

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

TABLE OF CONTENTS

Item No.	Description	Page No.
	Part I Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements	
1(a)(i)	Income statement	1
1(a)(ii)	Statement of comprehensive income	2
1(b)(i)	Statement of financial position	3
1(b)(ii)	Group's borrowings and debt securities	4
1(c)	Statement of cash flows	5
1(d)(i)	Statement of changes in equity	6
1(d)(ii)	Share capital	10
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	10
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	10
2	Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice	10
3	Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)	10
4	Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied	11
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	11
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	11
7	Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on; and immediately preceding financial year	12

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

Item No.	Description	Page No.
8	A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business	12
9	Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results	18
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	18
11	Dividends	19
12	If no dividend has been declared or recommended, a statement to that effect	19
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.	20
14	Negative confirmation pursuant to rule 705(5)	21

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

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013
Part I Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements
1(a)(i) INCOME STATEMENT

	Group			Group		
	THREE MONTHS ENDED			SIX MONTHS ENDED		
	30 Jun 2013	30 Jun 2012	Change	30 Jun 2013	30 Jun 2012	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	707,342	1,012,323	-30.1%	1,566,581	2,008,530	-22.0%
Cost of sales	(657,549)	(952,908)	-31.0%	(1,448,317)	(1,902,543)	-23.9%
Gross profit	49,793	59,415	-16.2%	118,264	105,987	11.6%
Other income	1,067	2,123	-49.7%	2,559	3,642	-29.7%
Expenses						
- Selling and distribution expenses	(29,673)	(28,987)	2.4%	(68,510)	(53,275)	28.6%
- Administrative expenses	(18,918)	(18,137)	4.3%	(38,771)	(34,306)	13.0%
- Other gains/(losses)	5,600	(3,217)	n.m.	2,721	3,135	-13.2%
- Finance costs	(3,577)	(4,277)	-16.4%	(7,624)	(8,570)	-11.0%
Share of profit of associated company	14	3	366.7%	41	23	78.3%
Profit before tax	4,306	6,923	-37.8%	8,680	16,636	-47.8%
Income tax	(622)	(759)	-18.1%	(1,224)	(2,334)	-47.6%
Profit after tax	3,684	6,164	-40.2%	7,456	14,302	-47.9%
Profit after tax attributable to:						
Equity holders of the company	4,068	6,276	-35.2%	8,030	14,583	-44.9%
Non-controlling interests	(384)	(112)	242.9%	(574)	(281)	104.3%
	3,684	6,164	-40.2%	7,456	14,302	-47.9%
The following items have been included in arriving at profit after tax:						
Interest income	861	1,644	-47.6%	2,086	2,772	-24.7%
Gains on disposal of property, plant and equipment	318	10	3080.0%	344	255	34.9%
Net allowance for doubtful debts	(95)	(293)	-67.6%	(760)	(1,478)	-48.6%
Depreciation	(4,506)	(4,072)	10.7%	(9,156)	(8,187)	11.8%
Amortisation	(311)	(201)	54.7%	(640)	(405)	58.0%

n.m. – not meaningful

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

1(a)(ii) STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	THREE MONTHS ENDED			SIX MONTHS ENDED		
	30 Jun 2013	30 Jun 2012	Change	30 Jun 2013	30 Jun 2012	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Profit after tax	3,684	6,164	-40.2%	7,456	14,302	-47.9%
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from foreign subsidiaries, net of tax	(5,079)	(4,087)	24.3%	(6,689)	1,288	n.m.
Total comprehensive (loss)/income, net of tax	(1,395)	2,077	n.m.	767	15,590	-95.1%
Total comprehensive (loss)/ income attributable to:						
Equity holders of the company	(859)	1,975	n.m.	1,371	15,722	-91.3%
Non-controlling interests	(536)	102	n.m.	(604)	(132)	357.6%
	(1,395)	2,077	n.m.	767	15,590	-95.1%

