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

**Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2019**
**Part I Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements**
**1(a)(i) INCOME STATEMENT**

	Note	Group			Group		
		THREE MONTHS ENDED			TWELVE MONTHS ENDED		
		31 Dec 2019	31 Dec 2018	Change	31 Dec 2019	31 Dec 2018	Change
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	8.1.2	<b>711,917</b>	661,732	7.6%	<b>2,817,255</b>	2,946,818	-4.4%
Cost of sales	8.1.3	<b>(705,823)</b>	(613,311)	15.1%	<b>(2,693,366)</b>	(2,812,107)	-4.2%
Gross profit	8.1.4	<b>6,094</b>	48,421	-87.4%	<b>123,889</b>	134,711	-8.0%
Other income	8.1.8	<b>1,145</b>	1,481	-22.7%	<b>5,301</b>	4,195	26.4%
Other gains/(losses) (Note A)	8.1.6	<b>12,164</b>	(2,303)	n.m.	<b>8,500</b>	880	865.9%
Reversal of expected credit losses	8.1.5(a)	<b>1,736</b>	253	586.2%	<b>672</b>	8,149	-91.8%
Expenses							
- Selling and distribution	8.1.5(b)	<b>(8,063)</b>	(11,975)	-32.7%	<b>(38,808)</b>	(31,759)	22.2%
- Administrative	8.1.9	<b>(18,503)</b>	(23,617)	-21.7%	<b>(81,411)</b>	(88,802)	-8.3%
- Finance	8.1.10	<b>(2,773)</b>	(4,590)	-39.6%	<b>(15,093)</b>	(15,414)	-2.1%
Share of profit of associated company		<b>23</b>	12	91.7%	<b>71</b>	68	4.4%
(Loss)/Profit before tax	8.1.11	<b>(8,177)</b>	7,682	n.m.	<b>3,121</b>	12,028	-74.1%
Income tax credit	8.1.12	<b>9,859</b>	661	1391.5%	<b>8,443</b>	2,672	216.0%
<b>Profit after tax</b>	8.1.13	<b>1,682</b>	8,343	-79.8%	<b>11,564</b>	14,700	-21.3%
<b>Profit after tax attributable to:</b>							
<b>Equity holders of the Company</b>	8.1.13	<b>1,410</b>	8,607	-83.6%	<b>11,646</b>	14,788	-21.2%
Non-controlling interests		<b>272</b>	(264)	n.m.	<b>(82)</b>	(88)	-6.8%
		<b>1,682</b>	8,343	-79.8%	<b>11,564</b>	14,700	-21.3%

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

	Group			Group		
	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	31 Dec 2019	31 Dec 2018	Change	31 Dec 2019	31 Dec 2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Gross profit	<b>6,094</b>	48,421	-87.4%	<b>123,889</b>	134,711	-8.0%
Add: Depreciation in Cost of sales	<b>4,056</b>	3,451	17.5%	<b>14,260</b>	12,727	12.0%
Less: Selling and distribution expenses	<b>(8,063)</b>	(11,975)	-32.7%	<b>(38,808)</b>	(31,759)	22.2%
Add: Reversal of expected credit losses	<b>1,736</b>	253	586.2%	<b>672</b>	8,149	-91.8%
Add/(Less): Foreign exchange gains/(losses)	<b>8,933</b>	(2,204)	n.m.	<b>5,370</b>	(1,025)	n.m.
<b>Operating margin</b>	<b>12,756</b>	37,946	-66.4%	<b>105,383</b>	122,803	-14.2%

n.m. – not meaningful

Note A Other gains/(losses) included foreign exchange gains of US\$8.9 million for the quarter (Q4 2018: loss of US\$2.2 million) and US\$5.4 million (FY 2018: loss of US\$1.0 million) for the full year. Foreign exchange gains or losses arise within the entities in the Group when transactions are denominated in currencies other than the entities' functional currencies. Variance is explained by changes in the exchange rates from the dates of transactions to the dates of settlements or the financial reporting date. The Group uses currency forward contracts to hedge against the foreign exchange fluctuation risk resulting from commodities forward contracts. The foreign exchange gains or losses being of hedging nature are better not read in isolation.

Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2019

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

	Group			Group		
	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	31 Dec 2019	31 Dec 2018	Change	31 Dec 2019	31 Dec 2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Profit after tax</b>	<b>1,682</b>	<b>8,343</b>	<b>-79.8%</b>	<b>11,564</b>	<b>14,700</b>	<b>-21.3%</b>
<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						
- Gains/(Losses)	<b>3,161</b>	<b>122</b>	<b>2491.0%</b>	<b>1,074</b>	<b>(5,155)</b>	<b>n.m.</b>
<b>Total comprehensive income, net of tax</b>	<b>4,843</b>	<b>8,465</b>	<b>-42.8%</b>	<b>12,638</b>	<b>9,545</b>	<b>32.4%</b>
<b>Total comprehensive income attributable to:</b>						
<b>Equity holders of the Company</b>	<b>4,537</b>	<b>8,970</b>	<b>-49.4%</b>	<b>12,772</b>	<b>9,961</b>	<b>28.2%</b>
Non-controlling interests	<b>306</b>	<b>(505)</b>	<b>n.m.</b>	<b>(134)</b>	<b>(416)</b>	<b>-67.8%</b>
	<b>4,843</b>	<b>8,465</b>	<b>-42.8%</b>	<b>12,638</b>	<b>9,545</b>	<b>32.4%</b>

