

MEWAH INTERNATIONAL INC.

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

AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS

Unaudited for the six months period and financial year ended 31 December 2021

**MEWAH INTERNATIONAL INC.
AND ITS SUBSIDIARIES**

CONDENSED INTERIM FINANCIAL STATEMENTS

Unaudited for the six months period and financial year ended 31 December 2021

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**MEWAH INTERNATIONAL INC.
AND ITS SUBSIDIARIES**
CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT
Unaudited for the six months period and financial year ended 31 December 2021

	Note to Condensed Report	Note to Appendix 7.2	Six months ended 31 December			Twelve months ended 31 December		
			2021 US\$'000	2020 US\$'000	Change %	2021 US\$'000	2020 US\$'000	Change %
Revenue	3	8.1.2	2,231,503	1,960,601	13.8%	4,348,818	3,445,853	26.2%
Cost of sales		8.1.2	(2,052,017)	(1,822,981)	12.6%	(4,025,770)	(3,175,174)	26.8%
Gross profit		8.1.3	179,486	137,620	30.4%	323,048	270,679	19.3%
Other income	5.1	8.1.5	5,758	3,962	45.3%	7,913	5,782	36.9%
Other expenses and other (losses)/gains (net)								
- Impairment loss on property, plant and equipment, and provision	5.1	8.1.6	(5,066)	(20,581)	-75.4%	(7,444)	(27,035)	-72.5%
- Other (losses)/gains (net) (Note A)	5.1	8.1.6	(3,475)	21,724	n.m.	(16,487)	610	n.m.
Provision of expected credit losses		8.1.7	(2,077)	(385)	439.5%	(5,129)	(6,360)	-19.4%
Expenses								
- Selling and distribution		8.1.8	(46,398)	(21,925)	111.6%	(95,420)	(40,764)	134.1%
- Administrative		8.1.9	(45,312)	(41,340)	9.6%	(86,969)	(81,686)	6.5%
- Finance		8.1.10	(5,772)	(3,405)	69.5%	(9,740)	(8,810)	10.6%
Share of (loss)/profit of associated company			(41)	30	n.m.	(27)	50	n.m.
Profit before tax	5	8.1.11	77,103	75,700	1.9%	109,745	112,466	-2.4%
Income tax expense	6	8.1.12	(20,176)	(16,767)	20.3%	(28,598)	(26,325)	8.6%
Profit after tax		8.1.13	56,927	58,933	-3.4%	81,147	86,141	-5.8%
Profit after tax attributable to:								
Equity holders of the Company		8.1.13	55,683	58,706	-5.1%	80,171	86,540	-7.4%
Non-controlling interests			1,244	227	448.0%	976	(399)	n.m.
			56,927	58,933	-3.4%	81,147	86,141	-5.8%
Earnings per share attributable to equity holders of the Company (expressed in US cents per share)								
- Basic and diluted		6	3.71	3.91	-5.1%	5.34	5.77	-7.4%

n.m. – not meaningful

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

**MEWAH INTERNATIONAL INC.
AND ITS SUBSIDIARIES**
CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT (CONTINUED)
Unaudited for the six months period and financial year ended 31 December 2021

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

	Note to Appendix 7.2	Six months ended 31 December			Twelve months ended 31 December		
		2021 US\$'000	2020 US\$'000	Change %	2021 US\$'000	2020 US\$'000	Change %
Gross profit		179,486	137,620	30.4%	323,048	270,679	19.3%
Add: Depreciation in Cost of sales		9,472	8,558	10.7%	19,491	16,264	19.8%
Less: Selling and distribution expenses		(46,398)	(21,925)	111.6%	(95,420)	(40,764)	134.1%
Less: Provision of expected credit losses		(2,077)	(385)	439.5%	(5,129)	(6,360)	-19.4%
(Less)/Add: Foreign exchange (losses)/gains		(3,778)	21,780	n.m.	(16,912)	718	n.m.
Operating margin	8.1.4	136,705	145,648	-6.1%	225,078	240,537	-6.4%

n.m. – not meaningful

Note A: Other losses included foreign exchange losses of US\$3,778,000 for the six months ended 31 December 2021 (H2 2020: gains of US\$21,780,000) and US\$16,912,000 for the financial year (FY 2020: gains of US\$718,000). Foreign exchange gains or losses arise within the entities in the Group when transactions are denominated in currencies other than the entities' functional currencies. Variance is explained by changes in the exchange rates from the dates of transactions to the dates of settlements or the financial reporting date. The Group primarily uses currency forward contracts to hedge against the foreign exchange fluctuation risk resulting from commodities forward contracts. The foreign exchange gains or losses are better read together with gross profit.

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

**MEWAH INTERNATIONAL INC.
AND ITS SUBSIDIARIES**
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Unaudited for the six months period and financial year ended 31 December 2021

	Six months ended 31 December			Twelve months ended 31 December		
	2021 US\$'000	2020 US\$'000	Change %	2021 US\$'000	2020 US\$'000	Change %
Profit after tax	56,927	58,933	-3.4%	81,147	86,141	-5.8%
Other comprehensive (loss)/income:						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from foreign subsidiaries, net of tax						
- (Losses)/Gains	(488)	10,841	n.m.	(4,849)	4,879	n.m.
Total comprehensive income, net of tax	56,439	69,774	-19.1%	76,298	91,020	-16.2%
Total comprehensive income attributable to:						
Equity holders of the Company	55,309	69,332	-20.2%	75,216	91,291	-17.6%
Non-controlling interests	1,130	442	155.7%	1,082	(271)	n.m.
	56,439	69,774	-19.1%	76,298	91,020	-16.2%

n.m. – not meaningful

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

**MEWAH INTERNATIONAL INC.
AND ITS SUBSIDIARIES**
CONDENSED INTERIM BALANCE SHEET – GROUP AND COMPANY
Unaudited as at 31 December 2021

	Note to Condensed report	Note to Appendix 7.2	Group		Company	
			As at 31 Dec 2021 US\$'000	As at 31 Dec 2020 US\$'000	As at 31 Dec 2021 US\$'000	As at 31 Dec 2020 US\$'000
ASSETS						
Current assets						
Inventories		8.2.1	492,577	295,506	-	-
Trade receivables		8.2.2	253,467	282,875	-	-
Other receivables		8.2.3	78,752	64,425	307,640	302,476
Current income tax recoverable		8.2.4	1,042	3,008	-	-
Derivative financial instruments	12	8.2.5	49,360	110,238	-	-
Cash and bank balances		8.2.6	171,781	78,169	858	83
			1,046,979	834,221	308,498	302,559
Non-current assets						
Intangible asset	10		4,473	970	-	-
Property, plant and equipment	11	8.2.7	447,945	447,824	-	-
Investments in subsidiaries			-	-	849	849
Investment in associated company			582	667	-	-
Deferred income tax assets		8.2.4	1,674	503	-	-
Derivative financial instruments	12	8.2.5	897	-	1	-
			455,571	449,964	850	849
Total assets			1,502,550	1,284,185	309,348	303,408
LIABILITIES						
Current liabilities						
Trade payables		8.2.8	173,617	141,486	-	-
Other payables		8.2.10	82,999	70,000	211	232
Contract liabilities		8.2.11	18,617	13,962	-	-
Lease liabilities			367	460	-	-
Current income tax liabilities		8.2.4	7,958	6,906	110	102
Derivative financial instruments	12	8.2.5	62,808	119,479	-	25
Borrowings	13	8.2.12	358,890	248,703	-	-
			705,256	600,996	321	359
Non-current liabilities						
Lease liabilities			5,733	5,971	-	-
Deferred income tax liabilities		8.2.4	36,700	31,413	1,731	2,150
Borrowings	13	8.2.12	71,278	35,476	-	-
			113,711	72,860	1,731	2,150
Total liabilities			818,967	673,856	2,052	2,509
NET ASSETS			683,583	610,329	307,296	300,899