n.m. – not meaningful

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

1(b)(i) STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at	As at	As at	As at
	30 Jun 2013	31 Dec 2012	30 Jun 2013	31 Dec 2012
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets				
Inventories	265,551	243,446	-	-
Trade receivables	352,651	443,963	-	-
Other receivables	37,248	93,473	196,422	201,750
Current income tax recoverable	14,443	16,518	-	-
Deferred income tax assets	662	661	-	-
Derivative financial instruments	34,029	101,235	-	2
Cash and cash equivalents	59,341	48,747	49	381
	763,925	948,043	196,471	202,133
Non-current assets				
Property, plant and equipment	345,228	338,661	-	-
Leasehold prepayments	19,067	17,780	-	-
Investments in subsidiaries	-	-	820	820
Investment in associated company	302	271	-	-
Derivative financial instruments	13,763	796	-	-
	378,360	357,508	820	820
Total assets	1,142,285	1,305,551	197,291	202,953
LIABILITIES				
Current liabilities				
Trade payables	187,792	243,503	-	-
Other payables	56,682	46,078	65	250
Current income tax liabilities	2,247	3,784	160	492
Derivative financial instruments	25,291	56,099	-	-
Borrowings	198,459	284,266	-	-
	470,471	633,730	225	742
Non-current liabilities				
Borrowings	106,094	99,406	-	-
Deferred income tax liabilities	11,688	12,468	375	375
	117,782	111,874	375	375
Total liabilities	588,253	745,604	600	1,117
NET ASSETS	554,032	559,947	196,691	201,836
EQUITY				
Capital and reserves attributable to equity holders of the Company:				
Share capital	1,507	1,507	1,507	1,507
Share premium	185,416	185,416	185,416	185,416
Retained profits	385,294	383,946	9,768	14,913
Other reserves	(14,248)	(7,589)	-	-
	557,969	563,280	196,691	201,836
Non-controlling interests	(3,937)	(3,333)	-	-
Total equity	554,032	559,947	196,691	201,836

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

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

	Group		Group	
	As at		As at	
	30 Jun 2013		31 Dec 2012	
	Secured	Unsecured	Secured	Unsecured
	US\$'000	US\$'000	US\$'000	US\$'000
The amount repayable in one year or less, or on demand	34,831	163,628	25,156	259,110
The amount repayable after one year	103,918	2,176	96,809	2,597
	138,749	165,804	121,965	261,707

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, certain subsidiaries and personal guarantee by a director of a subsidiary.

MEWAH INTERNATIONAL INC.

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

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013
1(c) STATEMENT OF CASH FLOWS

