

Unaudited Financial Statements For The First Quarter Ended 31 March 2015

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

Unaudited Financial Statements For The First Quarter Ended 31 March 2015

Part I Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements

1(a)(i) INCOME STATEMENT

	Note	Group		
		THREE MONTHS ENDED		
		31 Mar 2015	31 Mar 2014	Change
		US\$'000	US\$'000	%
Revenue	8.1.2	<b>692,645</b>	814,404	-15.0%
Cost of sales	8.1.3	<b>(633,217)</b>	(766,936)	-17.4%
Gross profit	8.1.4	<b>59,428</b>	47,468	25.2%
Other income	8.1.8	<b>1,198</b>	1,529	-21.6%
Other losses	8.1.6	<b>(13,658)</b>	(760)	1697.1%
Expenses				
- Selling and distribution	8.1.5	<b>(24,725)</b>	(26,846)	-7.9%
- Administrative	8.1.9	<b>(16,707)</b>	(17,399)	-4.0%
- Finance	8.1.10	<b>(2,715)</b>	(2,819)	-3.7%
Share of profit of associated company		<b>9</b>	16	-43.8%
Profit before tax	8.1.11	<b>2,830</b>	1,189	138.0%
Income tax expense	8.1.12	<b>(498)</b>	(207)	140.6%
<b>Profit after tax</b>	8.1.13	<b>2,332</b>	982	137.5%
<b>Profit after tax attributable to:</b>				
<b>Equity holders of the Company</b>	8.1.13	<b>2,247</b>	995	125.8%
Non-controlling interests		<b>85</b>	(13)	n.m.
		<b>2,332</b>	982	137.5%
<b>The following items have been included in arriving at profit after tax:</b>				
Interest income		<b>709</b>	<b>1,096</b>	-35.3%
(Losses)/gains on disposal of property, plant and equipment		<b>(359)</b>	<b>4</b>	n.m.
Net (allowance for)/reversal of impairment of trade receivables		<b>(155)</b>	1,058	n.m.
Depreciation		<b>(4,226)</b>	(4,778)	-11.6%
Amortisation		<b>(393)</b>	(304)	29.3%

n.m. – not meaningful

Unaudited Financial Statements For The First Quarter Ended 31 March 2015

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

	Group		
	THREE MONTHS ENDED		
	31 Mar 2015	31 Mar 2014	Change
	US\$'000	US\$'000	%
<b>Profit after tax</b>	<b>2,332</b>	982	137.5%
<b>Other comprehensive (loss)/income:</b>			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from foreign subsidiaries, net of tax	<b>(12,004)</b>	1,878	n.m.
<b>Total comprehensive (loss)/income, net of tax</b>	<b>(9,672)</b>	2,860	n.m.
<b>Total comprehensive (loss)/income attributable to:</b>			
<b>Equity holders of the Company</b>	<b>(9,752)</b>	2,834	n.m.
Non-controlling interests	<b>80</b>	26	207.7%
	<b>(9,672)</b>	2,860	n.m.