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

**MEWAH INTERNATIONAL INC.
AND ITS SUBSIDIARIES**
CONDENSED INTERIM BALANCE SHEET – GROUP AND COMPANY (CONTINUED)
Unaudited as at 31 December 2021

	Note to Condensed report	Group		Company	
		As at 31 Dec 2021 US\$'000	As at 31 Dec 2020 US\$'000	As at 31 Dec 2021 US\$'000	As at 31 Dec 2020 US\$'000
EQUITY					
Capital and reserves attributable to equity holders of the Company:					
Share capital	14	1,501	1,501	1,501	1,501
Share premium	14	180,012	180,012	180,012	180,012
Other reserves		(38,864)	(33,909)	3,509	3,509
Retained profits		533,985	463,593	122,274	115,877
		676,634	611,197	307,296	300,899
Non-controlling interests		6,949	(868)	-	-
Total equity		683,583	610,329	307,296	300,899

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**MEWAH INTERNATIONAL INC.
AND ITS SUBSIDIARIES**
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY - GROUP
Unaudited for the financial year ended 31 December 2021

← Attributable to equity holders of the Company →										
Note to Condensed report	Share capital US\$'000	Share premium US\$'000	Capital redemption reserve US\$'000	Merger reserve US\$'000	General reserve US\$'000	Currency translation reserve US\$'000	Retained profits US\$'000	Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
2021										
Balance at 1 January 2021	1,501	180,012	3,509	(53,005)	(1,425)	17,012	463,593	611,197	(868)	610,329
Profit for the year	-	-	-	-	-	-	80,171	80,171	976	81,147
Other comprehensive loss for the year	-	-	-	-	-	(4,955)	-	(4,955)	106	(4,849)
Total comprehensive income for the year	-	-	-	-	-	(4,955)	80,171	75,216	1,082	76,298
Acquisition of subsidiaries	15	-	-	-	-	-	-	-	6,872	6,872
Dividends	7	-	-	-	-	-	(9,779)	(9,779)	(137)	(9,916)
Total transactions with owners, recognised directly in equity		-	-	-	-	-	(9,779)	(9,779)	6,735	(3,044)
Balance at 31 December 2021	1,501	180,012	3,509	(53,005)	(1,425)	12,057	533,985	676,634	6,949	683,583
2020										
Balance at 1 January 2020	1,501	180,012	3,509	(53,005)	(720)	12,261	378,700	522,258	309	522,567
Profit for the year	-	-	-	-	-	-	86,540	86,540	(399)	86,141
Other comprehensive income for the year	-	-	-	-	-	4,751	-	4,751	128	4,879
Total comprehensive income for the year	-	-	-	-	-	4,751	86,540	91,291	(271)	91,020
Acquisition of non-controlling interest	7	-	-	-	(705)	-	-	(705)	(665)	(1,370)
Dividends	-	-	-	-	-	-	(1,647)	(1,647)	(241)	(1,888)
Total transactions with owners, recognised directly in equity		-	-	-	(705)	-	(1,647)	(2,352)	(906)	(3,258)
Balance at 31 December 2020	1,501	180,012	3,509	(53,005)	(1,425)	17,012	463,593	611,197	(868)	610,329

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

**MEWAH INTERNATIONAL INC.
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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY - COMPANY
Unaudited for the financial year ended 31 December 2021

	Note to Condensed report	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
2021						
Balance at 1 January 2021		1,501	180,012	3,509	115,877	300,899
Profit for the year		-	-	-	16,176	16,176
Total comprehensive income for the year		-	-	-	16,176	16,176
Dividends	7	-	-	-	(9,779)	(9,779)
Total transactions with owners, recognised directly in equity		-	-	-	(9,779)	(9,779)
Balance at 31 December 2021		1,501	180,012	3,509	122,274	307,296
2020						
Balance at 1 January 2020		1,501	180,012	3,509	114,233	299,255
Profit for the year		-	-	-	3,291	3,291
Total comprehensive income for the year		-	-	-	3,291	3,291
Dividends		-	-	-	(1,647)	(1,647)
Total transactions with owners, recognised directly in equity		-	-	-	(1,647)	(1,647)
Balance at 31 December 2020		1,501	180,012	3,509	115,877	300,899

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**MEWAH INTERNATIONAL INC.
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
Unaudited for the financial year ended 31 December 2021

	Note to Condensed Report	Twelve months ended 31 December	
		2021	2020
		US\$'000	US\$'000
Cash flows from operating activities			
Profit after tax		81,147	86,141
Adjustments for:			
- Income tax expense	6	28,598	26,325
- Depreciation of property, plant and equipment		26,511	23,300
- (Gains)/losses on disposal of property, plant and equipment	5.1	(375)	56
- Property, plant and equipment written off	5.1	14	28
- Impairment loss on property, plant and equipment	5.1	7,444	22,794
- Interest income	5.1	(2,671)	(1,171)
- Interest expense		9,740	8,810
- Share of loss/(profit) of associated company		27	(50)
Operating cash flows before working capital changes		150,435	166,233
Changes in operating assets and liabilities:			
- Inventories		(205,388)	34,285
- Trade and other receivables		32,144	(30,910)
- Contract liabilities		4,655	7,154
- Trade and other payables		32,590	34,246
- Derivative financial instruments		3,697	(37,336)
Cash flows from operations		18,133	173,672
Interest received		2,671	1,171
Interest paid		(9,740)	(8,810)
Income tax paid		(21,012)	(4,852)
Net cash flows (used in)/from operating activities		(9,948)	161,181
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash and cash equivalents acquired	15	(13,282)	-
Acquisition of non-controlling interests		-	(1,370)
Decrease/(Increase) in other receivables		249	(1,503)
Additions to property, plant and equipment		(25,111)	(21,491)
Proceeds from disposal of property, plant and equipment		531	166
Net cash flows used in investing activities		(37,613)	(24,198)
Cash flows from financing activities			
Proceeds from long term borrowings		50,985	21,139
Repayment of long term borrowings		(14,214)	(22,490)
Net proceeds/(repayments) from short term borrowings		115,695	(117,623)
Repayment of lease liabilities		(477)	(537)
Dividends paid to equity holders of the Company	7	(9,779)	(1,647)
Dividends paid to non-controlling interests		(137)	(241)
Net cash flows from/(used in) financing activities		142,073	(121,399)
Net change in cash and cash equivalents		94,512	15,584
Cash and cash equivalents at beginning of financial year		78,169	61,814
Effect of changes in exchange rate on cash and cash equivalents		(900)	771
Cash and cash equivalents at end of financial year		171,781	78,169

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

**MEWAH INTERNATIONAL INC.
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
Unaudited for the financial year ended 31 December 2021
Reconciliation of liabilities arising from financing activities

	1 January US\$'000	Proceeds from borrowings US\$'000	Principal payments US\$'000	Non-cash changes Remeasurement of lease liability US\$'000	Foreign exchange movement US\$'000	31 December US\$'000
2021						
Borrowings	284,179	166,680	(14,214)	-	(6,477)	430,168
Lease liabilities	6,431	-	(477)	146	-	6,100
2020						
Borrowings	400,897	21,139	(140,113)	-	2,256	284,179
Lease liabilities	7,727	-	(537)	(759)	-	6,431

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

**MEWAH INTERNATIONAL INC.
AND ITS SUBSIDIARIES**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Unaudited for the six months period and financial year ended 31 December 2021

1. Corporate information

Mewah International Inc. (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in the Cayman Islands. These condensed financial statements as at and for the six months period and the financial year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “Group”). The principal activity of the Company is that of investment holding.

