



Global Brands, Local Favourites

MEWAH INTERNATIONAL INC.

(Company Registration No.: CR-166055)

NEWS RELEASE : FINANCIAL RESULTS FOR THE 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014

MEWAH REPORTS US\$1.3 million PROFIT FOR Q3

- **Group turned-around to profit after loss reported in Q2.**
- **Sales volume up 16.7% for Q3. Both bulk and consumer pack segments reported volume growth.**
- **Impressive performance by consumer pack segment but margins for bulk segment remained under pressure.**
- **Balance sheet remained strong with low net debt to equity ratio of 0.55.**

Results Highlights

| | Q3 2014 | Q3 2013 | Change (YOY) | Q2 2014 | Change (QOQ) | 9M 2014 | 9M 2013 | Change |
|---|----------------|---------|-----------------|---------|-----------------|----------------|---------|--------|
| Sales volume (MT'000) | 1,089.0 | 933.0 | 16.7% | 944.6 | 15.3% | 2,949.1 | 2,762.3 | 6.8% |
| Revenue (US\$million) | 930.5 | 796.3 | 16.9% | 865.3 | 7.5% | 2,610.3 | 2,362.9 | 10.5% |
| Operating margin (US\$million) | 26.4 | 27.4 | -3.6% | 13.1 | 101.5% | 62.5 | 85.3 | -26.7% |
| Operating margin per MT (US\$) | 24.2 | 29.3 | -17.4% | 13.8 | 75.4% | 21.2 | 30.9 | -31.4% |
| Net profit/(loss) * (US\$million) | 1.3 | 3.6 | -65.3% | (8.2) | n.m. | (6.0) | 11.6 | n.m. |

n.m. – not meaningful

* Profit after tax attributable to equity holders of the Company

Singapore, Nov 14, 2014 – Mainboard-listed **Mewah International Inc.** (“Mewah”, “the Group” or “the Company”), an integrated agri-business group that is one of the largest palm oil processors in the world by capacity, today announced financial results for its third quarter ended 30 September 2014.

Revenue increased by 16.9% to US\$930.5 million for the quarter compared to last year on the back of 16.7% increase in sales volume to 1,089,000 MT. Group’s operating margin per MT declined from US\$29.3 to US\$24.2 resulting in total operating margin declining from US\$27.4 million to US\$26.4 million. The Group reported net profit of US\$1.3 million for the quarter compared to US\$3.6 million last year and loss of US\$8.2 million last quarter.

The Group said in the results announcement, “Crude Palm Oil (“CPO”) prices dropped to 5-year low at August end, declining 35% since the peak in mid-March before recovering 15% by end of September. As worries about El-Nino disappeared and outlook for palm oil production for the rest of the year improved, prices declined sharply during the quarter. Bumper harvest of soya bean and tumbling Brent crude oil prices also put pressure on CPO prices. Low prices and uncertain industry conditions continued to keep refiners’ margins low. However, low prices and resultant low export duties helped increase exports from originating countries, Malaysia and Indonesia.”

Segmental Performance

Bulk segment

| | Q3 2014 | Q3 2013 | Change | Q2 2014 | Change | 9M 2014 | 9M 2013 | Change |
|--|--------------|---------|--------|---------|--------|----------------|---------|--------|
| Sales volume (MT'000) | 791.2 | 681.0 | 16.2% | 673.7 | 17.4% | 2,129.2 | 1,991.2 | 6.9% |
| Revenue (US\$'million) | 647.6 | 575.1 | 12.6% | 606.0 | 6.9% | 1,825.2 | 1,650.4 | 10.6% |
| Average selling prices (US\$) | 818.5 | 844.5 | -3.1% | 899.6 | -9.0% | 857.2 | 828.9 | 3.4% |
| Operating margin (US\$'million) | 13.0 | 19.5 | -33.3% | 1.5 | 766.7% | 25.0 | 53.8 | -53.5% |
| Operating margin per MT (US\$) | 16.4 | 28.6 | -42.7% | 2.2 | 645.5% | 11.7 | 27.0 | -56.7% |

For Bulk segment, revenue grew by 12.6% to US\$647.6 million for the quarter driven by 16.2% higher sales volume despite 3.1% lower average selling prices. For the nine months, revenue grew by 10.6% to US\$1,825.2 million supported by 6.9% higher sales volume and 3.4% higher average selling prices.

For the quarter, decrease of operating margin per MT of US\$16.4 compared to US\$28.6 last year resulted in total operating margin declining to US\$13.0 million. For the nine months, lower operating margin per MT, despite higher sales volume, resulted in operating margin declining to US\$25.0 million.