n.m. – not meaningful

**MEWAH INTERNATIONAL INC.**

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

**Unaudited Financial Statements For The First Quarter Ended 31 March 2015**
**1(b)(i) STATEMENT OF FINANCIAL POSITION**

	Group		Company	
	As at	As at	As at	As at
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Inventories	210,727	294,368	-	-
Trade receivables	267,679	290,287	-	-
Other receivables	24,283	28,079	205,795	205,643
Current income tax recoverable	6,156	6,876	-	-
Derivative financial instruments	43,661	48,825	-	-
Cash and cash equivalents	60,128	60,825	103	56
	<b>612,634</b>	<b>729,260</b>	<b>205,898</b>	<b>205,699</b>
<b>Non-current assets</b>				
Deferred income tax assets	11,388	11,417	-	-
Property, plant and equipment	327,307	346,923	-	-
Leasehold prepayments	34,460	34,781	-	-
Investments in subsidiaries	-	-	849	849
Investment in associated company	366	379	-	-
Derivative financial instruments	4,011	668	-	-
	<b>377,532</b>	<b>394,168</b>	<b>849</b>	<b>849</b>
<b>Total assets</b>	<b>990,166</b>	<b>1,123,428</b>	<b>206,747</b>	<b>206,548</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	117,961	147,007	-	-
Other payables	42,076	43,018	171	142
Current income tax liabilities	4,485	2,573	173	147
Derivative financial instruments	52,854	42,756	-	-
Borrowings	142,042	228,665	-	-
	<b>359,418</b>	<b>464,019</b>	<b>344</b>	<b>289</b>
<b>Non-current liabilities</b>				
Deferred income tax liabilities	18,535	21,247	384	366
Borrowings	86,313	102,590	-	-
	<b>104,848</b>	<b>123,837</b>	<b>384</b>	<b>366</b>
<b>Total liabilities</b>	<b>464,266</b>	<b>587,856</b>	<b>728</b>	<b>655</b>
<b>NET ASSETS</b>	<b>525,900</b>	<b>535,572</b>	<b>206,019</b>	<b>205,893</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
Retained profits	392,977	390,730	20,997	20,871
Other reserves	(45,258)	(33,259)	3,509	3,509
	<b>529,232</b>	<b>538,984</b>	<b>206,019</b>	<b>205,893</b>
<b>Non-controlling interests</b>	<b>(3,332)</b>	<b>(3,412)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>525,900</b>	<b>535,572</b>	<b>206,019</b>	<b>205,893</b>

Unaudited Financial Statements For The First Quarter Ended 31 March 2015

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

	Group		Group	
	As at		As at	
	31 Mar 2015		31 Dec 2014	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
The amount repayable in one year or less, or on demand	40,386	101,656	43,114	185,551
The amount repayable after one year	76,313	10,000	89,257	13,333
	<b>116,699</b>	<b>111,656</b>	132,371	198,884

**Details of collaterals**

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

Unaudited Financial Statements For The First Quarter Ended 31 March 2015

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

	Group	
	THREE MONTHS ENDED	
	31 Mar 2015	31 Mar 2014
	US\$'000	US\$'000
<b>Cash flows from operating activities</b>		
Profit after tax	2,332	982
Adjustments for:		
- Income tax expense	498	207
- Amortisation	393	304
- Depreciation	4,226	4,778
- Losses/(gains) on disposal of property, plant and equipment	359	(4)
- Property, plant and equipment written off	-	9
- Interest income	(709)	(1,096)
- Interest expense	2,715	2,819
- Share of profit of associated company	(9)	(16)
- Exchange differences (net)	773	(2,366)
<b>Operating cash flows before working capital changes</b>	<b>10,578</b>	<b>5,617</b>
Changes in operating assets and liabilities:		
- Inventories	83,641	47,918
- Trade and other receivables	27,180	40,635
- Trade and other payables	(29,988)	(2,477)
- Derivative financial instruments	11,919	(9,902)
<b>Cash flows from operations</b>	<b>103,330</b>	<b>81,791</b>
Interest received	628	1,034
Interest paid	(2,715)	(2,819)
Income tax (paid)/refund received (net)	(126)	503
<b>Net cash flows from operating activities</b>	<b>101,117</b>	<b>80,509</b>
<b>Cash flows from investing activities</b>		
Increase in other receivables	(776)	(3,100)
Additions to property, plant and equipment	(4,066)	(20,399)
Proceeds from disposals of property, plant and equipment	601	4
<b>Net cash flows used in investing activities</b>	<b>(4,241)</b>	<b>(23,495)</b>
<b>Cash flows from financing activities</b>		
Decrease in restricted short term deposits	9	596
Proceeds from long term borrowings	1,116	21,671
Repayment of long term borrowings	(14,007)	(8,585)
Net repayment of short term borrowings	(84,009)	(32,715)
Repayment of finance lease liabilities	(5)	(8)
Interest received	81	62
<b>Net cash flows used in financing activities</b>	<b>(96,815)</b>	<b>(18,979)</b>
<b>Net change in cash and cash equivalents</b>	<b>61</b>	<b>38,035</b>
Cash and cash equivalents at beginning of the financial period	58,352	59,976
Effect of changes in exchange rate on cash and cash equivalents	(721)	271
<b>Cash and cash equivalents at end of the financial period</b>	<b>57,692</b>	<b>98,282</b>
<b>Represented by:</b>		
Cash and bank balances	60,128	100,855
Less: restricted short term bank deposits	(2,198)	(2,271)
Less: bank overdrafts	(238)	(302)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<b>57,692</b>	<b>98,282</b>