The primary principal activities of the Group are:

- a. manufacturing and selling of vegetable oil products; and
- b. trading of edible oils, fats, dairy, food products and agricultural raw materials.

2. Basis of preparation

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

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

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

2.1 New and amended standards adopted by the Group

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Unaudited for the six months period and financial year ended 31 December 2021

2.2 Use of judgements and estimates

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(i) Valuation of commodities forward contracts

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

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

Management reviews its trade receivables on a regular basis to identify specific trade receivables that are credit impaired and recognises a loss allowance equal to lifetime expected credit loss in respect of these receivables. For the remaining trade receivables, they are grouped based on similar risk characteristics and days past due to determine the expected credit loss rate to be applied. In calculating the expected credit loss rates, management considers historical loss rates and adjusts to reflect current and forward looking macro-economic factors affecting the ability of the customers to settle the receivables.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Unaudited for the six months period and financial year ended 31 December 2021

2.2 Use of judgements and estimates (continued)

(iii) Impairment assessment of the Group's property, plant and equipment

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

At 31 December 2021, management has identified indications of impairment relating to manufacturing plants, a manufacturing plant in progress and an immature plantation of the Group.

The recoverable amounts of the identified PPE are determined based on the value-in-use calculations. The value-in-use calculations are based on a discounted cash flow model and requires the Group to make an estimate of the expected future cash flows from the continuing use of the PPE.

The key assumption used in the value-in-use calculation that were subject to critical accounting estimates were relating to the estimation of the revenue, discount rate, terminal growth rate and operating margin. As the recoverable amount determined by management is less than the net book value of the PPE, the Group has recognised an impairment charge during the financial year amounting to US\$7,444,000.

(iv) Uncertain tax position of the Group

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

(v) Purchase price allocation for acquisition of business

The acquisition is accounted for as a business combination which requires the identifiable assets and liabilities to be recognised at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair values to be recognised as goodwill. The acquisition costs comprise contingent consideration which is assessed at fair value.

The assets and liabilities were identified and valued through a purchase price allocation. In assessing the identifiable assets acquired, consideration was given to whether potential intangible assets were acquired as part of the acquisition and management has assessed that no intangible assets was acquired.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Unaudited for the six months period and financial year ended 31 December 2021

2.2 Use of judgements and estimates (continued)

(v) Purchase price allocation for acquisition of business (continued)

In assessing the fair valuation of the identifiable assets acquired, management had engaged an external professional firm to perform the fair valuation of the property, plant and equipment acquired. The purchase price allocation is subject to a significant degree of judgement and critical accounting estimates required in the fair valuation of the contingent consideration and identification and fair valuation of the assets acquired and liabilities assumed.

Further details are disclosed in Note 15.

3. Segment and revenue information

3.1 Reportable segments

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

The Mancom considers the business from two segments:

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

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

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

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

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Unaudited for the six months period and financial year ended 31 December 2021

3. Segment and revenue information (continued)

3.1 Reportable segments (continued)

The segment information provided to the Mancom for the reportable segments for the six months period ended 31 December 2021 is as follows:

<u>Group</u>	<u>Bulk</u> US\$'000	<u>Consumer</u> <u>Pack</u> US\$'000	<u>Total</u> US\$'000
Revenue			
Total segment sales	1,823,542	568,122	2,391,664
Inter-segment sales	(149,842)	(10,319)	(160,161)
Revenue from external parties	1,673,700	557,803	2,231,503
Operating margin	88,498	48,207	136,705
Other income excluding interest income	2,029	1,813	3,842
Interest income	1,593	323	1,916
Administrative expenses, excluding depreciation	(18,885)	(22,672)	(41,557)
Other gains excluding foreign exchange losses (net) and impairment of assets	279	24	303
Adjusted EBITDA	73,514	27,695	101,209
Depreciation	(8,783)	(4,444)	(13,227)
Finance expense	(3,260)	(2,512)	(5,772)
Impairment of assets	284	(5,350)	(5,066)
Segment results	61,755	15,389	77,144
Unallocated			
Income tax expense			(20,176)
Share of loss of an associate			(41)
Profit after tax			56,927
Total segment assets	964,746	534,506	1,499,252
Unallocated			
Current income tax recoverable			1,042
Investment in associated company			582
Deferred income tax assets			1,674
Total assets			1,502,550
Total assets include:			
Additions to:			
- Property, plant and equipment	12,736	3,923	16,659
Total segment liabilities	(549,755)	(224,554)	(774,309)
Unallocated			
Current income tax liabilities			(7,958)
Deferred income tax liabilities			(36,700)
Total liabilities			(818,967)

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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3. Segment and revenue information (continued)

3.1 Reportable segments (continued)

The segment information provided to the Mancom for the reportable segments for the six months period ended 31 December 2020 was as follows:

<u>Group</u>	<u>Bulk</u> US\$'000	<u>Consumer</u> <u>Pack</u> US\$'000	<u>Total</u> US\$'000
Revenue			
Total segment sales	1,680,576	410,033	2,090,609
Inter-segment sales	(124,704)	(5,304)	(130,008)
Revenue from external parties	1,555,872	404,729	1,960,601
Operating margin	89,898	55,750	145,648
Other income excluding interest income	3,247	148	3,395
Interest income	456	111	567
Administrative expenses, excluding depreciation	(18,384)	(19,345)	(37,729)
Other expenses and other losses excluding foreign exchange gains (net) and impairment of assets	(91)	(4,206)	(4,297)
Adjusted EBITDA	75,126	32,458	107,584
Depreciation	(8,701)	(3,468)	(12,169)
Finance expense	(2,365)	(1,040)	(3,405)
Impairment of assets	(5,662)	(10,678)	(16,340)
Segment results	58,398	17,272	75,670
Unallocated			
Income tax expense			(16,767)
Share of profit of an associate			30
Profit after tax			58,933
Total segment assets	991,297	288,710	1,280,007
Unallocated			
Current income tax recoverable			3,008
Investment in associated company			667
Deferred income tax assets			503
Total assets			1,284,185
Total assets include:			
Additions to:			
- Property, plant and equipment	7,719	1,815	9,534
Total segment liabilities	(484,092)	(151,445)	(635,537)
Unallocated			
Current income tax liabilities			(6,906)
Deferred income tax liabilities			(31,413)
Total liabilities			(673,856)

