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 2017

MEWAH REPORTS 27.4% HIGHER PROFIT FOR Q3 2017

- ***Impressive performance by Consumer Pack segment with higher volumes and operating margin***
- ***Balance sheet remains strong with low net debt to equity ratio of 0.44***
- ***Interim dividend of 1.00 Singapore cent per share.***

Results Highlights

	Q3 2017	Q3 2016	Change (YOY)	Q2 2017	Change (QOQ)	9M 2017	9M 2016	Change
Sales volume (MT'000)	**981.5**	1,075.5	-8.7%	926.0	6.0%	**2,789.1**	3,292.9	-15.3%
Revenue (US$'million)	**739.0**	757.0	-2.4%	737.6	0.2%	**2,204.5**	2,302.8	-4.3%
Average selling prices (US$)	**752.9**	703.9	7.0%	796.5	-5.5%	**790.4**	699.3	13.0%
Operating margin (US$'million)	**35.5**	39.4	-9.9%	38.4	-7.6%	**100.4**	94.6	6.1%
Operating margin per MT (US$)	**36.1**	36.6	-1.4%	41.5	-13.0%	**36.0**	28.7	25.4%
Profit before tax (US$'million)	**17.3**	14.4	20.0%	15.4	12.3%	**37.8**	20.9	80.9%
Net profit * (US$'million)	**13.4**	10.5	27.4%	3.1	332.3%	**20.5**	15.4	33.5%

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

Singapore, Nov 10, 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 third quarter and nine months ended 30 Sep 2017.

Net profit more than quadrupled from U$3.1 million in previous quarter (Q2 2017) to US$13.4 million for the current quarter (Q3 2017), and was 27.4% higher than corresponding quarter last year (Q3 2016). For the nine months, net profit rose 33.5% to US$20.5 million from US$15.4 million last year.

For the quarter and for the nine months, net profit included gain of US$4.9 million from disposal of land in Indonesia. Excluding the gain on disposal, adjusted net profit for the quarter and for the nine months was US$8.5 million and US$15.6 million respectively.

Group's sales volume for the quarter declined 8.7% on Year-over-Year ("YOY") to 981,500 MT but increased 6.0% on Quarter-on-Quarter ("QOQ"). For the nine months, sales volume declined 15.3% to 2,789,100 MT. Revenue of US$739.0 million for the quarter was 2.4% lower than last year but was 0.2% higher than last quarter. For the nine months, revenue declined 4.3% to US$2,204.5 million.

For the quarter, 8.7% lower sales volume and lower operating margin of US$36.1 per MT compared to US$36.6 resulted in operating margin decreasing 9.9% to US$35.5 million compared to US$39.4 million last year. Compared to previous quarter, operating margin declined 7.6% due to 13.0% lower operating margin per MT despite 6.0% higher sales volume. For the nine months, despite 15.3% lower sales volume, Group's operating margin increased 6.1% to US$100.4 million on the back of improved operating margin of US$36.0 per MT compared to US$28.7 last year.

The Company said in the announcement, "El-Nino in 2016 resulted in shortfall in production and the prices of CPO surged over forty percent to 3,300 ringgit by mid -February this year. As the outlook for production improved for the second half of 2017, prices retreated back and stabilised at 2,600 by the end of the first half of the year. However, actual production remained lower than expected during the third quarter of the year and prices increased to 2,860 ringgit in mid-September before closing at 2,700 ringgit at the end of the quarter. In a scenario of low-production and expectation of falling prices, buyers for bulk shipments preferred to adopt a wait-and-watch approach and delayed their purchases putting pressure on the Bulk segment of the Group. However, during the festive season of Ramadan, the Group witnessed strong demand for its products for the Consumer Pack Segment."

Segmental Performance

Bulk segment

	Q3 2017	Q3 2016	Change	Q2 2017	Change	9M 2017	9M 2016	Change
Sales volume (MT'000)	**679.6**	869.5	-21.8%	647.5	5.0%	**1,948.4**	2,619.0	-25.6%
Revenue (US$'million)	**487.7**	596.0	-18.2%	490.7	-0.6%	**1,478.7**	1,784.0	-17.1%
Average selling prices (US$)	**717.6**	685.5	4.7%	757.8	-5.3%	**758.9**	681.2	11.4%
Operating margin (US$'million)	**17.8**	35.3	-49.6%	23.0	-22.6%	**55.4**	77.5	-28.5%
Operating margin per MT (US$)	**26.2**	40.6	-35.5%	35.5	-26.2%	**28.4**	29.6	-4.1%

For the quarter, sales volume recorded a drop of 21.8% to 679,600 MT from last year but was 5.0% higher than previous quarter. For the nine months, sales volume dropped 25.6% to 1,948,400 MT.