**MEWAH INTERNATIONAL INC.**

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

**Unaudited Financial Statements For The First Quarter Ended 31 March 2015**
**1(d)(i) STATEMENT OF CHANGES IN EQUITY**

For the period from 1 Jan 2015 to 31 Mar 2015 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	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>	1,501	180,012	3,509	(53,005)	(2,608)	10,058	8,787	390,730	538,984	(3,412)	535,572
Total comprehensive loss for the period	-	-	-	-	-	-	(11,999)	2,247	(9,752)	80	(9,672)
<b>End of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>(53,005)</b>	<b>(2,608)</b>	<b>10,058</b>	<b>(3,212)</b>	<b>392,977</b>	<b>529,232</b>	<b>(3,332)</b>	<b>525,900</b>

For the period from 1 Jan 2014 to 31 Mar 2014 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	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	-	(50,706)	(2,608)	10,058	20,948	396,776	561,391	(4,566)	556,825
Acquisition of a subsidiary under common control	-	-	-	(2,299)	-	-	-	-	(2,299)	-	(2,299)
Total comprehensive income for the period	-	-	-	-	-	-	1,839	995	2,834	26	2,860
<b>End of the financial period</b>	<b>1,507</b>	<b>185,416</b>	<b>-</b>	<b>(53,005)</b>	<b>(2,608)</b>	<b>10,058</b>	<b>22,787</b>	<b>397,771</b>	<b>561,926</b>	<b>(4,540)</b>	<b>557,386</b>



MEWAH INTERNATIONAL INC.

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

Unaudited Financial Statements For The First Quarter Ended 31 March 2015

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

For the period from 1 Jan 2015 to 31 Mar 2015 Company	Attributable to Equity Holders of the Company				
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Retained profits US\$'000	Total equity US\$'000
<b>Beginning of the financial period</b>	1,501	180,012	3,509	20,871	205,893
Total comprehensive income for the period	-	-	-	126	126
<b>End of the financial period</b>	<b>1,501</b>	<b>180,012</b>	<b>3,509</b>	<b>20,997</b>	<b>206,019</b>

For the period from 1 Jan 2014 to 31 Mar 2014 Company	Attributable to Equity Holders of the Company				
	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Retained profits US\$'000	Total equity US\$'000
<b>Beginning of the financial period</b>	1,507	185,416	-	9,025	195,948
Total comprehensive income for the period	-	-	-	565	565
<b>End of the financial period</b>	<b>1,507</b>	<b>185,416</b>	<b>-</b>	<b>9,590</b>	<b>196,513</b>

Unaudited Financial Statements For The First Quarter Ended 31 March 2015

**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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	No. of ordinary shares	Share capital US\$'000
<b>Q1 2015</b>		
<b>Issued and fully paid ordinary shares</b>		
Balance at beginning/end of the financial period	1,500,667,440	1,501
<b>Q1 2014</b>		
<b>Issued and fully paid ordinary shares</b>		
Balance at beginning/end of the financial period	1,507,061,440	1,507

**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 Mar 2015 (31 Dec 2014: 1,500,667,440).

The Company did not hold any treasury shares as at 31 Mar 2015 (31 Dec 2014: Nil). There were no unissued shares of the Company or its subsidiaries under option as at 31 Mar 2015 (31 Dec 2014: 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.

**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 First Quarter Ended 31 March 2015

**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 2014. New or amended Financial Reporting Standards ("FRS") and Interpretation to FRS ("INT FRS") that are mandatory for financial year beginning on or after 1 January 2015 have been adopted by the Company. The adoption of these new or amended FRS and INT FRS has no material impact to the Group's accounting policies and financial statements.

**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	
	THREE MONTHS ENDED	
	31 Mar 2015	31 Mar 2014
Basic and diluted based on weighted average number of shares (US cents per share)	0.15	0.07
Weighted average number of shares applicable to basic and diluted earnings per share ('000)	1,500,667	1,507,061

**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 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	35.27	35.92	13.73	13.72

Unaudited Financial Statements For The First Quarter Ended 31 March 2015

**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 measures and tracks the earnings in terms of operating margin ("OM") per metric tonne ("MT") of sales volume. OM is calculated by adjusting the depreciation in cost of sales, selling and distribution expenses and foreign exchange differences in other gains or losses to gross profit as tabled below. OM relating to inter-segment sales is reported under the segment where the final sales to third parties are made.