n.m. – not meaningful

**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 2019**
**1(b)(i) STATEMENT OF FINANCIAL POSITION**

	Note	Group		Company	
		As at	As at	As at	As at
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
		US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Inventories	8.2.1	323,190	401,675	-	-
Trade receivables	8.2.2	243,785	221,592	-	-
Other receivables	8.2.3	77,973	91,980	300,731	283,443
Current income tax recoverable		4,961	6,966	-	-
Derivative financial instruments	8.2.4	71,797	61,679	-	-
Cash and cash equivalents	8.2.5	61,814	48,611	86	590
		<b>783,520</b>	<b>832,503</b>	<b>300,817</b>	<b>284,033</b>
<b>Non-current assets</b>					
Intangible asset	8.2.6	970	970	-	-
Property, plant and equipment	8.2.7	464,829	417,333	-	-
Investments in subsidiaries		-	-	849	849
Investment in associated company		569	491	-	-
Deferred income tax assets		2,864	3,457	-	-
Derivative financial instruments	8.2.4	33	894	29	-
		<b>469,265</b>	<b>423,145</b>	<b>878</b>	<b>849</b>
<b>Total assets</b>		<b>1,252,785</b>	<b>1,255,648</b>	<b>301,695</b>	<b>284,882</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables	8.2.8	125,034	142,154	-	-
Other payables	8.2.10	50,579	64,029	305	265
Contract liabilities		6,808	10,182	-	-
Lease liabilities		521	-	-	-
Current income tax liabilities		1,701	3,289	329	314
Derivative financial instruments	8.2.4	118,784	34,071	-	28
Borrowings	8.2.11	373,748	404,555	-	-
		<b>677,175</b>	<b>658,280</b>	<b>634</b>	<b>607</b>
<b>Non-current liabilities</b>					
Lease liabilities		7,206	-	-	-
Deferred income tax liabilities		18,688	30,762	1,806	1,029
Borrowings	8.2.11	27,149	46,310	-	-
		<b>53,043</b>	<b>77,072</b>	<b>1,806</b>	<b>1,029</b>
<b>Total liabilities</b>		<b>730,218</b>	<b>735,352</b>	<b>2,440</b>	<b>1,636</b>
<b>NET ASSETS</b>		<b>522,567</b>	<b>520,296</b>	<b>299,255</b>	<b>283,246</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		(37,955)	(39,081)	3,509	3,509
Retained profits		378,700	377,094	114,233	98,224
		<b>522,258</b>	<b>519,526</b>	<b>299,255</b>	<b>283,246</b>
<b>Non-controlling interests</b>		<b>309</b>	<b>770</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>522,567</b>	<b>520,296</b>	<b>299,255</b>	<b>283,246</b>

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

	Group As at 31 Dec 2019		Group As at 31 Dec 2018	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
The amount repayable in one year or less, or on demand	7,561	366,187	9,496	395,059
The amount repayable after one year	18,149	9,000	22,310	24,000
	<b>25,710</b>	<b>375,187</b>	31,806	419,059

The table above excludes current and non-current lease liabilities recognised due to the adoption of SFRS(I) 16, amounting to US\$521,000 and US\$7,206,000 respectively, which are secured over the right-of-use assets of US\$7,436,000 as at 31 Dec 2019.

**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.

**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 2019**
**1(c) STATEMENT OF CASH FLOWS**

	Group		Group	
	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Note	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
Profit after tax	1,682	8,343	11,564	14,700
Adjustments for:				
- Income tax credit	(9,859)	(661)	(8,443)	(2,672)
- Depreciation	6,865	5,223	21,420	19,430
- Loss/(Gain) on disposal of property, plant and equipment	41	47	88	(2,226)
- Property, plant and equipment written off	1	65	51	71
- Reversal of impairment losses on property, plant and equipment	(3,376)	-	(3,376)	-
- Interest income	(201)	(673)	(2,558)	(1,465)
- Interest expense	2,773	4,590	15,093	15,414
- Share of profit of associated company	(23)	(12)	(71)	(68)
<b>Operating cash flows before working capital changes</b>	<b>(2,097)</b>	<b>16,922</b>	<b>33,768</b>	<b>43,184</b>
Changes in operating assets and liabilities:				
- Inventories	(37,192)	(39,196)	81,139	(41,594)
- Trade and other receivables	(97,063)	27,930	(14,644)	36,553
- Contract liabilities	(8,761)	1,633	(3,374)	(496)
- Trade and other payables	10,740	3,882	(29,148)	(28,231)
- Derivative financial instruments	48,688	2,849	71,679	27,159
<b>Cash flows (used in)/from operations</b>	<b>(85,685)</b>	<b>14,020</b>	<b>139,420</b>	<b>36,575</b>
Interest received	58	566	2,013	894
Interest paid	(2,773)	(4,590)	(15,093)	(15,414)
Income tax paid	(2,144)	(672)	(2,809)	(4,036)
Increase in restricted short term bank deposits	-	2,126	-	2,623
<b>Net cash flows (used in)/from operating activities</b>	<b>(90,544)</b>	<b>11,450</b>	<b>123,531</b>	<b>20,642</b>
<b>Cash flows from investing activities</b>				
(Increase)/Decrease in other receivables	(240)	(520)	4,960	(1,203)
Additions to property, plant and equipment	(12,746)	(33,143)	(53,201)	(79,723)
Acquisition of subsidiaries	-	(1,232)	-	(8,404)
Proceeds from disposals of property, plant and equipment	(17)	23	180	7,495
<b>Net cash flows used in investing activities</b>	<b>(13,003)</b>	<b>(34,872)</b>	<b>(48,061)</b>	<b>(81,835)</b>
<b>Cash flows from financing activities</b>				
Decrease/(Increase) in restricted short term bank deposits	-	1,194	333	787
Proceeds from long term borrowings*	639	-	3,438	51,149
Repayment of long term borrowings	(1,532)	(3,090)	(15,623)	(23,892)
Net proceeds from/(repayment of) short term borrowings	102,182	(19,668)	(39,846)	23,398
Interest received	143	107	545	571
Proceeds from lease liabilities	-	-	-	-
Repayment of lease liabilities	(235)	-	(496)	-
Dividends paid to equity holders of the Company	(5,076)	-	(10,040)	(6,958)
Dividends paid to non-controlling interest	-	-	(327)	(191)
<b>Net cash flows from/(used in) financing activities</b>	<b>96,121</b>	<b>(21,457)</b>	<b>(62,016)</b>	<b>44,864</b>
<b>Net change in cash and cash equivalents</b>	<b>(7,426)</b>	<b>(44,879)</b>	<b>13,454</b>	<b>(16,329)</b>
Cash and cash equivalents at beginning of the financial period	68,543	93,194	48,278	65,850
Effect of changes in exchange rate				
on cash and cash equivalents	697	(37)	82	(1,243)
<b>Cash and cash equivalents at end of the financial period</b>	<b>61,814</b>	<b>48,278</b>	<b>61,814</b>	<b>48,278</b>
<b>Represented by:</b>				
Cash and bank balances	61,814	48,611	61,814	48,611
Less: restricted short term bank deposits	-	(333)	-	(333)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<b>61,814</b>	<b>48,278</b>	<b>61,814</b>	<b>48,278</b>

