Mewah
Global Brands, Local Favourites

MEWAH INTERNATIONAL INC.

(Company Registration No.: CR-166055)

NEWS RELEASE :
FINANCIAL RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014

MEWAH REPORTS US$8.2 million LOSS FOR Q2

- ***Sales volume up 11.2% for Q2***
- ***Low refining margins affected profitability***
- ***Balance sheet remained strong with low net debt to equity ratio of 0.46***

Results Highlights

	Q2 2014	Q2 2013	Change (YOY)	Q1 2014	Change (QOQ)	H1 2014	H1 2013	Change
Sales volume (MT'000)	**944.6**	849.1	11.2%	915.5	3.2%	**1,860.1**	1,829.2	1.7%
Revenue (US$'million)	**865.3**	707.3	22.3%	814.4	6.3%	**1,679.7**	1,566.6	7.2%
Operating margin (US$'million)	**13.1**	28.3	-53.8%	23.1	-43.3%	**36.2**	58.0	-37.6%
Operating margin per MT (US$)	**13.8**	33.3	-58.6%	25.2	-45.2%	**19.4**	31.7	-38.8%
Net (loss)/profit * (US$'million)	**(8.2)**	4.1	n.m.	1.0	n.m.	**(7.2)**	8.0	n.m.

n.m. – not meaningful
* *Profit after tax attributable to equity holders of the Company*

Singapore, Aug 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 second quarter ended 30 June 2014.

Revenue increased by 22.3% to US$865.3 million for the quarter compared to last year backed by an increase in sales volume by 11.2% to 944,600 MT. Group's operating margin per MT declined from US$33.3 to US$13.8 resulting in total operating margin declining from US$28.3 million to US$13.1 million. The Group reported net loss of US$8.2 million for the quarter compared to net profit of US$4.1 million last year.

The Group said in the results announcement, "Falling and low palm oil prices, tighter spot supply of CPO at a premium, lower price difference between palm oil and other oils, and additional refining capacities in Indonesia in the recent past kept the refining margins of the Group under pressure".

"The industry has been going through a consolidation phase for the last couple of years. The Group has used the opportunity to strengthen its competitive position by investing in additional refinery, dairy manufacturing facilities and a biodiesel plant. As expected for new investments, initial standalone costs in the form of overheads, depreciation and financing charges have affected the financials, while income lagged behind", the results announcement added.

Segmental Performance

Bulk segment

	Q2 2014	Q2 2013	Change	Q1 2014	Change	H1 2014	H1 2013	Change
Sales volume (MT'000)	**673.7**	574.6	17.2%	664.3	1.4%	**1,338.0**	1,310.2	2.1%
Revenue (US$'million)	**606.0**	457.2	32.5%	571.5	6.0%	**1,177.5**	1,075.4	9.5%
Average selling prices (US$)	**899.5**	795.7	13.0%	860.3	4.6%	**880.0**	820.8	7.2%
Operating margin (US$'million)	**1.5**	15.0	-90.0%	10.4	-85.6%	**11.9**	34.4	-65.4%
Operating margin per MT (US$)	**2.2**	26.1	-91.6%	15.7	-86.0%	**8.9**	26.3	-66.2%

For Bulk segment, revenue grew by 32.5% to US$606.0 million for the quarter driven by 17.2% higher sales volume and 13.0% higher average selling prices. For the half year, revenue grew by 9.5% to US$1,177.5 million driven by 2.1% higher sales volume and 7.2% higher average selling prices.

For the quarter, lower operating margin per MT of US$2.2 compared to US$26.1 last year resulted in total operating margin declining to US$1.5 million. For the half year, lower operating margin per MT despite higher sales volume resulted in operating margin declining to US$11.9 million.

The segment contributed 71.3% to total sales volume, 70.0% to total revenue and 11.5% to total operating margin of the Group for the quarter. For the half year, the segment's contributions were 71.9%, 70.1% and 32.9% respectively.

Consumer Pack segment

	Q2 2014	Q2 2013	Change	Q1 2014	Change	H1 2014	H1 2013	Change
Sales volume (MT'000)	**270.9**	274.5	-1.3%	251.2	7.8%	**522.1**	519.0	0.6%
Revenue (US$'million)	**259.3**	250.1	3.7%	242.9	6.8%	**502.2**	491.2	2.2%
Average selling prices (US$)	**957.2**	911.1	5.1%	967.0	-1.0%	**961.9**	946.4	1.6%
Operating margin (US$'million)	**11.6**	13.3	-12.8%	12.7	-8.7%	**24.3**	23.6	3.0%
Operating margin per MT (US$)	**42.8**	48.5	-11.8%	50.6	-15.4%	**46.5**	45.5	2.2%

For Consumer Pack segment, revenue grew by 3.7% to US$259.3 million driven by higher average selling prices despite 1.3% lower sales volume. For the half year, revenue grew by 2.2% to US$502.2 million driven by 0.6% higher sales volume and 1.6% higher average selling prices.

For the quarter, lower operating margin per MT of US$42.8 compared to US$48.5 last year resulted in total operating margin declining to US$11.6 million. For the half year, operating margin improved by 3.0% to US$24.3 million.

The segment contributed 28.7% of total sales volume, 30.0% of total revenue and 88.5% of total operating margin of the Group for the quarter. For the half year, the segment's contributions were 28.1%, 29.9% and 67.1% respectively.

Balance Sheet

The Group's balance sheet stood strong with debt to equity ratio of 0.63 or net debt to equity ratio of 0.46.

The Group's assets included land-bank carried at cost and depreciated assets, current intrinsic value of which is expected to be materially higher than the book value.

The Group continued to maintain operational efficiency and sustained a short cycle time of 44 days. (inventories days add trade receivables days less trade payables days)

Future Outlook

The Group noted in results announcement, "Fear of El-Nino, though reduced, is still a concern. Uncertainties for the Palm oil industry, depressed prices for palm oil in view of high soya beans production and pressure on the margins for the refiners are expected to continue in the short-term. The uncertainty and volatility is expected to reduce as more clarity emerges about the weather. With the recent revised forecasts of increased production of CPO in the later part of the year, spot supply of CPO is expected to increase and thereby improve refining margins in coming months. The Group remains focused on running the operations efficiently and participating in the trade flows selectively while avoiding any unwarranted risks. With its recent investments in additional refinery, dairy manufacturing facilities, biodiesel plant and rice business, the Group remains optimistic about its long-term prospect".

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 cyclicality 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 three strategically located refineries and processing plants in Malaysia at Semenyih, Pasir Gudang and Westport; two packing plants in Malaysia and one in Singapore. The Group is the advanced stage of commissioning another new refinery in Sabah, Malaysia. 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.

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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