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3. Segment and revenue information (continued)

3.1 Reportable segments (continued)

The segment information provided to the Mancom for the reportable segments for the financial year ended 31 December 2021 is as follows:

<u>Group</u>	<u>Bulk</u> US\$'000	<u>Consumer</u> <u>Pack</u> US\$'000	<u>Total</u> US\$'000
Revenue			
Total segment sales	3,563,241	1,105,041	4,668,282
Inter-segment sales	(302,679)	(16,785)	(319,464)
Revenue from external parties	3,260,562	1,088,256	4,348,818
Operating margin	150,399	74,679	225,078
Other income excluding interest income	2,764	2,478	5,242
Interest income	2,153	518	2,671
Administrative expenses, excluding depreciation	(36,712)	(43,237)	(79,949)
Other gains excluding foreign exchange losses (net) and impairment of assets	308	117	425
Adjusted EBITDA	118,912	34,555	153,467
Depreciation	(17,937)	(8,574)	(26,511)
Finance expense	(5,608)	(4,132)	(9,740)
Impairment of assets	(2,094)	(5,350)	(7,444)
Segment results	93,273	16,499	109,772
Unallocated			
Income tax expense			(28,598)
Share of loss of an associate			(27)
Profit after tax			81,147
Total segment assets	964,746	534,506	1,499,252
Unallocated			
Current income tax recoverable			1,042
Investment in associated company			582
Deferred income tax assets			1,674
Total assets			1,502,550
Total assets include:			
Additions to:			
- Property, plant and equipment	17,797	7,314	25,111
Total segment liabilities	(549,755)	(224,554)	(774,309)
Unallocated			
Current income tax liabilities			(7,958)
Deferred income tax liabilities			(36,700)
Total liabilities			(818,967)

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3. Segment and revenue information (continued)

3.1 Reportable segments (continued)

The segment information provided to the Mancom for the reportable segments for the financial year ended 31 December 2020 was as follows:

<u>Group</u>	<u>Bulk</u> US\$'000	<u>Consumer</u> <u>Pack</u> US\$'000	<u>Total</u> US\$'000
Revenue			
Total segment sales	2,921,478	808,184	3,729,662
Inter-segment sales	(274,166)	(9,643)	(283,809)
Revenue from external parties	<u>2,647,312</u>	<u>798,541</u>	<u>3,445,853</u>
Operating margin	160,540	79,997	240,537
Other income excluding interest income	4,052	559	4,611
Interest income	934	237	1,171
Administrative expenses, excluding depreciation	(37,310)	(37,340)	(74,650)
Other expenses and other losses excluding foreign exchange gains (net) and impairment of assets	(121)	(4,228)	(4,349)
Adjusted EBITDA	128,095	39,225	167,320
Depreciation	(16,513)	(6,787)	(23,300)
Finance expense	(5,950)	(2,860)	(8,810)
Impairment of assets	(6,038)	(16,756)	(22,794)
Segment results	99,594	12,822	112,416
Unallocated			
Income tax expense			(26,325)
Share of profit of an associate			50
Profit after tax			86,141
Total segment assets	991,297	288,710	1,280,007
Unallocated			
Current income tax recoverable			3,008
Investment in associated company			667
Deferred income tax assets			503
Total assets			1,284,185
Total assets include:			
Additions to:			
- Property, plant and equipment	15,350	6,141	21,491
Total segment liabilities	(484,092)	(151,445)	(635,537)
Unallocated			
Current income tax liabilities			(6,906)
Deferred income tax liabilities			(31,413)
Total liabilities			(673,856)

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3. Segment and revenue information (continued)

3.2 Disaggregation of revenue

	At a point in time US\$'000	Group Over time US\$'000	Total US\$'000
Six months ended 31 December 2021			
Sale of vegetable oils products in bulk	1,648,889	-	1,648,889
Sale of consumer products including edible oils and fats, rice and dairy in consumer packs	511,284	-	511,284
Shipping services*	-	68,240	68,240
Charter income	-	3,090	3,090
Total	2,160,173	71,330	2,231,503
Six months ended 31 December 2020			
Sale of vegetable oils products in bulk	1,522,763	-	1,522,763
Sale of consumer products including edible oils and fats, rice and dairy in consumer packs	386,309	-	386,309
Shipping services*	-	51,325	51,325
Charter income	-	204	204
Total	1,909,072	51,529	1,960,601
	At a point in time US\$'000	Group Over time US\$'000	Total US\$'000
Twelve months ended 31 December 2021			
Sale of vegetable oils products in bulk	3,214,027	-	3,214,027
Sale of consumer products including edible oils and fats, rice and dairy in consumer packs	1,011,319	-	1,011,319
Shipping services*	-	116,788	116,788
Charter income	-	6,684	6,684
Total	4,225,346	123,472	4,348,818
Twelve months ended 31 December 2020			
Sale of vegetable oils products in bulk	2,599,727	-	2,599,727
Sale of consumer products including edible oils and fats, rice and dairy in consumer packs	759,497	-	759,497
Shipping services*	-	83,524	83,524
Charter income	-	3,105	3,105
Total	3,359,224	86,629	3,445,853

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

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Unaudited for the six months period and financial year ended 31 December 2021

4. Financial assets and financial liabilities

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

	Group		Company	
	31	31	31	31
	December	December	December	December
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets at fair value through profit or loss	50,257	110,238	1	-
Financial liabilities at fair value through profit or loss	(62,808)	(119,479)	-	(25)
Financial assets at amortised cost	455,043	392,449	308,465	302,462
Financial liabilities at amortised cost	(686,840)	(496,432)	(211)	(232)

5. Profit before taxation

5.1 Other expenses, other (losses)/gains (net) and other income

	Group			
	Six months ended		Twelve months ended	
	31 December		31 December	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Other expenses				
Impairment losses on property, plant and equipment	(5,066)	(19,032)	(7,444)	(22,794)
Provision for legal claim	-	(4,241)	-	(4,241)
Reversal of impairment losses on other receivables	-	2,692	-	-
	(5,066)	(20,581)	(7,444)	(27,035)
Other (losses)/gains (net)				
Foreign exchange (losses)/gains – net	(3,778)	21,780	(16,912)	718
Reversal of/(Loss) allowance on other receivables	64	(24)	64	(24)
Gains/(losses) on disposal of property, plant and equipment	253	(13)	375	(56)
Property, plant and equipment written off	(14)	(19)	(14)	(28)
	(3,475)	21,724	(16,487)	610
Other income				
Interest income on bank deposits and others	498	289	840	741
Late interest charged on trade receivables	1,418	278	1,831	430
	1,916	567	2,671	1,171
Rental income	105	117	325	421
Commission income	-	3	1	11
Insurance claims	2,573	2,913	2,687	2,947
Other miscellaneous income	1,164	362	2,229	1,232
	5,758	3,962	7,913	5,782

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Unaudited for the six months period and financial year ended 31 December 2021