\*Hire purchase lease liability has been reclassified to borrowings from lease liabilities in FY 2019

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

Reconciliation of liabilities arising from financing activities.

	<b>1 Jan</b>	<b>Proceeds from</b>	<b>Principal payments *</b>	<b>Non-cash changes</b>	<b>31 Dec</b>
	US\$'000	<b>borrowings</b>	US\$'000	<b>Foreign exchange</b>	US\$'000
			US\$'000	<b>movement</b>	
				US\$'000	US\$'000
<b>2019</b>					
Borrowings	450,865	3,438	(55,469)	2,063	<b>400,897</b>
Lease liabilities	8,223	-	(496)		<b>7,727</b>
<b>2018</b>					
Borrowings	404,477	74,547	(23,892)	(4,267)	<b>450,865</b>

\* Principal payments include net proceeds/repayment of short-term borrowings.



**MEWAH INTERNATIONAL INC.**

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**Unaudited Financial Statements For The Fourth Quarter and Full Year Ended 31 December 2019**
**1(d)(i) STATEMENT OF CHANGES IN EQUITY**

For the period from 1 Oct 2019 to 31 Dec 2019 Group	Attributable to Equity Holders of the Company									
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Merger reserve US\$'000	General reserve US\$'000	Currency translation reserve US\$'000	Retained profits US\$'000	Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
<b>Beginning of the financial period</b>										
As previously stated	1,501	180,012	3,509	(53,005)	(720)	9,134	382,366	522,797	49	522,846
Finalisation of purchase price allocation	-	-	-	-	-	-	-	-	(46)	(46)
<b>Beginning of the financial period (restated)</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>9,134</b>	<b>382,366</b>	<b>522,797</b>	<b>3</b>	<b>522,800</b>
Profit for the period	-	-	-	-	-	-	1,410	1,410	272	1,682
Other comprehensive income for the period	-	-	-	-	-	3,127	-	3,127	34	3,161
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,127</b>	<b>1,410</b>	<b>4,537</b>	<b>306</b>	<b>4,843</b>
Dividend paid	-	-	-	-	-	-	(5,076)	(5,076)	-	(5,076)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,076)</b>	<b>(5,076)</b>	<b>-</b>	<b>(5,076)</b>
<b>End of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>12,261</b>	<b>378,700</b>	<b>522,258</b>	<b>309</b>	<b>522,567</b>

For the period from 1 Oct 2018 to 31 Dec 2018 Group	Attributable to Equity Holders of the Company									
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Merger reserve US\$'000	General reserve US\$'000	Currency translation reserve US\$'000	Retained profits US\$'000	Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
<b>Beginning of the financial period</b>										
As previously stated	1,501	180,012	3,509	(53,005)	(720)	10,772	368,487	510,556	1,152	511,708
Profit for the period	-	-	-	-	-	-	8,607	8,607	(264)	8,343
Other comprehensive income for the period	-	-	-	-	-	363	-	363	(241)	122
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>363</b>	<b>8,607</b>	<b>8,970</b>	<b>(505)</b>	<b>8,465</b>
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	32	32
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>32</b>
<b>End of the financial period (as previously stated)</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>11,135</b>	<b>377,094</b>	<b>519,526</b>	<b>679</b>	<b>520,205</b>
Finalisation of purchase price allocation	-	-	-	-	-	-	-	-	91	91
<b>End of the financial period (restated)</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>11,135</b>	<b>377,094</b>	<b>519,526</b>	<b>770</b>	<b>520,296</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 2019

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

For the period from 1 Oct 2019 to 31 Dec 2019 Company	Attributable to Equity Holders of the Company				
	Share	Share	Capital	Retained	Total
	capital	premium	redemption	profits	equity
	US\$'000	US\$'000	reserve	US\$'000	US\$'000
<b>Beginning of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>114,123</b>	<b>299,145</b>
Profit for the period	-	-	-	5,186	5,186
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,186</b>	<b>5,186</b>
Dividend paid	-	-	-	(5,076)	(5,076)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,076)</b>	<b>(5,076)</b>
<b>End of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>114,233</b>	<b>299,255</b>

For the period from 1 Oct 2018 to 31 Dec 2018 Company	Attributable to Equity Holders of the Company				
	Share	Share	Capital	Retained	Total
	capital	premium	redemption	profits	equity
	US\$'000	US\$'000	reserve	US\$'000	US\$'000
<b>Beginning of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>108,050</b>	<b>293,072</b>
Loss for the period	-	-	-	(9,826)	(9,826)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,826)</b>	<b>(9,826)</b>
<b>End of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>98,224</b>	<b>283,246</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 2019**
**1(d)(i) STATEMENT OF CHANGES IN EQUITY (continued)**