	Group		
	THREE MONTHS ENDED		
	31 Mar 2015	31 Mar 2014	Change
	US\$'000	US\$'000	%
Revenue	692,645	814,404	-15.0%
Cost of sales	(633,217)	(766,936)	-17.4%
Gross profit	59,428	47,468	25.2%
Add: Depreciation in Cost of sales	2,854	3,217	-11.3%
Less: Selling and distribution expenses	(24,725)	(26,846)	-7.9%
Less: Foreign exchange losses	(13,297)	(756)	1658.9%
<b>Operating margin</b>	<b>24,260</b>	<b>23,083</b>	<b>5.1%</b>

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

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

The Consumer Pack segment produces vegetable-based edible oil and fat products, in the form of consumer packs and sells under Group's 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. The Group has recently added rice and dairy products in its portfolio, to be sold in consumer pack form, under its own brands.

Unaudited Financial Statements For The First Quarter Ended 31 March 2015

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

For the quarter	Total			Bulk			Consumer Pack		
	Q1 2015	Q1 2014	Change	Q1 2015	Q1 2014	Change	Q1 2015	Q1 2014	Change
Sales volume (MT'000)	<b>931.6</b>	915.5	1.8%	<b>725.4</b>	664.3	9.2%	<b>206.2</b>	251.2	-17.9%
Revenue (US\$'million)	<b>692.6</b>	814.4	-15.0%	<b>512.3</b>	571.5	-10.4%	<b>180.3</b>	242.9	-25.8%
Average selling prices (US\$)	743.5	889.6	-16.4%	706.2	860.3	-17.9%	874.4	967.0	-9.6%
OM (US\$'million)	<b>24.3</b>	23.1	5.1%	<b>14.4</b>	10.4	38.5%	<b>9.9</b>	12.7	-22.0%
OM per MT (US\$)	26.0	25.2	3.2%	19.9	15.7	26.8%	48.0	50.6	-5.1%

Crude Palm Oil ("CPO") prices remained low in the range of 2,150 and 2,350 ringgit during the quarter after touching a low of 1,900 ringgit in August 2014. At low prices, the buyers at destinations, replenished their inventories. After strong export demand in the fourth quarter of last year, the demand weakened during the first quarter of the year, particularly for the Consumer Pack segment.

### 8.1.1 Sales volume

For the first quarter ended 31 Mar 2015 ("Q1 2015"), sales volume increased by 1.8% to 931,600 MT from 915,500 MT last year. Bulk segment grew by 9.2% to 725,400 MT but Consumer Pack segment registered a decrease of 17.9% to 206,200 MT. The segments contributed 77.9% and 22.1% to the total sales volume respectively (Q1 2014: 72.6% and 27.4% respectively).

### 8.1.2 Revenue

1.8% higher sales volume but 16.4% lower average selling prices resulted in revenue decreasing by 15.0% to US\$692.6 million for Q1 2015 compared to US\$814.4 million achieved in Q1 2014. For Bulk segment, 9.2% higher sales volume but 17.9% lower average selling prices resulted in revenue decreasing by 10.4% to US\$512.3 million. For Consumer Pack segment, 17.9% lower sales volume and 9.6% lower average selling prices, resulted in revenue decreasing by 25.8% to US\$180.3 million. Bulk and Consumer Pack segments contributed 74.0% and 26.0% to the total revenue respectively (Q1 2014: 70.2% and 29.8% respectively).

### 8.1.3 Cost of sales

	Group		
	THREE MONTHS ENDED		
	31 Mar 2015	31 Mar 2014	Change
	US\$'000	US\$'000	%
Cost of inventories	<b>624,841</b>	752,515	-17.0%
(Gains)/losses from derivative financial instruments	<b>(605)</b>	4,718	n.m.
	<b>624,236</b>	757,233	-17.6%
Labour costs and other overheads	<b>8,981</b>	9,703	-7.4%
<b>Total</b>	<b>633,217</b>	766,936	-17.4%

n.m. – not meaningful

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For Q1 2015, the Group had gains from derivative financial instruments of US\$0.6 million compared to losses of US\$4.7 million for Q1 2014. Variance is explained by changes in the fair value of derivative financial instruments from the date of the contracts, to the relevant financial reporting date and upon settlement. Cost of inventories coupled with gains or losses from derivative financial instruments, decreased by 17.6%. Labour costs and other overheads decreased by 7.4% to US\$9.0 million. Taking into account labour costs and other overheads, cost of sales decreased by 17.4% in line with 15.0% decrease in revenue for the quarter.