	Group		Group	
	THREE MONTHS ENDED		SIX MONTHS ENDED	
	30 Jun 2013	30 Jun 2012	30 Jun 2013	30 Jun 2012
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit after tax	3,684	6,164	7,456	14,302
Adjustments for:				
- Income tax expense	622	759	1,224	2,334
- Amortisation	311	201	640	405
- Depreciation	4,506	4,072	9,156	8,187
- Gains on disposal of property, plant and equipment	(318)	(10)	(344)	(255)
- Property, plant and equipment written off	22	2	61	-
- Interest income	(861)	(1,644)	(2,086)	(2,772)
- Interest expense	3,577	4,277	7,624	8,570
- Share of profit of associated company	(14)	(3)	(41)	(23)
- Exchange differences (net)	(22)	8,715	3,903	3,194
Operating cash flows before working capital changes	11,507	22,533	27,593	33,942
Changes in operating assets and liabilities:				
- Inventories	(34,233)	50,227	(22,105)	56,720
- Trade and other receivables	160,329	(57,796)	143,964	(156,503)
- Trade and other payables	(3,806)	59,222	(45,107)	(14,288)
- Derivative financial instruments	14,870	(3,629)	23,431	(16,229)
Cash flows from/(used in) operations	148,667	70,557	127,776	(96,358)
Interest received	763	1,601	1,905	2,522
Interest paid	(3,577)	(4,277)	(7,624)	(8,570)
Income tax (paid)/refund received (net)	(2,675)	(2,651)	(1,984)	2,413
Net cash flows from/(used in) operating activities	143,178	65,230	120,073	(99,993)
Cash flows from investing activities				
(Increase)/Decrease in other receivables	(228)	(10,014)	3,573	(8,229)
Additions to property, plant and equipment	(14,477)	(10,740)	(29,144)	(23,483)
Additions of leasehold prepayment	-	-	(2,475)	-
Proceeds from disposals of property, plant and equipment	-	31	557	311
Net cash flows used in investing activities	(14,705)	(20,723)	(27,489)	(31,401)
Cash flows from financing activities				
Decrease/(Increase) in restricted short term deposits	32	4	(2,727)	(3)
Proceeds from long term borrowings	5,527	1,554	30,655	46,577
Repayment of long term borrowings	(2,170)	(1,086)	(9,442)	(1,903)
Net (repayment)/proceed from short term borrowings	(145,385)	(36,698)	(96,192)	59,840
Repayment of finance lease liabilities	(70)	(98)	(107)	(196)
Interest received	98	43	181	250
Dividends paid to equity holders of the Company	(6,682)	(6,021)	(6,682)	(6,021)
Net cash flows (used in)/from financing activities	(148,650)	(42,302)	(84,314)	98,544
Net change in cash and cash equivalents	(20,177)	2,205	8,270	(32,850)
Cash and cash equivalents at beginning of the financial period	76,737	102,954	48,557	136,464
Effect of changes in exchange rate on cash and cash equivalents	(414)	(1,593)	(681)	(48)
Cash and cash equivalents at end of the financial period	56,146	103,566	56,146	103,566
Represented by:				
Cash and bank balances	59,341	103,990	59,341	103,990
Less: restricted short term bank deposits	(2,917)	(174)	(2,917)	(174)
Less: bank overdrafts	(278)	(250)	(278)	(250)
Cash and cash equivalents per consolidated statement of cash flows	56,146	103,566	56,146	103,566

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

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

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

For the period from 1 April 2013 to 30 June 2013 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	
Beginning of the financial period	1,507	185,416	(50,706)	(2,608)	10,188	33,766	387,947	565,510	(3,401)	562,109
Currency translation differences arising from asset revaluation reserve	-	-	-	-	(130)	169	(39)	-	-	-
Dividends	-	-	-	-	-	-	(6,682)	(6,682)	-	(6,682)
Total comprehensive loss for the period	-	-	-	-	-	(4,927)	4,068	(859)	(536)	(1,395)
End of the financial period	1,507	185,416	(50,706)	(2,608)	10,058	29,008	385,294	557,969	(3,937)	554,032

For the period from 1 April 2012 to 30 June 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	
Beginning of the financial period	1,507	185,416	(50,749)	(2,608)	10,116	33,236	376,671	553,589	(2,286)	551,303
Realisation of reserve upon disposal	-	-	-	-	(348)	-	348	-	-	-
Dividends	-	-	-	-	-	-	(6,021)	(6,021)	-	(6,021)
Total comprehensive income for the period	-	-	-	-	-	(4,301)	6,276	1,975	102	2,077
End of the financial period	1,507	185,416	(50,749)	(2,608)	9,768	28,935	377,274	549,543	(2,184)	547,359

MEWAH INTERNATIONAL INC.

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

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

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

For the period from 1 April 2013 to 30 June 2013 Company	Attributable to Equity Holders of the Company			
	Share capital US\$'000	Share premium US\$'000	Retained profits US\$'000	Total equity US\$'000
Beginning of the financial period	1,507	185,416	15,741	202,664
Dividends	-	-	(6,682)	(6,682)
Total comprehensive income for the period	-	-	709	709
End of the financial period	1,507	185,416	9,768	196,691

For the period from 1 April 2012 to 30 June 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
Beginning of the financial period	1,507	185,416	9,116	196,039
Dividends	-	-	(6,021)	(6,021)
Total comprehensive income for the period	-	-	1,401	1,401
End of the financial period	1,507	185,416	4,496	191,419