For the period from 1 Jan 2019 to 31 Dec 2019 Group	Attributable to Equity Holders of the Company							Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Merger reserve US\$'000	General reserve US\$'000	Currency translation reserve US\$'000	Retained profits US\$'000			
<b>Beginning of the financial year</b>										
As previously stated	1,501	180,012	3,509	(53,005)	(720)	11,135	377,094	519,526	679	520,205
Finalisation of purchase price allocation	-	-	-	-	-	-	-	-	91	91
<b>Beginning of the financial year (restated)</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>11,135</b>	<b>377,094</b>	<b>519,526</b>	<b>770</b>	<b>520,296</b>
Profit for the year	-	-	-	-	-	-	11,646	11,646	(82)	11,564
Other comprehensive income for the year	-	-	-	-	-	1,126	-	1,126	(52)	1,074
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,126</b>	<b>11,646</b>	<b>12,772</b>	<b>(134)</b>	<b>12,638</b>
Dividend paid	-	-	-	-	-	-	(10,040)	(10,040)	(327)	(10,367)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,040)</b>	<b>(10,040)</b>	<b>(327)</b>	<b>(10,367)</b>
<b>End of the financial year</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>

For the period from 1 Jan 2018 to 31 Dec 2018 Group	Attributable to Equity Holders of the Company							Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Merger reserve US\$'000	General reserve US\$'000	Currency translation reserve US\$'000	Retained profits US\$'000			
<b>Beginning of the financial year</b>										
As previously stated	1,501	180,012	3,509	(53,005)	(720)	15,962	369,264	516,523	1,133	517,656
Profit for the year	-	-	-	-	-	-	14,788	14,788	(88)	14,700
Other comprehensive loss for the year	-	-	-	-	-	(4,827)	-	(4,827)	(328)	(5,155)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,827)</b>	<b>14,788</b>	<b>9,961</b>	<b>(416)</b>	<b>9,545</b>
Dividend paid	-	-	-	-	-	-	(6,958)	(6,958)	(191)	(7,149)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	153	153
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,958)</b>	<b>(6,958)</b>	<b>(38)</b>	<b>(6,996)</b>
<b>End of the financial year (as previously stated)</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>11,135</b>	<b>377,094</b>	<b>519,526</b>	<b>679</b>	<b>520,205</b>
Finalisation of purchase price allocation	-	-	-	-	-	-	-	-	91	91
<b>End of the financial year (restated)</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(720)</b>	<b>11,135</b>	<b>377,094</b>	<b>519,526</b>	<b>770</b>	<b>520,296</b>

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

For the period from 1 Jan 2019 to 31 Dec 2019 Company	Attributable to Equity Holders of the Company				
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Retained profits US\$'000	Total equity US\$'000
<b>Beginning of the financial year</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>98,224</b>	<b>283,246</b>
Profit for the year	-	-	-	26,049	26,049
<b>Total comprehensive income for the year</b>	-	-	-	<b>26,049</b>	<b>26,049</b>
Dividend paid	-	-	-	(10,040)	(10,040)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	-	<b>(10,040)</b>	<b>(10,040)</b>
<b>End of the financial year</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>114,233</b>	<b>299,255</b>

For the period from 1 Jan 2018 to 31 Dec 2018 Company	Attributable to Equity Holders of the Company				
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Retained profits US\$'000	Total equity US\$'000
<b>Beginning of the financial year</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>65,354</b>	<b>250,376</b>
Profit for the year	-	-	-	39,828	39,828
<b>Total comprehensive income for the year</b>	-	-	-	<b>39,828</b>	<b>39,828</b>
Dividend paid	-	-	-	(6,958)	(6,958)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	-	<b>(6,958)</b>	<b>(6,958)</b>
<b>End of the financial year</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>98,224</b>	<b>283,246</b>

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

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

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

### 1(d)(iii) TO SHOW THE TOTAL NUMBER OF ISSUED SHARES EXCLUDING TREASURY SHARES AS AT THE END OF THE CURRENT FINANCIAL PERIOD AND AS AT THE END OF THE IMMEDIATELY PRECEDING YEAR

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

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

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

Not applicable.

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

Not applicable.

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

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

**3. WHERE THE FIGURES HAVE BEEN AUDITED OR REVIEWED, THE AUDITORS' REPORT (INCLUDING ANY QUALIFICATIONS OR EMPHASIS OF A MATTER)**

Not applicable.

**4. WHETHER THE SAME ACCOUNTING POLICIES AND METHODS OF COMPUTATION AS IN THE ISSUER'S MOST RECENTLY AUDITED ANNUAL FINANCIAL STATEMENTS HAVE BEEN APPLIED**

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

SFRS(I) 16 Leases

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

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

The Group has presented the right-of-use assets as part of property, plant and equipment of US\$7,436,000 and the corresponding lease liabilities of US\$7,727,000 in the statement of financial position of the Group as at 31 Dec 2019.

SFRS(I) 3 Business Combinations

During the financial year, the statement of financial position as of 31 Dec 2018 has been restated due to the finalisation of the purchase price allocation to goodwill, other assets and liabilities associated with the acquisition of PT Angso Duo Sawit and PT Jambi Batanghari Plantation.

The changes in the comparative statement of financial position were as follows:

FY 2018	As previously	Adjustments	Restated
	stated		
	US\$'000	US\$'000	US\$'000
Intangible asset	5,496	(4,526)	970
Property, plant and equipment	412,229	5,104	417,333
Other payables	64,051	(22)	64,029
Deferred income tax liabilities	30,253	509	30,762
Non-controlling interests	679	91	770

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**5. IF THERE ARE ANY CHANGES IN THE ACCOUNTING POLICIES AND METHODS OF COMPUTATION, INCLUDING ANY REQUIRED BY AN ACCOUNTING STANDARD, WHAT HAS CHANGED, AS WELL AS THE REASONS FOR, AND THE EFFECT OF, THE CHANGE**

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

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

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

	Group		Group	
	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Basic and diluted based on weighted average number of shares (US cents per share)	0.09	0.57	0.78	0.99
Weighted average number of shares applicable to basic and diluted earnings per share ('000)	1,500,667	1,500,667	1,500,667	1,500,667

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

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

	Group		Company	
	As at		As at	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	34.80	34.62	19.94	18.87

**8. A REVIEW OF THE PERFORMANCE OF THE GROUP, TO THE EXTENT NECESSARY FOR A REASONABLE UNDERSTANDING OF THE GROUP'S BUSINESS. IT MUST INCLUDE A DISCUSSION OF THE FOLLOWING:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**8.1 Income statement**