### 8.1.4 Gross profit

A decrease of US\$121.8 million in revenue, but a larger decrease of US\$133.7 million in cost of sales, resulted in gross profit increasing by US\$12.0 million to US\$59.4 million for Q1 2015 from US\$47.5 million for Q1 2014.

### 8.1.5 Selling and distribution expenses

	Group		
	THREE MONTHS ENDED		
	31 Mar 2015	31 Mar 2014	Change
	US\$'000	US\$'000	%
Selling and distribution expenses	24,725	26,846	-7.9%
Included:			
Freight	14,463	18,469	-21.7%
Handling, forwarding and transportation	4,409	4,414	-0.1%
Marine insurance	690	796	-13.3%
Net allowance for/(reversal of) impairment of trade receivables	155	(1,058)	n.m.

n.m. – not meaningful

Freight, handling, forwarding, transportation and marine insurance costs 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.

Allowance for impairment of trade receivables 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.

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**8.1.6 Other losses**

	Group		
	THREE MONTHS ENDED		
	31 Mar 2015	31 Mar 2014	Change
	US\$'000	US\$'000	%
Other losses	(13,658)	(760)	1697.1%
Included:			
Foreign exchange losses	(13,297)	(756)	1658.9%

Foreign exchange gains or losses arise within 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.

**8.1.7 Operating margin**

For Q1 2015, operating margin increased by 5.1% from US\$23.1 million to US\$24.3 million backed by 1.8% higher sales volume and higher OM of US\$26.0 per MT compared to US\$25.2 a year ago. For Bulk segment, operating margin improved by 38.5% from US\$10.4 million to US\$14.4 million on the back of 9.2% higher sales volume and higher OM of US\$19.9 per MT compared to US\$15.7 last year. For Consumer Pack segment, 17.9% lower sales volume but a lower OM of US\$48.0 per MT compared to US\$50.6 last year resulted in OM decreasing from US\$12.7 million to US\$9.9 million. Bulk and Consumer Pack segments contributed 59.3% and 40.7% of total OM respectively (Q1 2014: 45.0% and 55.0% respectively).

**8.1.8 Other income**

Other income of US\$1.2 million for Q1 2015 (Q1 2014: US\$1.5 million) included interest income of US\$0.7 million (Q1 2014: US\$1.1 million).

**8.1.9 Administrative expenses**

For Q1 2015, administrative expenses decreased by 4.0% to US\$16.7 million from US\$17.4 million last year mainly due to currencies in operating countries weakening against US dollar.

**8.1.10 Finance costs**

For Q1 2015, finance costs marginally decreased from US\$2.8 million to US\$2.7 million.

**8.1.11 Profit before tax**

For Q1 2015, profit before tax increased by US\$1.6 million from US\$1.2 million to US\$2.8 million on the back of US\$1.2 million higher operating margin and decrease of US\$0.7 million in other operating expenses, partially offset by US\$0.3 million lower other income.

**8.1.12 Income tax**

For Q1 2015, the weighted average effective tax rate was 17.6% compared to 17.4% last year.

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**8.1.13 Profit/(Loss) after tax**

For Q1 2015, the Group reported a profit after tax of US\$2.3 million, compared to US\$1.0 million for Q1 2014. Profit after tax attributable to equity holders of the Company was US\$2.2 million, compared to US\$1.0 million for Q1 2014.

The reported earnings do not include any financial provision relating to litigation arising from civil actions filed by Lushing Traders Pte Ltd (“Lushing”) against one of Mewah’s subsidiaries for receiving cargoes of Crude Palm Oil in November 2003. In March 2015, the High Court in Malaysia ruled in favour of Lushing, requiring the subsidiary to compensate Lushing for total sum of approximately U\$3,702,000. The subsidiary has already filed a notice of appeal and application for stay of judgment on the advice of its solicitors. The solicitors are of the opinion that the subsidiary has strong grounds of appeal as it had paid its supplier, Summerwind Trading Pte Ltd (“Summerwind”), which had allegedly not paid to Lushing. The subsidiary was not aware of the dispute between Summerwind and Lushing.