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

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

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

For the year from 1 Jan 2013 to 30 June 2013 Group	Attributable to Equity Holders of the Company								Non- controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Merger reserve US\$'000	General reserve US\$'000	Asset revaluation reserve US\$'000	Currency translation reserve US\$'000	Retained profits US\$'000	Total US\$'000		
Beginning of the financial year	1,507	185,416	(50,706)	(2,608)	10,058	35,667	383,946	563,280	(3,333)	559,947
Dividends	-	-	-	-	-	-	(6,682)	(6,682)	-	(6,682)
Total comprehensive income for the financial year	-	-	-	-	-	(6,659)	8,030	1,371	(604)	767
End of the financial year	1,507	185,416	(50,706)	(2,608)	10,058	29,008	385,294	557,969	(3,937)	554,032

For the year from 1 Jan 2012 to 30 June 2012 Group	Attributable to Equity Holders of the Company								Non- controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Merger reserve US\$'000	General reserve US\$'000	Asset revaluation reserve US\$'000	Currency translation reserve US\$'000	Retained profits US\$'000	Total US\$'000		
Beginning of the financial year	1,507	185,416	(50,749)	(2,608)	10,146	27,796	368,334	539,842	(2,052)	537,790
Realisation of reserve upon disposal	-	-	-	-	(378)	-	378	-	-	-
Dividends	-	-	-	-	-	-	(6,021)	(6,021)	-	(6,021)
Total comprehensive income for the financial year	-	-	-	-	-	1,139	14,583	15,722	(132)	15,590
End of the financial year	1,507	185,416	(50,749)	(2,608)	9,768	28,935	377,274	549,543	(2,184)	547,359

MEWAH INTERNATIONAL INC.

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

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

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

For the year from 1 Jan 2013 to 30 June 2013 Company	Attributable to Equity Holders of the Company			
	Share capital US\$'000	Share premium US\$'000	Retained profits US\$'000	Total equity US\$'000
Beginning of the financial year	1,507	185,416	14,913	201,836
Dividends	-	-	(6,682)	(6,682)
Total comprehensive income for the period	-	-	1,537	1,537
End of the financial year	1,507	185,416	9,768	196,691

For the year from 1 Jan 2012 to 30 June 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
Beginning of the financial year	1,507	185,416	8,932	195,855
Dividends	-	-	(6,021)	(6,021)
Total comprehensive income for the period	-	-	1,585	1,585
End of the financial year	1,507	185,416	4,496	191,419

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

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
FY 2013		
Issued and fully paid ordinary shares		
Balance at beginning/end of the financial period	<u>1,507,061,440</u>	<u>1,507</u>
FY 2012		
Issued and fully paid ordinary shares		
Balance at beginning/end of the financial period	<u>1,507,061,440</u>	<u>1,507</u>

The Company did not hold any treasury shares as at 30 Jun 2013 (30 Jun 2012: Nil). There were no unissued shares of the Company or its subsidiaries under option as at 30 Jun 2013 (30 Jun 2012: Nil).

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 1,507,061,440 as at 30 June 2013 (31 Dec 2012: 1,507,061,440).

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 Second Quarter and Half Year Ended 30 June 2013

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 2012 except for the 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 2013 that have been adopted by the Company. 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.

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		SIX MONTHS ENDED	
	30 Jun 2013	30 Jun 2012	30 Jun 2013	30 Jun 2012
Basic and diluted based on weighted average number of shares (US cents per share)	0.27	0.42	0.53	0.97
Weighted average number of shares applicable to basic and diluted earnings per share ('000)	1,507,061	1,507,061	1,507,061	1,507,061

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

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	
	30 Jun 2013	31 Dec 2012	30 Jun 2013	31 Dec 2012
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	37.02	37.38	13.05	13.39

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 gains or losses in other gains/(losses). OM relating to inter-segment sales is reported under the segment where the final sales to third parties are made.

