



Global Brands, Local Favourites

**MEWAH INTERNATIONAL INC.**  
(Company Registration No.: CR-166055)

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**NEWS RELEASE :**  
**FINANCIAL RESULTS FOR THE 2<sup>ND</sup> QUARTER AND HALF YEAR ENDED 30 JUNE 2017**

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**MEWAH REPORTS US\$3.1 MILLION PROFIT FOR Q2 2017**

- *Improved operating margin per MT for both Bulk and Consumer Pack segments*
- *Balance sheet remains strong with low net debt to equity ratio of 0.48*
- *Proposed interim dividend of 0.30 Singapore cent per share.*

**Results Highlights**

	Q2 2017	Q2 2016	Change (YOY)	Q1 2017	Change (QOQ)	H1 2017	H1 2016	Change
<b>Sales volume</b> (MT'000)	<b>926.0</b>	1,123.2	-17.6%	881.6	5.0%	<b>1,807.6</b>	2,217.3	-18.5%
<b>Revenue</b> (US\$'million)	<b>737.6</b>	834.4	-11.6%	727.9	1.3%	<b>1,465.5</b>	1,545.8	-5.2%
<b>Average selling prices</b> (US\$)	<b>796.5</b>	742.8	7.2%	825.7	-3.5%	<b>810.7</b>	697.1	16.3%
<b>Operating margin</b> (US\$'million)	<b>38.4</b>	30.1	27.7%	26.6	44.4%	<b>65.0</b>	55.3	17.5%
<b>Operating margin per MT</b> (US\$)	<b>41.5</b>	26.8	54.9%	30.2	37.4%	<b>35.9</b>	24.9	44.2%
<b>Profit before tax</b> (US\$'million)	<b>15.4</b>	2.5	510.8%	5.0	208.0%	<b>20.5</b>	6.5	216.5%
<b>Net profit *</b> (US\$'million)	<b>3.1</b>	1.9	63.4%	4.0	-22.5%	<b>7.1</b>	4.8	46.7%

\* Profit after tax attributable to equity holders of the Company

Singapore, Aug 11, 2017 – 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 second quarter and half year ended 30 June 2017.

The Group posted net profit of US\$3.1 million for the quarter, 63.4% higher than US\$1.9 million for the corresponding quarter last year (Q2 2016) but 22.5% lower than US\$4.0 million for previous quarter (Q1 2017). For the half year, net profit rose 46.7% to US\$7.1 million from US\$4.8 million last year.

Group’s sales volume for the quarter declined 17.6% on Year-over-Year (“YOY”) to 926,000 MT but was 5.0% higher on Quarter-on-Quarter (“QOQ”). For the half year, sales volume declined 18.5% to 1,807,600 MT. Revenue of US\$737.7 million for the quarter was 11.6% lower than last year but was 1.3% higher than last quarter. For the half year, revenue declined 5.2% to US\$1,465.5 million.

For the quarter, improved operating margin of US\$41.5 per MT compared to US\$26.8 last year and US\$30.2 previous quarter helped the Group to report operating margin of US\$38.4 million for the quarter, 27.7% and 44.4% higher than last year and previous quarter respectively. For the half year, Group's operating margin increased 17.5% to US\$65.0 million as operating margin improved from US\$24.9 to US\$35.9 per MT.

The Company said in the announcement, "After surging by over forty percent to 3,200 ringgits at the end of 2016, crude palm oil prices ("CPO") retreated back to 2,900 ringgits at the end of the first quarter of this year. With improvement in production outlook, prices eased further to end the quarter at 2,600 ringgits. The expectation of falling prices resulted in buyers in the Bulk segment delaying their purchases to buying just in time. This put pressure on sales volumes for the Group and for the Bulk segment. However, as the prices fell, Consumer Pack segment witnessed strong demand from buyers in Africa and Middle East, ahead of Ramadan season. Current low inventory levels have supported the refining margins for the industry."