The segment contributed 72.7% to total sales volume, 69.6% to total revenue and 49.2% to total operating margin of the Group for the quarter. For the nine months, the segment's contributions were 72.2%, 69.9% and 40.0% respectively.

Consumer Pack segment

| | Q3 2014 | Q3 2013 | Change | Q2 2014 | Change | 9M 2014 | 9M 2013 | Change |
|--|--------------|---------|--------|---------|--------|--------------|---------|--------|
| Sales volume (MT'000) | 297.8 | 252.0 | 18.2% | 270.9 | 9.9% | 819.9 | 771.1 | 6.3% |
| Revenue (US\$'million) | 282.9 | 221.2 | 27.9% | 259.3 | 9.1% | 785.1 | 712.5 | 10.2% |
| Average selling prices (US\$) | 950.0 | 877.8 | 8.2% | 957.2 | -0.8% | 957.6 | 924.0 | 3.6% |
| Operating margin (US\$'million) | 13.4 | 7.9 | 69.6% | 11.6 | 15.5% | 37.5 | 31.5 | 19.0% |
| Operating margin per MT (US\$) | 45.0 | 31.3 | 43.8% | 42.8 | 5.1% | 45.7 | 40.9 | 11.7% |

For Consumer Pack segment, revenue grew by 27.9% to US\$282.9 million driven by 18.2% higher sales volume and 8.2% higher average selling prices. For the nine months, revenue improved by 10.2% to US\$785.1 million supported by 6.3% higher sales volume and 3.6% higher average selling prices.

For the quarter, the Group achieved higher operating margin per MT of US\$45.0 compared to US\$31.3 last year. Higher sales volume and improved margin helped the segment to report total operating margin of US\$13.4 million, an increase of 69.6% over the last year.

The segment contributed 27.3% of total sales volume, 30.4% of total revenue and 50.8% of total operating margin of the Group for the quarter. For the half year, the segment's contributions were 27.8%, 30.1% and 60.0% respectively.

Balance Sheet

The Group's balance sheet remained strong with debt to equity ratio of 0.64 or net debt to equity ratio of 0.55.

The Group continued to maintain operational efficiency and sustained a short cycle time of 47 days. (inventories days add trade receivables days less trade payables days)

Future Outlook

The Group noted in results announcement, "Bumper production of soy bean, outlook of low energy prices and high stock levels of global vegetable oils are expected to keep prices of major vegetable oils low. Challenging conditions for palm oil refiners are expected to continue in the short term and the Group will remain focused on managing the business prudently participating in the trade flows selectively."

"Group remains optimistic for its long term prospects as it continues to be competitively positioned in the palm oil value chain with large scale strategically located integrated refineries, well established brands and robust customer base. With its recent investments in additional refinery, dairy manufacturing facilities, biodiesel plant and rice business, the Group has further strengthened its competitive position in the industry," the results announcement added.

About Mewah International Inc.

Mewah International Inc. (“Mewah” or the “Group”) has been in operation since the 1950s. The Group has a proven integrated business model throughout the edible oils and fats value chain, spanning from the sourcing and processing of raw materials, to the packing, merchandising, shipping and distribution of its products to reach end customers globally. This allows the Group to enjoy significant operating efficiencies, have better quality control and to extract value and earn margins from each stage of the value chain. Its business model also enables the Group to better manage cyclicalities and respond quickly to changes in demand, supply and pricing through its ability to produce a wide variety of value-added products.

Mewah produces a wide range of refined and fractionated vegetable oils and fats principally from palm oil. It has four strategically located refineries and processing plants in Malaysia at Semenyih, Pasir Gudang, Westport and Sabah; two packing plants in Malaysia and one in Singapore. The Group’s ISO-certified refineries are located near ports along major shipping routes, with its facilities strategically situated to have easy access to raw materials, customers, distribution and transportation facilities. The Group has also recently invested in a palm-oil based dairy manufacturing facility and a biodiesel plant in Westport, Malaysia.

Mewah’s bulk and consumer pack products are marketed to more than 100 countries in the Asia Pacific, the Indian sub-continent, the Middle East, Africa, Europe and the America through a well-established global sales and distribution network. In particular, Mewah’s wide range of consumer pack products are marketed under its house brands such as “OKi”, “Mona”, “Moi”, “Krispi” and “Cabbage”, and are distributed to consumers worldwide either under Mewah’s own brands or the brands of third parties.

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

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