5. Profit before taxation (continued)

5.2 Related party transactions

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

	Group			
	Six months ended 31 December		Twelve months ended 31 December	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Sales of finished goods to related parties	8,846	6,790	16,365	14,458
Purchases of raw materials from related parties	707	559	1,291	926
Losses from derivative financial instruments from related parties	(689)	(320)	(552)	(267)
Rental received/receivable				
- Associated company	2	1	4	3
- Related party	21	18	42	33
Interest income from related parties	-	-	1	-
Service fee income received/receivable				
- Associated company	30	21	51	42
Services paid/payable				
- Transportation and forwarding				
- Associated company	1,662	1,332	2,556	2,473
- Related party	94	87	159	183
- Packing material to related parties	189	447	443	629
- Consultation fees to related parties	526	519	1,607	1,514
- Travelling expenses to related parties	4	2	17	17

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

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6. Taxation

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

	Group			
	Six months ended 31 December		Twelve months ended 31 December	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Current income tax expense	8,536	7,725	24,143	11,522
Deferred income tax expense	12,125	7,954	4,940	13,715
	20,661	15,679	29,083	25,237
(Over)/Under provision in prior financial years				
- Current income tax expense	(4)	618	(4)	618
- Deferred income tax expense	(481)	470	(481)	470
	(485)	1,088	(485)	1,088
Income tax expense	20,176	16,767	28,598	26,325

7. Dividends

Group and Company Financial Year Ended 31 December	
2021	2020
US\$'000	US\$'000

Declared and paid during the financial year:

Dividends on ordinary shares:

- Final exempt one-tier dividend of S\$0.0060 for 2020 (2019: S\$Nil) per share
- Interim exempt one-tier dividend of S\$0.0027 for 2021 (2020: S\$0.0015) per share

6,784	-
2,995	1,647
9,779	1,647

Proposed but not recognised as a liability as at 31 December:

Final exempt one-tier dividend of S\$0.0081 for 2021 (2020: S\$0.0060) per share

9,005	6,813
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8. Net asset value

	Group		Company	
	31 December 2021 US\$'000	31 December 2020 US\$'000	31 December 2021 US\$'000	31 December 2020 US\$'000
Net asset value per ordinary share	45.09	40.73	20.48	20.05

9. Fair value measurement

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

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

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9. Fair value measurement (continued)

	<u>Level 1</u> US\$'000	<u>Level 2</u> US\$'000	<u>Total</u> US\$'000
Group			
31 December 2021			
Financial Assets			
Derivative financial instruments (Note 12)			
- Currency forward contracts	-	8,158	8,158
- Commodities forward contracts	-	25,308	25,308
- Futures contracts on commodity exchange	16,791	-	16,791
	16,791	33,466	50,257
Financial Liabilities			
Derivative financial instruments (Note 12)			
- Currency forward contracts	-	(1,897)	(1,897)
- Commodities forward contracts	-	(60,911)	(60,911)
	-	(62,808)	(62,808)
31 December 2020			
Financial Assets			
Derivative financial instruments (Note 12)			
- Currency forward contracts	-	9,069	9,069
- Commodities forward contracts	-	57,643	57,643
- Futures contracts on commodity exchange	43,526	-	43,526
	43,526	66,712	110,238
Financial Liabilities			
Derivative financial instruments (Note 12)			
- Currency forward contracts	-	(13,105)	(13,105)
- Commodities forward contracts	-	(106,374)	(106,374)
	-	(119,479)	(119,479)
Company			
31 December 2021			
Financial Assets			
Derivative financial instruments (Note 12)			
- Currency forward contracts	-	1	1
31 December 2020			
Financial Liabilities			
Derivative financial instruments (Note 12)			
- Currency forward contracts	-	(25)	(25)

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9. Fair value measurement (continued)

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

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

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10. Intangible asset

	Group	
	2021	2020
	US\$'000	US\$'000
Goodwill arising from acquisition of subsidiaries		
Beginning of financial year	970	970
Acquisition of subsidiaries (Note 15)	3,503	-
End of financial year	4,473	970

Impairment tests for goodwill

Goodwill arising from business combinations have been allocated to the respective cash-generating units ("CGUs"). The carrying amount of goodwill allocated to Jambi business and PT Able business amounts to US\$970,000 and US\$3,503,000 respectively.

The recoverable amount of the CGUs was determined based on its value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. The discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

Discount rate (pre-tax)	12.7% to 13.6%
Terminal growth rate	4.1%

The terminal growth rate used is consistent with the forecast included in industry reports and did not exceed the long-term average growth rate for the business in which the CGUs operates. The discount rate used was pre-tax and reflected specific risks relevant to the CGUs.

Based on the recoverable amounts determined by management, no impairment for the goodwill was deemed necessary as at 31 December 2021.

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11. Property, plant and equipment

During the six months period ended 31 December 2021, the Group acquired property, plant and equipment amounting to US\$16,659,000 (H2 2020: US\$9,534,000) and disposal of property, plant and equipment amounting to US\$258,000 (H2 2020: US\$91,000).

During the financial year ended 31 December 2021, the Group acquired property, plant and equipment amounting to US\$25,111,000 (FY 2020: US\$21,491,000), addition arising from the acquisition of subsidiaries amounting to US\$21,446,000 (FY 2020: US\$Nil) and disposal of property, plant and equipment amounting to US\$531,000 (FY 2020: US\$166,000).

12. Derivative financial instruments

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

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

(a) Current portion

	Group Fair values	
	Asset US\$'000	Liability US\$'000
31 December 2021		
Currency forward contracts (Note 9)	8,158	(1,897)
Commodities forward contracts (Note 9)	25,308	(60,911)
Futures contracts on commodity exchange (Note 9)	15,894	-
Total	49,360	(62,808)
31 December 2020		
Currency forward contracts (Note 9)	9,069	(13,105)
Commodities forward contracts (Note 9)	57,643	(106,374)
Futures contracts on commodity exchange (Note 9)	43,526	-
Total	110,238	(119,479)
	Company Fair values	
	Asset US\$'000	Liability US\$'000
31 December 2021		
Currency forward contracts (Note 9)	1	-
31 December 2020		
Currency forward contracts (Note 9)	-	(25)

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

	Group Fair values	
	Asset	Liability
	US\$'000	US\$'000
31 December 2021		
Futures contracts on commodity exchange (Note 9)	897	-

13. Borrowings

	Group	
	31 December 2021	31 December 2020
	US\$'000	US\$'000
<i>Current</i>		
Bank borrowings:		
- Trade financing	343,515	227,819
- Revolving credit	1,755	7,233
- Hire purchase	493	477
- Term loans	13,127	13,174
	358,890	248,703
<i>Non-current</i>		
Bank borrowings:		
- Hire purchase	2,102	2,692
- Term loans	69,176	32,784
	71,278	35,476
Total borrowings	430,168	284,179

Securities granted

Total borrowings include secured liabilities of US\$74,083,000 (31 December 2020: US\$36,343,000). These borrowings of the Group are secured by certain property, plant and equipment.

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14. Share capital and share premium

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

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

15. Business combinations
Business combinations under "acquisition method"

On 1 March 2021, the Group completed the acquisition of 68.4% of the issued equity of Mega Agro Pte. Ltd. ("MAPL"), a company incorporated in Singapore, from a non-related party, Able Perfect International Pte. Ltd. ("APIPL") through its wholly owned subsidiary, Ngo Chew Hong Investment Pte Ltd, a company incorporated in Singapore. MAPL holds 95% equity interest in PT Able Commodities Indonesia ("PTACI"), an Indonesian company which owns and operates facilities to refine and pack palm oil and its derivatives. The total purchase consideration of US\$16,265,000 comprises the purchase of 68.4% MAPL's shares amounting to US\$3,465,000 and the settlement of a loan payable of US\$12,800,000 to APIPL by PTACI.