## Segmental Performance

### Bulk segment

	Q2 2017	Q2 2016	Change	Q1 2017	Change	H1 2017	H1 2016	Change
<b>Sales volume</b> (MT'000)	<b>647.5</b>	888.3	-27.1%	621.3	4.2%	<b>1,268.8</b>	1,749.5	-27.5%
<b>Revenue</b> (US\$million)	<b>490.7</b>	644.7	-23.9%	500.2	-1.9%	<b>990.9</b>	1,188.1	-16.6%
<b>Average selling prices</b> (US\$)	<b>757.8</b>	725.8	4.4%	805.1	-5.9%	<b>781.0</b>	679.1	15.0%
<b>Operating margin</b> (US\$million)	<b>23.0</b>	25.9	-11.2%	14.7	56.5%	<b>37.7</b>	42.2	-10.7%
<b>Operating margin per MT</b> (US\$)	<b>35.5</b>	29.2	21.6%	23.7	49.8%	<b>29.7</b>	24.1	23.2%

For the quarter, sales volume recorded a drop of 27.1% to 647,500 MT though it was 4.2% higher than previous quarter. For the half year, sales volume dropped 27.5% to 1,268,800 MT.

Revenue of US\$490.7 million for the quarter was 23.9% and 1.9% lower than last year and previous quarter respectively. For the half year, revenue for the segment dropped 16.6% to US\$990.9 million.

The segment registered improved operating margin of US\$35.5 per MT compared to US\$29.2 last year and US\$23.7 previous quarter. Segment's operating margin of US\$23.0 million was 11.2% lower than last year but 56.5% higher than previous quarter. For the half year, though the operating margin improved from US\$24.1 to US\$29.7 per MT, 27.5% drop in sales volume resulted in operating margin declining by 10.7% to US\$37.7 million.

The segment contributed 69.9% of total sales volume, 66.5% of total revenue and 59.9% of total operating margin of the Group for the quarter. For the half year, the segment contributed 70.2% of total sales volume, 67.6% of total revenue and 58.0% of total operating margin of the Group.

## Consumer Pack segment

	Q2 2017	Q2 2016	Change	Q1 2017	Change	H1 2017	H1 2016	Change
<b>Sales volume</b> (MT'000)	<b>278.5</b>	234.9	18.6%	260.3	7.0%	<b>538.8</b>	467.8	15.2%
<b>Revenue</b> (US\$million)	<b>246.9</b>	189.7	30.2%	227.7	8.4%	<b>474.6</b>	357.7	32.7%
<b>Average selling prices</b> (US\$)	<b>886.5</b>	807.6	9.8%	874.8	1.3%	<b>880.8</b>	764.6	15.2%
<b>Operating margin</b> (US\$million)	<b>15.4</b>	4.2	266.7%	11.9	29.4%	<b>27.3</b>	13.1	108.4%
<b>Operating margin per MT</b> (US\$)	<b>55.3</b>	17.9	208.9%	45.7	21.0%	<b>50.7</b>	28.0	81.1%

Consumer Pack segment achieved sales volume of 278,500 MT, 18.6% and 7.0% higher on YOY and QOQ respectively. For the half year, sales volume increased 15.2% to 538,800 MT.

Supported by higher sales volume and higher average selling prices, revenue rose to US\$246.9 million for the quarter, 30.2% and 8.4% higher than last year and previous quarter respectively. For the half year, revenue improved 32.7% to US\$474.6 million on the back of higher sales volume and higher average selling prices.

The segment registered improved operating margin of US\$55.3 per MT compared to US\$17.9 last year and US\$45.7 previous quarter. Segment's operating margin of US\$15.4 million was 266.7% higher than last year and 29.4% higher than previous quarter. For the half year, on the back of 15.2% higher sales volume and improved operating margin of US\$50.7 per MT compared to US\$28.0 last year, Segment's operating margin doubled to US\$27.3 million.

The segment contributed 30.1% of total sales volume, 33.5% of total revenue and 40.1% of total operating margin of the Group for the quarter. For the half year, the segment contributed 29.8% of total sales volume, 32.4% of total revenue and 42.0% of total operating margin of the Group.

### Balance Sheet

The Group's balance sheet remained strong with debt to equity ratio of 0.63 or net debt to equity ratio of 0.48.

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).

### Dividend

To show appreciation for the support of the shareholders, the Board of Directors has proposed an interim exempt dividend of 0.30 Singapore cent per ordinary share for the second quarter.

### Future Outlook

The Company noted in its results announcement, "As the production returns to normal levels, barring any unforeseen developments, the prices are expected to stabilise at current levels. With stability in the prices and current low inventory levels at destination markets, buyers are expected to step up their purchases. The Group expects to remain competitively positioned in the attractive part of the palm oil value chain."

## **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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