



Global Brands, Local Favourites

MEWAH INTERNATIONAL INC.

(Company Registration No.: CR-166055)

NEWS RELEASE :
FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018

MEWAH REPORTS US\$4.8 MILLION PROFIT FOR Q1 2018

- *Group achieved improved operating margin compared to last year*
- *Group achieved improved sales volume for both Bulk and Consumer Pack segment*
- *Balance sheet remains strong with low net debt to equity ratio of 0.59*

Results Highlights

	Q1 2018	Q1 2017	Change (YOY)	Q4 2017	Change (QOQ)
Sales volume (MT'000)	1,116.1	881.6	26.6%	901.5	23.8%
Revenue (US\$'million)	836.9	727.9	15.0%	722.2	15.9%
Average selling prices (US\$)	749.8	825.7	-9.2%	801.1	-6.4%
Operating margin (US\$'million)	36.7	26.6	38.0%	50.6	-27.5%
Operating margin per MT (US\$)	32.9	30.2	8.9%	56.1	-41.4%
Profit before tax (US\$'million)	7.6	5.0	50.2%	21.0	-63.8%
Net profit * (US\$'million)	4.8	4.0	22.2%	13.1	-63.4%

* Profit after tax attributable to equity holders of the Company

Singapore, May 11, 2018 – Mainboard-listed Mewah International Inc. (“Mewah”, “the Group” or “the Company”), a global agri-business with refineries and processing facilities in Malaysia and Singapore, today announced financial results for its first quarter ended 31 March 2018.

The Group posted net profit of US\$4.8 million for the quarter, 22.2% higher than corresponding quarter last year (Q1 2017) but 63.4% lower than previous quarter (Q4 2017).

The Group achieved sales volume of 1,116,100 metric tonne (“MT”), up 26.6% and 23.8% on Year-over-Year (“YOY”) and Quarter-on-Quarter (“QOQ”) respectively.

The Group reported revenue of US\$836.9 million for the quarter, 15.0% and 15.9% higher than last year and last quarter respectively supported by an increase in sales volume despite lower average selling prices.

The Group's operating margin improved 38.0% to US\$36.7 million from US\$26.6 million last year on the back of higher sales volume coupled with improved OM of US\$32.9 per MT compared to US\$30.2 last year. However, on QOQ, operating margin decreased 27.5% due to lower operating margin per MT compared to last quarter.

The Company said in the announcement, "For the first quarter of 2018, the crude palm oil price was range-bound between 2,400 and 2550 ringgit largely due to an oversupply market and challenging operating conditions. Nevertheless, the Group continued to have strong and committed demand under its Bulk segment from its regular destination markets which helped to maintain our operating margins at healthy level. The Consumer Pack segment too continued to sustain its stable operating margin in line with seasonal demand. This is mainly attributable to our strong distribution network and operation scalability which helped us to continue to improve our sales volume and operating margin. Overall, net profit after tax for the quarter increased by 22.2% to US\$4.8 million."

Segmental Performance

Bulk segment

	Q1 2018	Q1 2017	Change	Q4 2017	Change
Sales volume (MT'000)	839.1	621.3	35.1%	647.7	29.6%
Revenue (US\$'million)	604.8	500.2	20.9%	501.1	20.7%
Average selling prices (US\$)	720.8	805.1	-10.5%	773.7	-6.8%
Operating margin (US\$'million)	22.3	14.7	51.7%	30.5	-26.9%
Operating margin per MT (US\$)	26.6	23.7	12.2%	47.1	-43.5%

For the quarter, The Group registered sales volume of 839,100 MT for Bulk segment, up by 35.1% and 29.6% on YOY and QOQ respectively.

Revenue increased to US\$604.8 million, 20.9% and 20.7% higher on YOY and QOQ respectively on the back higher sales volume despite lower average selling prices.

The group reported total operating margin to US\$22.3 million, up 51.7% from last year on the back of higher operating margin of US\$26.6 per MT compared to US\$23.7 last year. However, on QOQ, operating margin decreased 26.9% due to lower operating margin per MT compared to last quarter.

The segment contributed 75.2% of total sales volume, 72.3% of total revenue and 60.8% of total operating margin of the Group for the quarter.

Consumer Pack segment

	Q1 2018	Q1 2017	Change	Q4 2017	Change
Sales volume (MT'000)	277.0	260.3	6.4%	253.8	9.1%
Revenue (US\$'million)	232.1	227.7	1.9%	221.1	5.0%
Average selling prices (US\$)	837.9	874.8	-4.2%	871.2	-3.8%
Operating margin (US\$'million)	14.4	11.9	21.0%	20.1	-28.4%
Operating margin per MT (US\$)	52.0	45.7	13.8%	79.2	-34.3%

The Consumer Pack segment reported sales volume of 277,000 MT, increased 6.4% YOY and 9.1% QOQ.

Revenue increased to US\$232.1 million, 1.9% and 5.0% higher on YOY and QOQ respectively on the back higher sales volume despite lower average selling prices.

The segment achieved improved total operating margin of US\$14.4 million, up 21.0% compared to last year on the back of higher operating margin of US\$52.0 per MT compared to US\$45.7 last year. However, on QOQ, operating margin decreased 28.4% due to lower operating margin per MT compared to last quarter.

The segment contributed 24.8% of total sales volume, 27.7% of total revenue and 39.2% of total operating margin of the Group for the quarter.

Balance Sheet

The Group's balance sheet remained strong with debt to equity ratio of 0.72 or net debt to equity ratio of 0.59.

The Group continued to maintain operational efficiency and sustained a short cycle time of 49 days (inventories days add trade receivables days less trade payables days).

Future Outlook

The Company noted in its results announcement, "The outlook for the palm oil industry remains challenging with low prices, difficult operating conditions like rising operating costs, and refining margin pressures. Despite these, the Group remains positive on its performance due to operational efficiencies arising from our large scale of integrated refineries & world-class manufacturing capabilities, high value supply chain and large customer base at the destination markets of over 100 countries. Therefore, the Group remains cautiously optimistic about our future performance."

About Mewah International Inc.

Mewah International Inc. (“Mewah” or the “Group”) is global agri-business with refineries and processing facilities in Malaysia and Singapore. One of the largest palm oil processors in the world by capacity, Mewah produces a wide range of refined and fractionated vegetable oils and fats principally from palm oil. It also produces oils and fats from lauric oils, such as palm kernel oil and coconut oil; and from soft oils, such as soybean oil, canola oil, sunflower seed oil and corn oil. Featuring integrated operations throughout the edible oils and fats value chain, from sourcing and processing of raw materials to packing, branding, merchandising, shipping and distribution of the products, Mewah’s products are sold to customers in more than 100 countries, duly supported by its wide range of brands including long established and well recognized Oki and Moi brands.

The Group’s business consists of two business segments namely the 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 the form of consumer packs and sells under Group’s own brands and under the brands of third parties, primarily to importers and distributors at destination markets. The specialty fats and confectionary oils are sold primarily to distributors, and factories involved in the production of confectionery, bakery products and other food items. Besides edible oil and fat products, the Group also sells rice and dairy products in consumer pack form under its own brands.

Mewah Group has been in operation since the 1950s. Today, Mewah has grown to be one of the largest edible oils and fats businesses with a current total refining capacity of 10,000 MT a day or 3.5 million MT annually. Mewah currently has four refineries and processing plants, two packing plants, a biodiesel plant and a dairy manufacturing facility in Malaysia and one packing plant in Singapore.

Mewah was listed on the Mainboard of the Singapore Exchange Securities Trading Limited on November 24, 2010.

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