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

The Bulk segment produces and sells vegetable-based edible oil and fat products 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"):

For the quarter	Total			Bulk			Consumer Pack		
	Q4 2019	Q4 2018	Change	Q4 2019	Q4 2018	Change	Q4 2019	Q4 2018	Change
Sales volume (MT'000)	1,139.1	1,061.1	7.4%	857.3	761.1	12.6%	281.8	300.0	-6.1%
Revenue (US\$'million)	711.9	661.7	7.6%	511.5	435.0	17.6%	200.4	226.7	-11.6%
Average selling prices (US\$)	625.0	623.6	0.2%	596.6	571.5	4.4%	711.1	755.7	-5.9%
OM (US\$'million)	12.8	37.9	-66.4%	1.2	20.5	-94.1%	11.6	17.4	-33.3%
OM per MT (US\$)	11.2	35.8	-68.7%	1.4	26.9	-94.8%	41.2	58.0	-29.0%

  

For the period	Total			Bulk			Consumer Pack		
	FY 2019	FY 2018	Change	FY 2019	FY 2018	Change	FY 2019	FY 2018	Change
Sales volume (MT'000)	4,566.0	4,197.6	8.8%	3,454.6	3,088.2	11.9%	1,111.4	1,109.4	0.2%
Revenue (US\$'million)	2,817.3	2,946.8	-4.4%	1,991.5	2,030.6	-1.9%	825.8	916.2	-9.9%
Average selling prices (US\$)	617.0	702.0	-12.1%	576.5	657.5	-12.3%	743.0	825.9	-10.0%
OM (US\$'million)	105.4	122.8	-14.2%	45.7	70.2	-34.9%	59.7	52.6	13.5%
OM per MT (US\$)	23.1	29.3	-21.2%	13.2	22.7	-41.9%	53.7	47.4	13.3%

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



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In this quarter, Crude palm oil (“CPO”) traded at nearly its highest in almost three years driven by fears of supply crunch owing to lower output growth and robust biofuel demand. Closing at RM3,048 the prices rose by 48% during the quarter with the substantial portion of the rally between mid-November and December. The steep rise in CPO prices along with reduced price difference versus competitive products as well as nationalistic policies created significant pressure on the refining margins. To protect and increase market share and due to the trust imposed by long-time customers, the Group continued fulfilling market requirements even at these reduced margins.

During the year a subsidiary of the Company became the first refinery to produce and export very first shipment of Malaysian Sustainable Palm Oil (MSPO) certified RBD Palm Olein. Recent investments towards sustainability, value addition and expansion initiatives in refineries, dairy manufacturing facilities and biodiesel plant had their initial standalone costs. In spite of Bulk segment being under pressure, higher operational contributions by Consumer Pack business enabled the Group to achieve profit after tax attributable to shareholders for the full year of US\$11.6 million.

### **8.1.1 Sales volume**

For the fourth quarter ended 31 Dec 2019 (“Q4 2019”), the Group’s sales volume has registered an increase of 7.4% to 1,139,100 MT. Bulk Segment recorded an increase of 12.6% to 857,300 MT and Consumer Pack segment recorded a decrease of 6.1% to 281,800 MT. Bulk and Consumer Pack segments contributed 75.3% and 24.7% of total sales volume respectively (Q4 2018: 71.7% and 28.3% respectively).

For the full year ended 31 Dec 2019 (“FY 2019”), the Group’s sales volume has registered an increase of 8.8% to 4,566,000 MT. Bulk Segment recorded an increase of 11.9% to 3,454,600 MT and Consumer Pack segment recorded an increase of 0.2% to 1,111,400 MT this year. Bulk and Consumer Pack segments contributed 75.7% and 24.3% of total sales volume respectively (FY 2018: 73.6% and 26.4% respectively).

### **8.1.2 Revenue**

For Q4 2019, revenue increased 7.6% to US\$711.9 million supported by 7.4% higher sales volume and 0.2% higher average selling prices. Bulk segment recorded an increase of 17.6% in revenue but Consumer Pack segment recorded a drop of 11.6% in revenue. Bulk and Consumer Pack segments contributed 71.8% and 28.2% of total revenue respectively (Q4 2018: 65.7% and 34.3% respectively).

For FY 2019, revenue decreased 4.4% to US\$2,817.3 million due to 12.1% lower average selling prices, partially offset by 8.8% higher sales volume. Both Bulk and Consumer Pack segments recorded a drop of 1.9% and 9.9% in revenue respectively. Bulk and Consumer Pack segments contributed 70.7% and 29.3% of total revenue respectively (FY 2018: 68.9% and 31.1% respectively).

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**8.1.3 Cost of sales**

	Group			Group		
	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	31 Dec 2019	31 Dec 2018	Change	31 Dec 2019	31 Dec 2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Cost of inventories recognised as an expense	<b>625,912</b>	612,427	2.2%	<b>2,537,661</b>	2,761,711	-8.1%
Losses/(Gains) from derivative financial instruments	<b>63,449</b>	(12,390)	n.m.	<b>97,428</b>	2,905	n.m.
	<b>689,361</b>	600,037	14.9%	<b>2,635,089</b>	2,764,616	-4.7%
Labour costs and other overheads	<b>16,462</b>	13,274	24.0%	<b>58,277</b>	47,491	22.7%
<b>Total</b>	<b>705,823</b>	613,311	15.1%	<b>2,693,366</b>	2,812,107	-4.2%

For Q4 2019, the Group recorded losses from derivative financial instruments of US\$63.4 million compared to gains of US\$12.4 million last year. Variance is explained by changes in the fair value of derivative financial instruments from the date of the contracts, to the relevant financial reporting dates and upon settlement. Compared to 30 Sep 2019, the steep rally in palm oil prices resulted in approximate 48% increase in the price on 31 Dec 2019 contributing to significant fair value losses from derivative financial instruments for the quarter. As the inventories are valued at cost or net realisable value whichever is lower, there was no compensating fair value gain being recognised.