	Group			Group		
	THREE MONTHS ENDED			SIX MONTHS ENDED		
	30 Jun 2013	30 Jun 2012	Change	30 Jun 2013	30 Jun 2012	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	707,342	1,012,323	-30.1%	1,566,581	2,008,530	-22.0%
Cost of sales	(657,549)	(952,908)	-31.0%	(1,448,317)	(1,902,543)	-23.9%
Gross profit	49,793	59,415	-16.2%	118,264	105,987	11.6%
Add: Depreciation in Cost of sales	2,891	2,330	24.1%	5,784	4,690	23.3%
Less: Selling and distribution expenses	(29,673)	(28,987)	2.4%	(68,510)	(53,275)	28.6%
Add/Less: Foreign exchange gains/(losses)	5,301	(3,224)	n.m.	2,439	2,883	-15.4%
Operating margin	28,312	29,534	-4.1%	57,977	60,285	-3.8%

n.m. – not meaningful

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

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

The Bulk segment sources, produces and sells vegetable-based edible oil and fat products in bulk form to refiners, processors, wholesalers and retailers in the food, animal feed and oleochemicals industries.

The Consumer Pack segment produces, packs and sells consumer products in the form of consumer packs to wholesalers and retailers under Group's house brands and to customers who then resell the products under their own brands.

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

	Total			Bulk			Consumer Pack		
	Q2 2013	Q2 2012	Change	Q2 2013	Q2 2012	Change	Q2 2013	Q2 2012	Change
Sales volume (MT'000)	849.1	894.6	-5.1%	574.6	688.7	-16.6%	274.5	205.9	33.3%
Revenue (US\$'million)	707.3	1,012.3	-30.1%	457.2	767.0	-40.4%	250.1	245.3	2.0%
Average selling prices (US\$)	833.0	1,131.6	-26.4%	795.7	1,113.7	-28.6%	911.1	1,191.4	-23.5%
OM (US\$'million)	28.3	29.5	-4.1%	15.0	19.5	-23.1%	13.3	10.0	33.0%
OM per MT (US\$)	33.3	33.0	0.9%	26.1	28.3	-7.8%	48.5	48.6	-0.2%

	Total			Bulk			Consumer Pack		
	H1 2013	H1 2012	Change	H1 2013	H1 2012	Change	H1 2013	H1 2012	Change
Sales volume (MT'000)	1,829.2	1,792.6	2.0%	1,310.2	1,367.0	-4.2%	519.0	425.6	21.9%
Revenue (US\$'million)	1,566.6	2,008.5	-22.0%	1,075.4	1,499.8	-28.3%	491.2	508.7	-3.4%
Average selling prices (US\$)	856.4	1,120.4	-23.6%	820.8	1,097.1	-25.2%	946.4	1,195.3	-20.8%
OM (US\$'million)	58.0	60.3	-3.8%	34.4	36.8	-6.5%	23.6	23.5	0.4%
OM per MT (US\$)	31.7	33.6	-5.7%	26.3	26.9	-2.2%	45.5	55.2	-17.6%

8.1.1 Sales volume

Palm oil prices remained low during the quarter and the Group witnessed weaker demand, particularly from Middle East for its Bulk segment. As a result, sales volume for the Bulk segment dropped by 16.6% to 574,600 MT for the second quarter ended 30 June 2013 ("Q2 2013") compared to 688,700 MT for the corresponding quarter last year ("Q2 2012").

However, Consumer Pack segment registered an impressive growth of 33.3% in the sales volume, due to improvement in destination demand, registering sales volume of 274,500 MT for Q2 2013 compared to 205,900 MT last year. The segment was also supported by 65.2% growth in sales volume for rice.

For the half year ended 30 Jun 2013 ("H1 2013"), total sales volume improved by 2.0% to 1,829,200 MT from 1,792,600 MT last year ("H1 2012"), with 4.2% decrease for Bulk segment and 21.9% increase for Consumer Pack segment.

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

8.1.2 Revenue

5.1% lower sales volume and 26.4% lower average selling prices resulted in revenue decreasing by 30.1% to US\$707.3 million for Q2 2013 compared to US\$1,012.3 million for Q2 2012.

For H1 2013, 2.0% higher sales volume but 23.6% lower average selling prices resulted in revenue decreasing by 22.0% to US\$1,566.6 million from US\$2,008.5 million last year.