Revenue of US$487.7 million for the quarter was 18.2% and 0.6% lower than last year and previous quarter respectively. For the nine months, revenue for the segment dropped 17.1% to US$1,478.7 million.

For the quarter, 21.8% lower sales volume and lower operating margin of US$26.2 per MT compared to US$40.6 last year resulted in total operating margin declining to US$17.8 million. Compared to previous quarter, operating margin declined 22.6% due to 26.2% lower operating margin per MT and 5.0% higher sales volume. For the nine months, 25.6% lower sales volume and lower operating margin of US$28.4 per MT compared to US$29.6 last year resulted in total operating margin declining to US$55.4 million.

The segment contributed 69.2% of total sales volume, 66.0% of total revenue and 50.1% of total operating margin of the Group for the quarter. For the nine months, the segment contributed 69.9% of total sales volume, 67.1% of total revenue and 55.2% of total operating margin of the Group.

Consumer Pack segment

	Q3 2017	Q3 2016	Change	Q2 2017	Change	9M 2017	9M 2016	Change
Sales volume (MT'000)	**301.9**	206.0	46.6%	278.5	8.4%	**840.7**	673.9	24.8%
Revenue (US$'million)	**251.3**	161.0	56.1%	246.9	1.8%	**725.8**	518.8	39.9%
Average selling prices (US$)	**832.4**	781.6	6.5%	886.5	-6.1%	**863.3**	769.8	12.1%
Operating margin (US$'million)	**17.7**	4.1	331.7%	15.4	14.9%	**45.0**	17.1	163.2%
Operating margin per MT (US$)	**58.6**	19.9	194.5%	55.3	6.0%	**53.5**	25.4	110.6%

Consumer Pack segment achieved sales volume of 301,900 MT, 46.6% and 8.4% higher on YOY and QOQ respectively. For the nine months, sales volume increased 24.8% to 840,700 MT.

For the quarter, revenue rose to US$251.3 million supported by higher sales volume and higher average selling prices, 56.1% and 1.8% higher than last year and previous quarter respectively. For the nine months, revenue improved 39.9% to US$725.8 million on the back of higher sales volume and higher average selling prices.

The segment registered improved operating margin of US$58.6 per MT compared to US$19.9 last year and US$55.3 previous quarter. Segment's operating margin of US$17.7 million was 331.7% higher than last year and 14.9% higher than previous quarter. For the nine months, on the back of 24.8% higher sales volume and improved operating margin of US$53.5 per MT compared to US$25.4 last year, Segment's operating margin more than doubled to US$45.0 million.

The segment contributed 30.8% of total sales volume, 34.0% of total revenue and 49.9% of total operating margin of the Group for the quarter. For the nine months, the segment contributed 30.1% of total sales volume, 32.9% of total revenue and 44.8% of total operating margin of the Group.

Balance Sheet

The Group's balance sheet remained strong with debt to equity ratio of 0.55 or net debt to equity ratio of 0.44.

The Group had a cycle time (inventories days add trade receivables days less trade payables days) of 51 days compared to 44 days last year as the Group carried higher inventories.

Dividend

To show appreciation for the support of the shareholders, the Board of Directors has declared an interim exempt dividend of 1.00 Singapore cents per ordinary share for the third quarter.

Future Outlook

The Company noted in its results announcement, “In the short term, prices are expected to remain bullish and volatile due to slower and uncertain recovery in production, particularly in Malaysia which is also facing an issue of shortage of skilled labour. Expected recovery in the prices of competing soybean oil and the possibility of World Trade Organisation eliminating Europe’s anti-dumping barriers on bio-diesel are also expected to lend support to prices. However, longer term view on prices remains bearish as the increased supply in 2018 is expected to outpace demand. The Group remains competitively positioned in the attractive part of the value chain of the industry.”

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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