Cost of inventories recognised as expense increased 14.9% after taking into account the gains or losses from derivative financial instruments. Labour costs and other overheads increased 24.0% to US\$16.5 million. Total cost of sales increased 15.1% for the quarter.

For FY 2019, the Group recorded losses from derivative financial instruments of US\$97.4 million compared to US\$2.9 million last year. Variance is explained by changes in the fair value of derivative financial instruments from the date of the contracts, to the relevant financial reporting dates and upon settlement. Cost of inventories recognised as expense decreased 4.7% after taking into account the losses from derivative financial instruments. Labour costs and other overheads increased 22.7% to US\$58.3 million. Total cost of sales decreased 4.2% for the full year.

**8.1.4 Gross profit**

For Q4 2019, an increase of US\$50.2 million in revenue but with a higher increase of US\$92.5 million in cost of sales resulted in gross profit decreasing by US\$42.3 million.

For FY 2019, a decrease of US\$129.6 million in revenue but with a lower decrease of US\$118.7 million in cost of sales resulted in gross profit decreasing by US\$10.8 million.

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

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

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

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

	Group			Group		
	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	31 Dec 2019	31 Dec 2018	Change	31 Dec 2019	31 Dec 2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Freight *	<b>(1,280)</b>	2,965	n.m.	<b>2,358</b>	2,781	-15.2%
Storage, handling and forwarding	<b>8,471</b>	6,195	36.7%	<b>33,598</b>	25,134	33.7%
Export duties	<b>21</b>	210	-90.0%	<b>174</b>	879	-80.2%
Other selling and distribution expenses	<b>851</b>	2,605	-67.3%	<b>2,678</b>	2,965	-9.7%
<b>Total</b>	<b>8,063</b>	11,975	-32.7%	<b>38,808</b>	31,759	22.2%

\* Reclassification of US\$1,693,000 has been made from Freight under Selling and distribution expenses to Cost of sales in a subsidiary for the full year.

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

**8.1.6 Other gains/(losses)**

	Group			Group		
	THREE MONTHS ENDED			TWELVE MONTHS ENDED		
	31 Dec 2019	31 Dec 2018	Change	31 Dec 2019	31 Dec 2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Foreign exchange gains/(losses)	<b>8,933</b>	(2,204)	n.m.	<b>5,370</b>	(1,025)	n.m.
(Losses)/Gains on disposal of property, plant and equipment	<b>(41)</b>	(47)	-12.8%	<b>(88)</b>	2,226	n.m.
Reversal of impairment losses on property, plant and equipment	<b>3,376</b>	-	n.m.	<b>3,376</b>	-	n.m.
Property, plant and equipment written off	<b>(1)</b>	(65)	-98.5%	<b>(51)</b>	(71)	-28.2%
(Reversal)/Impairment losses on other receivables	<b>(103)</b>	12	n.m.	<b>(107)</b>	(250)	-57.2%
Others	-	1	-100.0%	-	-	n.m.
<b>Total</b>	<b>12,164</b>	(2,303)	n.m.	<b>8,500</b>	880	865.9%

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

For FY2019, based on the review of the recoverable amount of certain property, plant and equipment, a reversal of an impairment loss of US\$3.4 million has been made which reflected the increase in the carrying value of the asset (after considering depreciation, had no impairment cost been recognised) since the date when the Group last recognised an impairment loss for that asset.

#### **8.1.7 Operating margin**

For Q4 2019, on the back of lower OM of US\$11.2 per MT compared to US\$35.8 despite 7.4% higher sales volume, total operating margin decreased 66.4% to US\$12.8 million. For Bulk segment, operating margin decreased 94.1% to US\$1.2 million resulting from lower operating margin of US\$1.4 per MT compared to US\$26.9 in Q4 2018. For Consumer Pack segment, operating margin decreased 33.3% to US\$11.6 million on the back of lower operating margin of US\$41.2 per MT compared to US\$58.0 in Q4 2018. The segments contributed 9.4% and 90.6% of total operating margin respectively (Q4 2018: 54.1% and 45.9% respectively).

For FY 2019, on the back of lower operating margin of US\$23.1 per MT compared to US\$29.3 in FY 2018 despite 8.8% higher sales volume, total operating margin decreased 14.2% to US\$105.4 million. For Bulk segment, operating margin decreased 34.9% to US\$45.7 million resulting from lower operating margin of US\$13.2 per MT compared to US\$22.7 in FY 2018. For Consumer Pack segment, operating margin increased 13.5% to US\$59.7 million supported by higher operating margin of US\$53.7 per MT compared to US\$47.4 in FY 2018. The segments contributed 43.4% and 56.4% of total operating margin respectively (FY 2018: 57.2% and 42.8% respectively).

#### **8.1.8 Other income**

For Q4 2019, other income of US\$1.1 million (Q4 2018: US\$1.5 million) included interest income of US\$0.2 million (Q4 2018: US\$0.7 million).

For FY 2019, other income of US\$5.3 million (FY 2018: US\$4.2 million) included interest income of US\$2.6 million (FY 2018: US\$1.5 million).

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

#### **8.1.9 Administrative expenses**

For Q4 2019, administrative expenses decreased to US\$18.5 million from US\$23.6 million. For FY 2019, administrative expenses decreased to US\$81.4 million from US\$88.8 million mainly on account of depreciation of currencies in the jurisdiction where the Group operates against our presentation currency the US dollar, and lower manpower cost.

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#### **8.1.10 Finance costs**

For Q4 2019, finance costs decreased to US\$2.8 million from US\$4.6 million last year due to lower effective interest rates and lower average borrowings. For FY 2019, finance cost decreased marginally to US\$15.1 million from US\$15.4 million last year.