For Q2 2013, for Bulk segment, revenue decreased by 40.4% to US\$457.2 million from US\$767.0 million due to 16.6% lower sales volume and 28.6% lower average selling prices. For Consumer Pack segment, revenue increased marginally by 2.0% to US\$250.1 million from US\$245.3 million last year due to 33.3% higher sales volume and 23.5% lower average selling prices. Bulk and Consumer Pack segments contributed 64.6% and 35.4% of total revenue respectively (Q2 2012: 75.8% and 24.2% respectively).

For H1 2013, for Bulk segment, revenue decreased by 28.3% to US\$1,075.4 million from US\$1,499.8 million due to 4.2% lower sales volume and 25.2% lower average selling prices. For Consumer Pack segment, revenue decreased by 3.4% to US\$491.2 million from US\$508.7 million last year due to 20.8% lower average selling prices and 21.9% higher sales volume. Bulk and Consumer Pack segments contributed 68.6% and 31.4% of total revenue respectively (Q2 2012: 74.7% and 25.3% respectively).

Consumer Pack segment included rice sales of 71,000 MT and 117,300 MT for Q2 2013 and H1 2013 respectively (Q2 2012: 47,200 MT and H1 2012: 88,100 MT).

8.1.3 Cost of sales

	Group			Group		
	THREE MONTHS ENDED			SIX MONTHS ENDED		
	30 Jun 2013	30 Jun 2012	Change	30 Jun 2013	30 Jun 2012	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Cost of inventories	647,551	956,383	-32.3%	1,429,361	1,887,218	-24.3%
Losses/(gains) from derivative financial instruments	609	(13,492)	n.m.	297	(4,705)	n.m.
	648,160	942,891	-31.3%	1,429,658	1,882,513	-24.1%
Labour costs and other overheads	9,389	10,017	-6.3%	18,659	20,030	-6.8%
Total	657,549	952,908	-31.0%	1,448,317	1,902,543	-23.9%

For Q2 2013, the Group had losses from derivative financial instruments of US\$0.6 million compared to gains of US\$13.5 million for Q2 2012. 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 losses or gains from derivative financial instruments decreased by 31.3%. Considering labour costs and other overheads of US\$9.4 million, cost of sales decreased by 31.0% to US\$657.5 million in tandem with 30.1% decrease in revenue for the quarter.

For H1 2012, cost of inventories coupled with losses or gains from derivative financial instruments decreased by 24.1% to US\$1,429.7 million. Together with labour costs and other overheads of US\$18.7 million, cost of sales decreased by 23.9% to US\$1,448.3 million in line with 22.0% decrease in revenue.

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

8.1.4 Selling and distribution expenses

	Group			Group		
	THREE MONTHS ENDED			SIX MONTHS ENDED		
	30 Jun 2013	30 Jun 2012	Change	30 Jun 2013	30 Jun 2012	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Selling and distribution expenses	29,673	28,987	2.4%	68,510	53,275	28.6%
Included:						
Freight	20,495	20,980	-2.3%	46,836	36,099	29.7%
Handling, forwarding and transportation	4,196	3,735	12.3%	8,056	7,948	1.4%
Marine insurance	840	849	-1.1%	1,729	1,771	-2.4%
Net allowance for doubtful debts	95	293	-67.6%	760	1,478	-48.6%

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 gains/(losses)

	Group			Group		
	THREE MONTHS ENDED			SIX MONTHS ENDED		
	30 Jun 2013	30 Jun 2012	Change	30 Jun 2013	30 Jun 2012	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Other gains/(losses)	5,600	(3,217)	n.m.	2,721	3,135	-13.2%
Included:						
Foreign exchange gains/(losses)	5,301	(3,224)	n.m.	2,439	2,883	-15.4%

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.

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

8.1.6 Operating margin

Operating margin for Q2 2013 improved to US\$33.3 per MT compared to US\$33.0 per MT last year, but due to lower sales volume, total operating margin decreased by 4.1% to US\$28.3 million. For H1 2013, higher sales volume but lower operating margin per MT resulted in total operating margin decreasing by 3.8% to US\$58.0 million.