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

Current assets decreased by US\$116.6 million from US\$729.3 million to US\$612.6 million mainly due to:

- (a) decrease of US\$22.6 million in trade receivables, giving trade receivables days of 35 days (31 Dec 2014: 31 days).
- (b) decrease of US\$83.6 million in inventories, giving inventories days of 30 days (31 Dec 2014: 34 days).
- (c) decrease of US\$3.8 million in other receivables mainly due to decrease in advance payments for purchase of raw materials.
- (d) decrease of US\$5.2 million in derivative financial instruments assets due to decrease in changes in the fair value of derivative financial instruments from the date of the contracts to the financial reporting date.
- (e) decrease of US\$0.7 million in cash and cash equivalents.

**8.2.2 Non-current assets**

Non-current assets decreased by US\$16.6 million from US\$394.2 million to US\$377.5 million mainly due to the currencies in operating countries weakening against US dollar.

**8.2.3 Current and non-current liabilities**

Current and non-current liabilities decreased by US\$123.6 million from US\$587.9 million to US\$464.3 million mainly due to:

- (a) decrease of US\$29.0 million in trade payables, giving trade payables days of 17 days (31 Dec 2014: 17 days). Amount of trade payables depends upon payment terms for the purchases and is part of overall cash flow planning.
- (b) decrease of US\$0.9 million in other payables.
- (c) increase of US\$10.1 million in derivative financial instruments liabilities due to higher changes in the fair value of derivative financial instruments from the date of the contracts to the financial reporting date.
- (d) decrease of US\$102.9 million in borrowings as part of overall cash flow planning.

**8.3 Consolidated statement of cash flows****Q1 2015**

The Group generated operating cash flow of US\$10.6 million before working capital changes and generated US\$92.8 million from change in working capital. US\$4.2 million and US\$96.8 million were used up in investing activities and financing activities respectively including net borrowings of US\$96.9 million. Adjusting for interest, income tax and effect of changes in exchange rate, cash and cash equivalents remained the same at US\$57.7 million compared to last 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 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**

By the end of March, weakening ringgit has pushed effective dollar prices for CPO to 5-year low of US\$580 and inventories have started building up again in Indonesia and Malaysia. As we enter the seasonally rising curve of production, output is expected to outpace the demand and therefore continue pressure on the palm oil prices. While recent rebound in energy prices and increasing prices for Soyaoil should provide some support to palm oil prices, near term outlook for palm oil remain bearish. Excess refining capacities and tough operating conditions are expected to keep pressure on the margins for the Group. The Group will continue to tread cautiously and focus on operational efficiencies during this prolonged consolidation phase for the Industry.

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**11. DIVIDENDS**

(a) Current financial period reported on	31 Mar 2015
Any dividend recommended for the current financial period reported on?	No
Name of dividend	Not applicable
Dividend type	Not applicable
Dividend amount per share	Not applicable

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(b) Corresponding period of the immediately preceding financial year	31 Mar 2014
Any dividend declared for the corresponding period of the immediately preceding financial year?	No
Name of dividend	Not applicable
Dividend type	Not applicable
Dividend amount per share	Not applicable

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

Not applicable.

(d) Date Payable

Not applicable.

(e) Books Closure Date

Not applicable.

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

No dividend has been declared or recommended for the first quarter ended 31 March 2015.

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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)
	Q1 2015 US\$'000	Q1 2015 US\$'000
Prelude Gateway Sdn. Bhd.	1	558
Perfect Venue Sdn. Bhd	16	NIL
Ecolex Sdn. Bhd.	139	5,137
Containers Printers Pte Ltd	NIL	365
Nature International Pte Ltd	NIL	4,774
Mr Cheo Seng Jin	398	NIL
Mr Cheo Tiong Choon	398	NIL
Kent Holidays (S) Pte Ltd	30	NIL
Choon Heng Logistics Pte Ltd	15	NIL
Futura Ingredients Singapore Pte Ltd	75	NIL

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

We, Dr Cheo Tong Choon @ Lee Tong Choon and Michelle Cheo Hui Ning, being two of the directors of Mewah International Inc. (the “Company”), do hereby confirm on behalf of the directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results of the Company and of the Group for the financial period ended 31 March 2015 to be false or misleading, in any material aspect.

On behalf of the Board of Directors,

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

MICHELLE CHEO HUI NING  
Chief Executive Officer and Executive Director

BY ORDER OF THE BOARD

MICHELLE CHEO HUI NING  
Chief Executive Officer and Executive Director  
14<sup>th</sup> May 2015