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

For Q4 2019, the profit before tax decreased US\$15.9 million from profit of US\$7.7 million for Q4 2018 to loss of US\$8.2 million for the quarter. The decrease is mainly due to US\$25.2 million lower operating margin, decrease in other income of US\$0.3 million, partially offset by decrease in finance costs of US\$1.8 million, reversal of impairment losses on property, plant and equipment of US\$3.4 million and decrease in other operating expenses of US\$4.4 million, mainly in administrative expenses.

For FY 2019, the profit before tax decreased US\$8.9 million from profit of US\$12.0 million in FY 2018 to US\$3.1 million for FY 2019, mainly due to US\$17.4 million lower operating margin, partially offset by increase in other income of US\$1.1 million, decrease in finance costs of US\$0.3 million, reversal of impairment losses on property, plant and equipment of US\$3.4 million and decrease in other operating expenses of US\$3.7 million, mainly in administrative expenses.

#### **8.1.12 Income tax**

For Q4 2019, income tax credit was US\$9.9 million compared to US\$0.7 million last year. For FY 2019, income tax credit was US\$8.4 million compared to US\$2.7 million for the corresponding period. The credit for Q4 2019 and FY 2019 were mainly due to credit from capital investment related incentive schemes of US\$4.9 million and the reversal of US\$3.9 million due settlement of prior years' tax provision.

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

For Q4 2019, the Group reported a profit after tax of US\$1.7 million compared to US\$8.3 million for Q4 2018. Profit after tax attributable to equity holders of the Company was US\$1.4 million compared to US\$8.6 million for Q4 2018.

For FY 2019, the Group reported a profit after tax of US\$11.6 million compared to US\$14.7 million. Profit after tax attributable to equity holders of the Company was US\$11.6 million compared to US\$14.8 million for FY 2018.

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## **8.2 Statement of financial position**

### **8.2.1 Inventories**

On 31 Dec 2019, the inventories of US\$323.2 million were lower by US\$78.5 million representing inventories of 44 days (31 Dec 2018: US\$401.7 million and 52 days respectively).

### **8.2.2 Trade receivables**

On 31 Dec 2019, the Group had trade receivables of US\$243.8 million representing trade receivables of 32 days (31 Dec 2018: US\$221.6 million and 27 days respectively).

### **8.2.3 Other receivables**

#### **Group**

On 31 Dec 2019, other receivables of US\$78.0 million (31 Dec 2018: US\$92.0 million) included US\$1.4 million (31 Dec 2018: US\$37.5 million) relating to refundable Goods Service Tax (GST), US\$49.4 million (31 Dec 2018: US\$27.7 million) paid to Bursa Malaysia Derivatives Clearing Bhd (“Bursa”) for commodity trading initial and variation margin payment, US\$5.0 million (31 Dec 2018: US\$10.0 million) for advance payments against capital expenditure, US\$8.2 million (31 Dec 2018: US\$8.5 million) for advance payment for the purchase of raw materials and US\$1.7 million (31 Dec 2018: US\$0.06 million) relating to cooking oil subsidy receivable from statutory authority.

#### **Company**

On 31 Dec 2018, other receivables of US\$300.7 million (31 Dec 2018: US\$283.4 million) were mainly on account of amounts receivable from subsidiaries.

### **8.2.4 Derivative financial instruments**

On 31 Dec 2019, the Group had net derivative financial instruments liabilities of US\$47.0 million (31 Dec 2018: assets of US\$28.5 million). The amount represents net amounts payables (31 Dec 2018: receivables) for the losses (31 Dec 2018: gains) resulting from changes in the fair value of derivative financial instruments from the date of the contracts to the financial reporting date.

### **8.2.5 Cash and cash equivalents**

Cash and cash equivalents increased from US\$48.6 million on 31 Dec 2018 to US\$61.8 million on 31 Dec 2019 as explained in section 8.3 below.

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### **8.2.6 Intangible asset**

In FY2018, the Group acquired 95.0% of the issued equity of PT Angso Duo Sawit and PT Jambi Batanghari Plantation, the companies incorporated in Indonesia involved primarily in palm oil milling and plantation businesses respectively. The total purchase consideration was at IDR120 billion or approximately US\$8.4 million. For these subsidiaries, after finalisation of the purchase price allocation exercise in FY2019, there is a decrease in goodwill, increase in property, plant and equipment and increase in deferred tax liability non-controlling interests of US\$4.5 million, US\$5.1 million, US\$0.5 million and US\$0.1 million respectively.

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

Property, plant and equipment increased US\$47.5 million to US\$464.8 million on 31 Dec 2019 compared to US\$417.3 million on 31 Dec 2018 mainly due to capital expenditure in Malaysia, Indonesia and China partially offset by depreciation.

### **8.2.8 Trade payables**

On 31 Dec 2019, the Group had trade payables of US\$125.0 million representing trade payables of 17 days (31 Dec 2018: US\$142.2 million and 18 days respectively).

### **8.2.9 Cycle time**

On 31 Dec 2019, cycle time (Inventories days add trade receivables days less trade payables days) was 59 days (31 Dec 2018: 61 days).

### **8.2.10 Other payables**

On 31 Dec 2019, other payables decreased US\$13.5 million to US\$50.6 million compared to US\$64.0 million on 31 Dec 2018 mainly due to decrease in provisions subsequent to actual settlements.

### **8.2.11 Borrowings**

On 31 Dec 2019, Group borrowings were US\$400.9 million giving debt to equity ratio (Borrowings divided by total equity) of 0.77 (31 Dec 2018: US\$450.9 million and 0.87 respectively). Excluding cash and cash equivalents, net debt was US\$339.1 million, giving net debt to equity ratio of 0.65 (31 Dec 2019: US\$402.3 million and 0.77 respectively).

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

#### **Q4 2019**

The Group utilised operating cash flows of US\$2.1 million before working capital changes. US\$83.6 million was used in working capital. The Group utilised US\$4.8 million for net interest and income tax. US\$13.0 million was used for investing activities. US\$96.1 million was generated from financing activities. After adjusting for effect of changes in exchange rate, cash and cash equivalents decreased US\$6.7 million to US\$61.8 million.