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

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	US\$'000
<i>(i) Purchase consideration</i>	
Cash paid	12,315
Contingent consideration paid	1,950
Contingent consideration payable [Note (vii) below]	2,000
Total purchase consideration	16,265
<i>(ii) Effect on cash flows of the Group</i>	
Cash and contingent consideration paid (as above)	14,265
Less: Cash and cash equivalents in subsidiaries acquired	(983)
Cash outflow on acquisition	13,282
<i>(iii) Identifiable assets acquired and liabilities assumed</i>	
Property, plant and equipment (Note 11)	21,446
Inventories	4,725
Trade and other receivables [Note (v) below]	4,359
Cash and bank balance	983
Tax recoverable	28
Total assets	31,541
Trade and other payables	(11,160)
Deferred tax liabilities	(747)
Total liabilities	(11,907)
Total identifiable net assets	19,634
Less: Non-controlling interests at fair value [Note (vi) below]	(6,872)
Add: Goodwill [(Note 10) and Note (viii) below]	3,503
Consideration transferred for the business	16,265
<i>(iv) Acquisition-related costs</i>	
Acquisition-related costs of US\$52,000 are included in “administrative expenses” in the condensed interim consolidated statement of comprehensive income and in operating cash flows in the condensed interim consolidated statement of cash flows.	
<i>(v) Acquired receivables</i>	
The fair value of trade and other receivables is US\$4,359,000 and includes trade receivables with a fair value of US\$721,000. US\$Nil is expected to be uncollectible.	

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15. Business combinations (continued)

Business combinations under “acquisition method” (continued)

(vi) *Non-controlling interests*

The Group has recognised the 35.0% non-controlling interests at its fair value of US\$6,872,000. The fair value was estimated based on its proportionate share of the acquisition date fair value of the identifiable net assets of the subsidiaries.

(vii) *Contingent consideration*

The Group is required to make contingent payments on fulfilment of the commission and performance acceptable testing of the refinery and fractionation plant and additional asset investments. The contractual timelines can be extended by mutual agreement between both the parties. The fair value of these contingent consideration as at acquisition date was estimated to be US\$3,950,000. As at 31 December 2021, the fulfilment on the agreed conditions has yet to be completed and as such, US\$2,000,000 remains as outstanding balances.

(viii) *Goodwill*

The goodwill of US\$3,503,000 arising from the acquisition is attributable to the synergies expected to arise from further consolidation of the Group’s position as a global food and agri-business. It is not deductible for tax purposes.

(ix) *Revenue and profit contribution*

The acquired business contributed revenue of US\$112,646,000 and net profit of US\$3,262,000 to the Group from the period from 1 March 2021 to 31 December 2021.

Had MAPL been acquired from 1 January 2021, the consolidated revenue and consolidated profit after tax of the Group for the year ended 31 December 2021 would have been US\$121,423,000 and US\$2,491,000 respectively.

16. Commitments

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2021	2020
	US\$'000	US\$'000
Property, plant and equipment	52,175	16,144

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Unaudited for the six months period and financial year ended 31 December 2021

17. Subsequent events

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

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**Other Information Required by Listing Rule
Appendix 7.2**

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

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

Please refer to Condensed Interim Consolidated Income Statement.

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Please refer to Condensed Interim Consolidated Statement of Comprehensive Income.

1(b)(i) STATEMENT OF FINANCIAL POSITION

Please refer to Consolidated Interim Balance Sheet.

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

	Group As at 31 Dec 2021		Group As at 31 Dec 2020	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
The amount repayable in one year or less, or on demand	11,976	346,914	4,477	244,226
The amount repayable after one year	62,107	9,171	31,866	3,610
	74,083	356,085	36,343	247,836

Details of collaterals

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

1(c) STATEMENT OF CASH FLOWS

Please refer to Condensed Interim Consolidated Statement of Cash Flows.

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

Please refer to Condensed Interim Statements of Changes in Equity.

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1(d)(ii) SHARE CAPITAL

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

	No. of ordinary shares	Share capital US\$'000
FY 2021		
Issued and fully paid ordinary shares		
Balance at beginning/end of the financial year	<u>1,500,667,440</u>	<u>1,501</u>
FY 2020		
Issued and fully paid ordinary shares		
Balance at beginning/end of the financial year	<u>1,500,667,440</u>	<u>1,501</u>

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

The Company's total number of issued shares is 1,500,667,440 as at 31 Dec 2021 (31 Dec 2020: 1,500,667,440).

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

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

Not applicable.

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

Not applicable.

**MEWAH INTERNATIONAL INC.
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Unaudited Financial Statements For The Full Year Ended 31 December 2021

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

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

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

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

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

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

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

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

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

	Group TWELVE MONTHS ENDED	
	31 Dec 2021	31 Dec 2020
Basic and diluted based on weighted average number of shares (US cents per share)	5.34	5.77
Weighted average number of shares applicable to basic and diluted earnings per share ('000)	1,500,667	1,500,667

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

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

	Group As at		Company As at	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	45.09	40.73	20.48	20.05

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

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

**MEWAH INTERNATIONAL INC.
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8.1 Income statement

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

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

The Consumer Pack segment produces vegetable-based edible oil and fat products, in consumer pack form and sell under own brands and under the brands of third parties, primarily to importers and distributors at destination markets. The specialty fats and confectionary oils are sold primarily to distributors, and factories involved in the production of confectionery, bakery products and other food items. Besides edible oil and fat products, the Group also sells rice and dairy products in consumer pack form under its own brands.

The following table summarises the segmental sales volume, sales revenue and operating margin ("OM"):

	Total			Bulk			Consumer Pack		
	FY 2021	FY 2020	Change	FY 2021	FY 2020	Change	FY 2021	FY 2020	Change
Sales volume (MT'000)	4,119.5	4,821.2	-14.6%	3,037.4	3,825.3	-20.6%	1,082.1	995.9	8.7%
Revenue (US\$million)	4,348.8	3,445.9	26.2%	3,260.5	2,647.3	23.2%	1,088.3	798.5	36.3%
Average selling prices (US\$)	1,055.7	714.7	47.7%	1,073.5	692.1	55.1%	1,005.7	801.8	25.4%
OM (US\$million)	225.1	240.5	-6.4%	150.4	160.5	-6.3%	74.7	80.0	-6.6%
OM per MT (US\$)	54.6	49.9	9.4%	49.5	42.0	17.9%	69.0	80.3	-14.1%

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

The Group is excited to deliver another consecutive year of impressive financial results. During the year, the CPO prices continued to remain bullish reaching a high of RM 5,437 per tonne in November 2021. These high CPO prices were driven primarily by lower supplies due to labour shortages and adverse weather conditions. Our teams remained focused on running our operations safely while maximising the operating margins prevailing due to bullish prices and congested supply chains. The safety of our people and the communities we operate in remained our topmost priority during this period.