For Bulk segment, operating margin per MT was US\$26.1 for Q2 2013 and US\$26.3 for H1 2013. Lower sales volume and lower operating margin per MT reduced total operating margin by 23.1% to US\$15.0 million for Q2 2013 and by 6.5% to US\$34.4 million for H1 2013.

For Consumer Pack segment, operating margin improved by 33.0% to US\$13.3 million for Q2 2013 on the back of higher sales volume despite lower operating margin of US\$48.5 per MT compared to US\$48.6 per MT last year. For H1 2013, operating margin improved marginally to US\$23.6 million from US\$23.5 million last year.

8.1.7 Other income and other operating expenses

For Q2 2013, other income of US\$1.1 million (Q2 2012: US\$2.1 million) included interest income of US\$0.9 million (Q2 2012: US\$1.6 million). For H1 2013, other income of US\$2.6 million (H1 2012: US\$3.6 million) included interest income of US\$2.1 million (H1 2012: US\$2.8 million). Interest income reduced as customers paid promptly compared to last year.

For Q2 2013, administrative expenses were US\$18.9 million compared to US\$18.1 million for the corresponding quarter last year. For H1 2013, administrative expenses were US\$38.8 million for H1 2013 compared to US\$34.3 million last year. The increase was mainly due to higher employee compensation.

Finance costs decreased to US\$3.6 million and US\$7.6 million for Q2 2013 and H1 2013 respectively due to lower borrowings for the period (Q2 2012: US\$4.3 million and H1 2012: US\$8.6 million).

8.1.8 Profit after tax

For Q2 2013, profit before tax decreased by US\$2.6 million to US\$4.3 million mainly due to decrease of US\$1.2 million in operating margin and decrease of US\$1.0 million in other income. For H1 2013, profit before tax decreased by US\$8.0 million to US\$8.7 million mainly due to decrease of US\$2.3 million in operating margin and increase of US\$4.6 million in other operating expenses.

Due to change in the mix of results of our subsidiaries in the various jurisdictions, weighted average effective tax rate was 14.4% and 14.1% for Q2 2013 and H1 2013 respectively (Q2 2012: 11.0% and H1 2012: 14.0%). Lower taxable profit for Q2 2013 and H1 2013 resulted in lower income tax of US\$0.6 million and US\$1.2 million respectively compared to US\$0.8 million and US\$2.3 million last year correspondingly.

For Q2 2013, the Group achieved a profit after tax of US\$3.7 million, compared to US\$6.2 million for Q2 2012. Profit after tax attributable to equity holders of the Company was US\$4.1 million, compared to US\$6.3 million for Q2 2012.

For H1 2013, the Group achieved a profit after tax of US\$7.5 million, compared to US\$14.3 million for H1 2012. Profit after tax attributable to equity holders of the Company was US\$8.0 million, compared to US\$14.6 million for H1 2012.

8.2 Statement of financial position

8.2.1 Current assets

Current assets decreased by US\$184.1 million from US\$948.0 million to US\$763.9 million mainly due to:

- (a) increase of US\$22.1 million in inventories, giving inventories days of 33.5 days (31 Dec 2012: 26.1 days).
- (b) decrease of US\$91.3 million in trade receivables, giving trade receivables days of 41.1 days (31 Dec 2012: 44.8 days). The Group received prompt payments from customers during the quarter.
- (c) decrease of US\$56.2 million in other receivables, mainly due to decrease in advance payments for purchase of raw materials and capital expenditure projects.
- (d) decrease of US\$67.2 million in derivative financial instruments assets due to changes in the fair value of derivative financial instruments from the date of the contracts to the financial reporting date.
- (e) increase of US\$10.6 million in cash and cash equivalents.

8.2.2 Non-current assets

Non-current assets increased by US\$20.9 million from US\$357.5 million to US\$378.4 million mainly on account of increase in property, plant and equipment incurred for capital expenditure for building dairy products facilities in Westport and refining facilities in Sabah, Malaysia.