#### **FY 2019**

The Group generated operating cash flows of US\$33.8 million before working capital changes. US\$105.6 million was generated from reduction in working capital. The Group utilised US\$15.9 million for net interest and income tax. US\$48.1 million was used for investing activities. US\$62.0 million was used in financing activities. After adjusting for effect of changes in exchange rate, cash and cash equivalents increased US\$13.5 million to US\$61.8 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**

In 2020 Palm oil exports from Malaysia and Indonesia are expected to be tight due to lower opening inventory, minimal production growth and biodiesel mandate enhancement programs. This supply side shortfall is providing strong support to palm oil prices despite forecasted reduction in near future imports by key markets due to US-China phase one trade deal, tariffs and Covid-19. Though the food and fuel demand are expected to stay robust over the long term, yet the present uncertainty and volatility requires continuous monitoring and assessment. The Group remains focused on running its operations sustainably, increasing capacity utilization for the recent capital spent and progressively rebalancing its portfolio risk to create long term value for its stakeholders.



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**11. DIVIDEND**

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

No.

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

(i) Current Financial Period Reported On

Name of dividend	Proposed Final Exempt one-tier dividend	Interim exempt dividends	Total
Dividend type	Nil	Cash	Cash
Dividend amount per share (Singapore cent per share)	Nil	0.46	0.46

(ii) Corresponding period of the immediately preceding financial year

Name of dividend	Proposed Final Exempt one-tier dividend	Interim exempt dividends	Total
Dividend type	Cash	Cash	Cash
Dividend amount per share (Singapore cent per share)	0.45	0.22	0.67

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

Not applicable

(d) Date Payable

Not applicable

(e) Books Closure Date

Not applicable

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

Considering the present market conditions and after factoring the interim dividend of S\$0.0046 per ordinary share for the third quarter already paid to the shareholders, the Company did not recommend any final dividend for the fourth quarter.

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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)
	FY 2019 US\$'000	FY 2019 US\$'000
Prelude Gateway Sdn. Bhd.	96	3,447
Ecolex Sdn. Bhd.	32	10,356
Containers Printers Pte Ltd	NIL	847
Mr Cheo Seng Jin	776	NIL
Mr Cheo Tiong Choon	776	NIL
Kent Holidays (S) Pte Ltd	246	NIL
Choon Heng Logistics Pte Ltd	213	NIL
Futura Ingredients Singapore Pte Ltd	84	NIL

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

Not applicable.

**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.

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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	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
<b>Sales</b>						
Total segment sales	2,281,521	2,053,512	843,342	1,445,379	3,124,863	3,498,891
Inter-segment sales	(290,071)	(22,876)	(17,537)	(529,197)	(307,608)	(552,073)
Sales to external parties	1,991,450	2,030,636	825,805	916,182	2,817,255	2,946,818
<b>Operating margin</b>	<b>45,693</b>	<b>70,162</b>	<b>59,690</b>	<b>52,641</b>	<b>105,383</b>	<b>122,803</b>
Other income excluding interest income	2,216	2,028	527	702	2,743	2,730
Interest income	2,165	1,165	393	300	2,558	1,465
Admin expenses, excluding depreciation and amortisation	(35,462)	(38,427)	(38,789)	(43,672)	(74,251)	(82,099)
Other gains excluding foreign exchange gains/(losses)	957	335	2,173	1,570	3,130	1,905
<b>Adjusted EBITDA</b>	<b>15,569</b>	<b>35,263</b>	<b>23,994</b>	<b>11,541</b>	<b>39,563</b>	<b>46,804</b>
Depreciation	(15,211)	(13,299)	(6,209)	(6,131)	(21,420)	(19,430)
Finance expense	(10,491)	(11,265)	(4,602)	(4,149)	(15,093)	(15,414)
<b>Segment results</b>	<b>(10,133)</b>	<b>10,699</b>	<b>13,183</b>	<b>1,261</b>	<b>3,050</b>	<b>11,960</b>
<b>Unallocated</b>						
Income tax credit/(expense)					8,443	2,672
Share of profit of associated company					71	68
<b>Profit after tax</b>					<b>11,564</b>	<b>14,700</b>

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**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**

	FY 2019 US\$'000	FY 2018 US\$'000	Change %
(a) Sales reported for first half year	1,419,162	1,579,272	-10%
(b) Operating profit after tax before deducting minority interests reported for first half year	2,484	5,423	-54%
(c) Sales reported for second half year	1,398,093	1,367,546	2%
(d) Operating profit after tax before deducting minority interests reported for second half year	9,162	9,365	-2%

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.**

	FY 2019 US\$'000	FY 2018 US\$'000
<b>Ordinary shares</b>		
<b>Declared and paid during the financial year:</b>		
- Final exempt one-tier dividend of S\$0.0045 for FY 2018 (FY 2017: S\$0.0040) per share	4,964	4,517
- Interim exempt dividend of S\$0.0046 (FY 2018: S\$0.0022) per share	5,076	2,441
	<b>10,040</b>	<b>6,958</b>
<b>Proposed but not recognised as a liability as at 31 December</b>		
- Final exempt one-tier dividend of S\$nil (FY 2018: S\$0.0045) per share	-	4,957

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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(13) 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	72	Sister of Dr Cheo Tong Choon	Senior Manager, Controller Department since 1981	Not applicable
Ms Cheo Sor Cheng Angeline	60	Sister of Dr Cheo Tong Choon	Manager, Controller Department since 1999	Not applicable
Ms Cheo Su Ching	68	Sister of Dr Cheo Tong Choon	Manager, Controller Department since 2008	Not applicable
Mr Cheo Jian Jia	34	Son of Dr Cheo Tong Choon; Brother of Ms Michelle Cheo Hui Ning and Ms Bianca Cheo Hui Hsin	Trading Manager, since 2014	Not applicable

BY ORDER OF THE BOARD

MICHELLE CHEO HUI NING

Chief Executive Officer and Executive Director

28 February 2020