The processors and packers at destination markets continued having good demand which enabled our Bulk segment to deliver higher operating margins at US\$49.5 per MT for the year. The shortage of containers drove global container freight rates to historical highs. Our Consumer Pack Segment had to navigate these supply chain constraints along with high input costs leading to reduced operating margins at US\$69.0 per MT.

**MEWAH INTERNATIONAL INC.
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8.1.1 Sales volume

For the full year ended 31 Dec 2021 ("FY 2021"), the Group's sales volume of 4,119,500 MT was 14.6% lower than the prior year ("FY 2020"). Bulk Segment recorded a decrease of 20.6% to 3,037,400 MT and Consumer Pack segment recorded an increase of 8.7% to 1,082,100 MT. Bulk and Consumer Pack segments contributed 73.7% and 26.3% of total sales volume respectively (FY 2020: 79.3% and 20.7% respectively).

8.1.2 Revenue and Cost of sales

For FY 2021, revenue increased 26.2% to US\$4,348.8 million on the back of 47.7% higher average selling prices, despite 14.6% lower sales volume. Bulk segment recorded an increase of 23.2% in revenue supported by 55.1% higher average selling prices partially offset by 20.6% lower sales volume. Consumer Pack segment recorded an increase of 36.3% in revenue due to 8.7% higher sales volume and 25.4% higher average selling prices. Bulk and Consumer Pack segments contributed 75.0% and 25.0% of total revenue respectively (FY 2020: 76.8% and 23.2% respectively). Correspondingly, cost of sales, mainly consisting of cost of inventories increased 26.8% to US\$4,025.8 million, in line with the increase in revenue.

8.1.3 Gross profit

For FY 2021, an increase of US\$903.0 million in revenue and a lower increase of US\$850.6 million in cost of sales resulted in gross profit increasing by US\$52.4 million to US\$323.0 million.

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

8.1.4 Operating margin

For FY 2021, higher operating margin ("OM") of US\$54.6 per MT compared to US\$49.9 in FY 2020 but 14.6% lower sales volume resulted in total OM decreased 6.4% to US\$225.1 million. For Bulk segment, higher OM of US\$49.5 per MT compared to US\$42.0 in FY 2020 but 20.6% lower sales volume resulted in OM decreased 6.3% to US\$150.4 million. For Consumer Pack segment, 8.7% higher sales volume but lower OM of US\$69.0 per MT compared to US\$80.3 in FY 2020 resulted in OM decreased 6.6% to US\$74.7 million. The segments contributed 66.8% and 33.2% of total OM respectively (FY 2020: 66.7% and 33.3% respectively).

8.1.5 Other income

For FY 2021, other income of US\$7.9 million (FY 2020: US\$5.8 million) included interest income of US\$2.7 million (FY 2020: US\$1.2 million) and insurance claims of US\$2.7 million (FY 2020: US\$2.9 million).

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

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8.1.6 Other expenses and other (losses)/gains (net)

	Group		
	Twelve months ended 31 December		
	2021	2020	Change
	US\$'000	US\$'000	%
Other expenses			
Impairment losses on property, plant and equipment	(7,444)	(22,794)	-67.3%
Provision for legal claim	-	(4,241)	n.m.
	(7,444)	(27,035)	-72.5%
Other (losses)/gains (net)			
Foreign exchange (losses)/gains - net	(16,912)	718	n.m.
Reversal of/(Loss) allowance on other receivables	64	(24)	n.m.
Gains/(Losses) on disposal of property, plant and equipment	375	(56)	n.m.
Property, plant and equipment written off	(14)	(28)	-50.0%
	(16,487)	610	n.m.

n.m. – not meaningful

Foreign exchange losses or gains arise within the entities in the Group when transactions are denominated in currencies other than the entities' functional currencies. Variance is explained by changes in the exchange rates from the dates of transactions to the dates of settlements or the financial reporting date. The Group uses currency forward contracts primarily to hedge against the foreign exchange fluctuation risk resulting from commodities forward contracts. The foreign exchange losses or gains are better read together with gross profit.

For FY 2021, impairment losses on property, plant and equipment arose from certain assets which present value of the expected future cash flows is below its carrying amount. Based on the review of the recoverable amount, an impairment loss of US\$7.4 million was provided.

8.1.7 Provision of expected credit losses

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

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8.1.8 Selling and distribution expenses

	Group		
	Twelve months ended 31 December 2021	2020	Change
	US\$'000	US\$'000	%
Freight	(2,266)	(1,417)	59.9%
Storage, handling and forwarding	(33,610)	(35,952)	-6.5%
Export duties	(56,968)	(608)	9269.7%
Other selling and distribution expenses	(2,576)	(2,787)	-7.6%
Total	(95,420)	(40,764)	134.1%

The selling and distribution expenses increased US\$54.7 million were mainly due to export duty imposed by Malaysia since 1 Jan 2021. The selling and distribution expenses are generally passed-on to customers through the selling prices. The amounts may vary from period to period depending on the sale-terms with the customers.

8.1.9 Administrative expenses

For FY 2021, administrative expenses increased 6.5% to US\$87.0 million from US\$81.7 million in prior year due to increase in manpower cost and administrative expenses incurred for new businesses acquired during the year.

8.1.10 Finance expenses

For FY 2021, finance expenses increased 10.6% to US\$9.7 million from US\$8.8 million in prior year due to higher average bank borrowings.

8.1.11 Profit before tax

For FY 2021, the profit before tax decreased US\$2.7 million from US\$112.5 million for FY 2020 to US\$109.7 million for the current year mainly due to decrease in operating margin of US\$15.4 million, increase in other operating expenses of US\$8.1 million and increase in finance expenses of US\$0.9 million partially offset by decrease in impairment losses on property, plant and equipment and provision of legal claims of US\$19.6 million and increase in other income of US\$2.1 million.

8.1.12 Income tax

For FY 2021, income tax expense increased to US\$28.6 million compared to US\$26.3 million in prior year due to change in the mix of results of our subsidiaries in the various jurisdictions and the differences in taxable profits and accounting profits.

**MEWAH INTERNATIONAL INC.
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8.1.13 Profit after tax

For FY 2021, the Group reported a profit after tax of US\$81.1 million compared to US\$86.1 million for FY 2020. Profit after tax attributable to equity holders of the Company was US\$80.2 million compared to US\$86.5 million for FY 2020.

8.2 Balance Sheet**8.2.1 Inventories**

On 31 Dec 2021, the inventories of US\$492.6 million were higher by US\$197.1 million representing inventories days of 45 days (31 Dec 2020: US\$295.5 million and 34 days respectively). The Group was carrying higher inventories mainly due to higher average prices as at 31 Dec 2021.

8.2.2 Trade receivables

On 31 Dec 2021, the trade receivables of US\$253.5 million were lower by US\$29.4 million representing trade receivables of 22 days (31 Dec 2020: US\$282.9 million and 30 days respectively). The decrease in trade receivables was due to improve in receivables turnover.

