\$0.0035 making total dividends of S\$0.0085 for the full year ended 31 December 2012, same as for the full year ended 31 December 2011.

(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\$0.0055 per ordinary share is tax exempt and declared in Singapore.

(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.

**13. USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING**

During the period, the Company has utilised S\$2.4 million of the IPO proceeds to finance certain capital expenditure investments within the Group, in accordance with the stated use as mentioned in the Prospectus dated 16 November 2010 and the IPO proceeds have been fully utilised as at 31 December 2012. For further details, please refer to the related announcement submitted on 27 February 2013 on the Singapore Exchange website.

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

Not applicable.

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**15. 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)
	FY 2012 US\$'000	FY 2012 US\$'000
Prelude Gateway Sdn. Bhd.	NIL	2,327
Perfect Venue Sdn. Bhd.	17	24
Ecolex Sdn. Bhd.	10	25,636
Capital Paradise Sdn. Bhd.	NIL	58
Containers Printers Pte Ltd	NIL	8,167
Nature International Pte Ltd	NIL	51,498
AGF Insurance Agencies Sdn. Bhd.	13	NIL
Expertway (M) Sdn. Bhd.	10	NIL
Mr Cheo Seng Jin	864	NIL
Mr Cheo Tiong Choon	896	NIL
Kent Holidays (S) Pte Ltd	343	NIL
Futura Ingredients Singapore Pte Ltd	45	NIL
Choon Heng Logistics Pte Ltd	73	NIL
International Food Corporation Ltd	253	NIL
Premier Logistics Pte Ltd	5	NIL

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**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**16. 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 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011
<b>Revenue</b>						
Total segment revenue	3,148,193	3,945,834	1,044,568	1,401,159	4,192,761	5,346,993
Inter-segment revenue	(498,804)	(757,968)	(73,176)	(121,092)	(571,980)	(879,060)
<b>External revenue</b>	<b>2,649,389</b>	<b>3,187,866</b>	<b>971,392</b>	<b>1,280,067</b>	<b>3,620,781</b>	<b>4,467,933</b>
<b>Operating margin</b>	<b>64,479</b>	<b>76,593</b>	<b>43,753</b>	<b>42,446</b>	<b>108,232</b>	<b>119,039</b>
Other income, excluding interest income	811	1,346	458	979	1,269	2,325
Interest income	7,836	4,075	1,735	1,473	9,571	5,548
Admin expenses, excluding depreciation and amortisation	(34,715)	(30,367)	(29,371)	(28,072)	(64,086)	(58,439)
Other gains/(loss)	19	(282)	257	(346)	276	(628)
<b>EBITDA</b>	<b>38,430</b>	<b>51,365</b>	<b>16,832</b>	<b>16,480</b>	<b>55,262</b>	<b>67,845</b>
Fair value gains on put option	-	-	1,260	-	1,260	-
Impairment of goodwill	-	-	(3,161)	(2,717)	(3,161)	(2,717)
<b>Segment result</b>	<b>38,430</b>	<b>51,365</b>	<b>14,931</b>	<b>13,763</b>	<b>53,361</b>	<b>65,128</b>
<b>Unallocated:</b>						
Depreciation					(16,889)	(14,142)
Amortisation					(929)	(58)
Finance expense					(17,477)	(12,887)
Income tax credit					5,399	1,094
Share of profit of associated company					60	123
<b>Profit after tax</b>					<b>23,525</b>	<b>39,258</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 2012

**17. 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.

**18. BREAKDOWN OF SALES**

	<b>FY 2012</b> <b>US\$'000</b>	<b>FY 2011</b> <b>US\$'000</b>	<b>Change</b> <b>%</b>
(a) Sales reported for first half year	<b>2,008,530</b>	2,362,703	-15%
(b) Operating profit after tax before deducting minority interests reported for first half year	<b>14,302</b>	22,304	-36%
(c) Sales reported for second half year	<b>1,612,251</b>	2,105,230	-23%
(d) Operating profit after tax before deducting minority interests reported for second half year	<b>9,223</b>	16,954	-46%

Note: Operating profit after tax is profit after tax.

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

	<b>FY 2012</b> <b>US\$'000</b>	<b>FY 2011</b> <b>US\$'000</b>
<b>Ordinary shares</b>		
<b>Declared and paid during the financial year:</b>		
- Final exempt one-tier dividends of S\$0.005 for FY 2011 per share	<b>6,021</b>	-
- Interim exempt dividends of S\$0.003 (FY 2011: S\$0.0035) per share	<b>3,625</b>	4,333
	<b>9,646</b>	4,333
<b>Proposed* but not recognised as a liability as at 31 December</b>		
- Final exempt one-tier dividends of S\$0.0055 (FY 2011: S\$0.0050) per share	<b>6,773</b>	5,830

\* Final exempt one-tier 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 2012 and the amount to be paid in Singapore dollar has been translated to US dollar at the closing exchange rate at the reporting date.

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2012

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**20. 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	65	Sister of Dr Cheo Tong Choon; Aunt of Ms Michelle Cheo Hui Ning and Ms Bianca Cheo Hui Hsin	Manager, Controller Department since 1981	None
Ms Cheo Sor Cheng Angeline	53	Sister of Dr Cheo Tong Choon; Aunt of Ms Michelle Cheo Hui Ning and Ms Bianca Cheo Hui Hsin	Manager, Controller Department since 1999	None
Ms Cheo Su Ching	61	Sister of Dr Cheo Tong Choon; Aunt of Ms Michelle Cheo Hui Ning and Ms Bianca Cheo Hui Hsin	Manager, Controller Department since 2008	None

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BY ORDER OF THE BOARD

MICHELLE CHEO HUI NING  
Chief Executive Officer and Executive Director  
27<sup>th</sup> February 2013