8.2.3 Current and non-current liabilities

Current and non-current liabilities decreased by US\$157.4 million from US\$745.6 million to US\$588.3 million mainly due to:

- (a) decrease of US\$55.7 million in trade payables giving trade payables days of 23.7 days (31 Dec 2012: 26.1 days). Amount of trade payables depends upon payment terms for the purchases and is part of overall cash flow planning.
- (b) increase of US\$10.6 million in other payables mainly due to increase in amount due to Bursa Malaysia Derivatives Clearing Bhd for commodity trading margin.
- (c) decrease of US\$30.8 million in derivative financial instruments liabilities resulting from changes in the fair value of derivative financial instruments from the date of the contracts to the financial reporting date.
- (a) decrease of US\$79.1 million in borrowings as part of overall cash flow planning.

8.3 Consolidated statement of cash flows

For Q2 2013, the Group generated net cash flow of US\$143.2 million from operating activities as explained earlier of which US\$14.7 million was used in investing activities. Net cash flows of US\$148.7 million was used in financing activities, resulting in cash and cash equivalents decreased by US\$20.2 million.

For H1 2013, the Group generated net cash flow of US\$120.1 million from operating activities as explained earlier of which US\$27.5 million was used in investing activities and US\$84.3 million was used in financing activities, resulting in cash and cash equivalents increased by US\$8.3 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 and 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 view of current macroeconomic factors, weak destination demand, low palm oil prices and bearish outlook for the palm oil industry, the Group remains cautious for near term. Meanwhile the Group continues to focus on consolidating its position by investing in additional refining capacity and a dairy plant in Malaysia.

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

11. DIVIDENDS

(a) Current financial period reported on	30 June 2013
Any dividend recommended for the current financial period reported on?	Yes
Name of dividend	Interim exempt dividends
Dividend type	Cash
Dividend amount per share	S\$0.0012

(b) Corresponding period of the immediately preceding financial year	30 June 2012
Any dividend declared for the corresponding period of the immediately preceding financial year?	Yes
Name of dividend	Interim exempt dividends
Dividend type	Cash
Dividend amount per share	S\$0.0030

(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\$0.0012 per ordinary share is tax exempt and declared in Singapore.

(d) Date Payable

The interim exempt dividends will be paid on 3 September 2013.

(e) Books Closure Date

Notice is hereby given that the Transfer Books and the Register of Members of the Company will be closed on 20 August 2013 for the preparation of dividend warrants.

Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 up to 5.00 p.m. on 20 August 2013 will be registered to determine shareholders' entitlement to the interim exempt dividends.

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

Not applicable.

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

13. IF THE GROUP HAS OBTAINED A GENERAL MANDATE FROM SHAREHOLDERS FOR IPTs, THE AGGREGATE VALUE OF SUCH TRANSACTIONS AS REQUIRED UNDER RULE 920(1)(A)(II). IF NO IPT MANDATE HAS BEEN OBTAINED, A STATEMENT TO THAT EFFECT.

Name of Interested Person	Aggregate value of all IPT during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	H1 2013 US\$'000	H1 2013 US\$'000
Prelude Gateway Sdn. Bhd.	5	1,693
Perfect Venue Sdn. Bhd	18	NIL
Ecolex Sdn. Bhd.	14	13,252
Capital Paradise Sdn. Bhd.	NIL	29
Containers Printers Pte Ltd	NIL	3,011
Nature International Pte Ltd	NIL	11,494
Mr Cheo Seng Jin	571	NIL
Mr Cheo Tiong Choon	571	NIL
Kent Holidays (S) Pte Ltd	190	NIL
Futura Ingredients Singapore Pte Ltd	91	NIL
Choon Heng Logistics Pte Ltd	26	NIL
International Food Corporation	126	NIL
Elite-Risks Solutions (M) Sdn Bhd	33	NIL

MEWAH INTERNATIONAL INC.

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

Unaudited Financial Statements For The Second Quarter and Half Year Ended 30 June 2013

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 second quarter and half year financial results of the Company and of the Group for the financial period ended 30 June 2013 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
12th August 2013