8.2.3 Other receivables**Group**

On 31 Dec 2021, other receivables of US\$78.8 million (31 Dec 2020: US\$64.4 million) included US\$4.9 million (31 Dec 2020: US\$4.8 million) relating to refundable Goods Service Tax (GST), US\$2.8 million (31 Dec 2020: US\$13.8 million) paid to Bursa Malaysia Derivatives Clearing Bhd ("Bursa") for commodity trading initial and variation margin payment, US\$10.6 million (31 Dec 2020: US\$6.5 million) for advance payments for capital expenditure, US\$24.2 million (31 Dec 2020: US\$18.5 million) for advance payment for the purchase of raw materials and US\$14.5 million (31 Dec 2020: US\$9.6 million) relating to cooking oil subsidy receivable from statutory authority.

Company

On 31 Dec 2021, other receivables of US\$307.6 million (31 Dec 2020: US\$302.5 million) relates mainly to amounts receivable from subsidiaries.

8.2.4 Current income tax recoverable/liabilities and deferred income tax assets/liabilities

On 31 Dec 2021, the Group had net current and deferred income tax liabilities of US\$41.9 million (31 Dec 2020: US\$34.8 million) mainly due to change in the mix of results of our subsidiaries in the various jurisdictions and the differences in taxable profits and accounting profits.

8.2.5 Derivative financial instruments

On 31 Dec 2021, the Group had net derivative financial instruments liabilities of US\$12.6 million (31 Dec 2020: US\$9.2 million). The amount represents net payables arising from the fair value changes of derivative financial instruments from the date of the contract to the financial reporting date.

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8.2.6 Cash and bank balances

Cash and bank balances increased from US\$78.2 million on 31 Dec 2020 to US\$171.8 million on 31 Dec 2021 as explained in Note 8.3 below.

8.2.7 Property, plant and equipment

On 31 Dec 2021, property, plant and equipment increased US\$0.1 million to US\$447.9 million. The Group acquired property, plant and equipment amounting to US\$25.1 million (31 Dec 2020: US\$21.5 million) and addition arising from the acquisition of subsidiaries amounting to US\$21.4 million (31 Dec 2020: US\$Nil) partially offset by depreciation of US\$26.5 million (US\$23.3 million) and impairment of US\$7.4 million (31 Dec 2020: US\$22.8 million).

8.2.8 Trade payables

On 31 Dec 2021, the trade payables of US\$173.6 million were higher by US\$32.1 million representing trade payables of 16 days (31 Dec 2020: US\$141.5 million and 16 days respectively). The increase in trade payable was mainly due to higher average purchase prices as at 31 Dec 2021.

8.2.9 Cycle time

On 31 Dec 2021, the Group achieved cycle time of 51 days due to higher average selling prices (Inventories days add trade receivables days less trade payables days) (31 Dec 2020: 48 days).

8.2.10 Other payables

On 31 Dec 2021, other payables increased US\$13.0 million to US\$83.0 million compared to US\$70.0 million on 31 Dec 2020 mainly due to increase in other payable arising from acquisition of subsidiaries during the year.

8.2.11 Contract liabilities

On 31 Dec 2021, contract liabilities increased US\$4.7 million to US\$18.6 million compared to US\$14.0 million on 31 Dec 2020 mainly due to increase in advances received from customer.

8.2.12 Borrowings

On 31 Dec 2021, Group borrowings were US\$430.2 million giving debt to equity ratio of 0.63 (31 Dec 2020: US\$284.2 million and 0.47 respectively). Excluding cash and cash equivalents, net debt was US\$258.4 million, giving net debt to equity ratio of 0.38 (31 Dec 2020: US\$206.0 million and 0.34 respectively). The increase in borrowings was due to increase in working capital requirements and as part of overall cash flow planning.

**MEWAH INTERNATIONAL INC.
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8.3 Consolidated statement of cash flows**FY 2021**

The Group generated operating cash flows of US\$150.4 million before working capital changes and utilised US\$132.3 million from changes in working capital. The Group utilised US\$28.1 million for net interest and income tax, thus the net cash flows used in operating activities was at US\$9.9 million. US\$37.6 million was used for investing activities and US\$142.1 million generated from financing activities. After adjusting for effect of changes in exchange rate, cash and cash equivalents increased by US\$93.6 million to US\$171.8 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 recent years, our industry has proved its resilience to global disruptions, in particular, the COVID-19 outbreak. Going forward we expect the demand for vegetable oils to increase further due to an increasing population base and improving living standards. Indonesia and Malaysia which account for about 85% of the global palm oil supply are also consistently pushing for increased local consumption of vegetable oils through their B30 and B20 biofuel mandates. Therefore, we remain confident that the long-term demand for our products and services remains steady. We believe our position is further strengthened by our large-scale integrated production facilities in Malaysia, our ongoing initiatives in Indonesia, our established brands and our wide global supply chain presence.

In the near-term we remain cautious with respect to any adverse impact from newer variants of COVID-19 virus and also from the tightening of accommodative monetary policies by major economies. With two consecutive good years, our financial position has strengthened further and we remain committed to invest for our future profitable growth in order to create long term sustainable value for all our 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?

Yes.

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

(i) Current Financial Period Reported On

Name of dividend	Proposed Final Exempt one-tier dividends	Interim Exempt on-tier dividends	Total
Dividend type	Cash	Cash	Cash
Dividend amount per share (Singapore cent per share)	0.81	0.27	1.08

(ii) Corresponding period of the immediately preceding financial year

Name of dividend	Proposed Final Exempt one-tier dividends	Interim Exempt on-tier dividends	Total
Dividend type	Cash	Cash	Cash
Dividend amount per share (Singapore cent per share)	0.60	0.15	0.75

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

Dividend is tax exempt and declared in Singapore.

(d) Date Payable

20 May 2022

(e) Books Closure Date

10 May 2022

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

Not applicable.

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

Name of Interested Person	Aggregate value of all IPT during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	FY 2021 US\$'000	FY 2021 US\$'000
Prelude Gateway Sdn. Bhd.	118	2,561
Ecolex Sdn. Bhd.	20	18,143
Containers Printers Pte Ltd	NIL	468
Nature International Pte Ltd	12	NIL
Mr Cheo Seng Jin	804	NIL
Mr Cheo Tiong Choon	804	NIL
Kent Holidays (S) Pte Ltd	17	NIL
Choon Heng Logistics Pte Ltd	159	NIL
Futura Ingredients Singapore Pte Ltd	85	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) OF THE MAINBOARD RULES

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

Please refer to Note 3 in Notes to the Condensed Interim Financial Statements.

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

	2021 US\$'000	2020 US\$'000	Change %
(a) Sales reported for first half year	2,117,315	1,485,252	42.6%
(b) Operating profit after tax before deducting minority interests reported for first half year	24,488	27,834	-12.0%
(c) Sales reported for second half year	2,231,503	1,960,601	13.8%
(d) Operating profit after tax before deducting minority interests reported for second half year	55,683	58,706	-5.1%

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

Please refer to Note 7 in Notes to the Condensed Interim Financial Statements.

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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	74	Sister of Dr Cheo Tong Choon	Senior Manager, Controller Department since 1981	Not applicable
Ms Cheo Sor Cheng Angeline	62	Sister of Dr Cheo Tong Choon	Manager, Controller Department since 1999	Not applicable
Ms Cheo Su Ching	70	Sister of Dr Cheo Tong Choon	Manager, Controller Department since 2008	Not applicable
Mr Cheo Jian Jia	36	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 2022