Mewah

Global Brands, Local Favourites

MEWAH INTERNATIONAL INC.

(Company Registration No.: CR-166055)

NEWS RELEASE :
FINANCIAL RESULTS FOR THE 4TH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2014

MEWAH REPORTS US$8.7 MILLION PROFIT FOR Q4

- ***Group achieved record sales volume of over four million MT for the year.***
- ***Operating margin improved on QOQ basis for both bulk and consumer pack segments.***
- ***Balance sheet remained strong with low net debt to equity ratio of 0.50.***
- ***Proposed final dividend of 1.7 Singapore cents per share.***

Results Highlights

	Q4 2014	Q4 2013	Change (YOY)	Q3 2014	Change (QOQ)	FY 2014	FY 2013	Change
Sales volume (MT'000)	**1,066.6**	971.2	9.8%	1,089.0	-2.1%	**4,015.7**	3,733.4	7.6%
Revenue (US$'million)	**828.6**	830.9	-0.3%	930.5	-11.0%	**3,438.8**	3,193.7	7.7%
Operating margin (US$'million)	**32.0**	30.1	6.4%	26.4	21.2%	**94.6**	115.5	-18.1%
Operating margin per MT (US$)	**30.0**	31.0	-3.2%	24.2	24.0%	**23.6**	30.9	-23.6%
Profit before tax (US$'million)	**10.0**	9.3	8.0%	1.4	614.3%	**3.6**	22.7	-84.1%
Net profit * (US$'million)	**8.7**	9.3	-6.6%	1.3	569.2%	**2.7**	20.9	-87.1%

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

Singapore, Feb 26, 2015 – 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 fourth quarter and full year ended 31 December 2014.

For the quarter, the Group reported net profit of US$8.7 million, ending the year at net profit of US$2.7 million. Net profit for the quarter was 6.6% lower than US$9.3 million for the corresponding quarter last year (Q4 2013) but was more than six times of US$1.3 million for the previous quarter (Q3 2014).

As the market became less volatile and the prices started moving up, CPO supplies eased during the quarter providing support to Group's refining margins. Group's integrated business model with participation in large part of the value chain and ability to sell in global markets under its own brands through well established distribution networks helped to maintain healthy margins for the consumer pack business.

For the full year, the Group achieved record sales volume of 4,015,700 metric tonne ("MT"), crossing four million MT mark for the first time in the history of the Group. For the quarter, sales volume of 1,066,600 MT was 9.8% higher on Year-over-Year ("YOY") basis, but was 2.1% lower on Quarter-on-Quarter ("QOQ") basis.

Revenue of US$3,438.8 million for the full year was 7.7% higher than last year. For the quarter, revenue remained flat at US$828.6 million.

For the full year, the Group achieved operating margin of US$94.6 million compared to US$111.5 million achieved last year. For the quarter, reported operating margin of US$32.0 million was 6.4% and 21.2% higher than last year and previous quarter respectively.

The Group said in the results announcement, "After declining 35% from the 2,900 ringgit malaysia ("ringgit") in mid-March to 5-year low of 1,900 ringgit by the end of August, Crude Palm Oil ("CPO") prices stabilised in the range of 2,100 to 2,300 ringgit during the quarter. Over 50% plunge in energy prices during the year impacted the viability of biofuel and record global oilseed supply of the competing oils made palm oil less attractive. Weak demand for palm oil coupled with all-time record production in Indonesia and Malaysia resulted in stocks pile-ups during the year. The prices got support towards the end of the year largely due to Malaysian Government's decision to scrap the export duty to reduce inventories in the country, low rapeseed oil production in India and buyers at destination markets getting attracted at the lower prices. Weaker ringgit towards the end of the year also made Palm Oil attractive for international buyers."

Commenting on the performance for the quarter, Mr Rajesh Chopra, Group CFO added, "We are very pleased with the quarter's performance amidst tough market conditions and continuing depressed refining margins. Our consolidated position in the palm oil industry, addition of rice and dairy to our consumer products portfolio, strong marketing network and well-established in-house brands helped us to deliver impressive performance for the quarter."

Segmental Performance

Bulk segment

	Q4 2014	Q4 2013	Change	Q3 2014	Change	FY 2014	FY 2013	Change
Sales volume (MT'000)	**723.0**	716.0	1.0%	791.2	-8.6%	**2,852.2**	2,707.1	5.4%
Revenue (US$'million)	**523.6**	590.2	-11.3%	647.6	-19.1%	**2,348.7**	2,240.5	4.8%
Average selling prices (US$)	**724.2**	824.3	-12.1%	818.5	-11.5%	**823.5**	827.6	-0.5%
Operating margin (US$'million)	**16.7**	19.9	-16.1%	13.0	28.5%	**41.6**	73.7	-43.6%
Operating margin per MT (US$)	**23.1**	27.8	-16.9%	16.4	40.9%	**14.6**	27.2	-46.3%

For Bulk segment, 5.4% higher sales volume helped the revenue to increase by 4.8% to US$2,348.7 million for the year. For the quarter, 12.1% lower average selling prices resulted in revenue declining by 11.3% to US$523.6 million, 19.1% lower than last quarter.

The Group achieved impressive operating margin of US$23.1 per MT amidst tough market conditions and depressed refining margins. Total operating margin of US$16.7 million was 28.5% higher than last quarter but 16.1% lower than corresponding quarter last year. For the full year, the segment registered total operating margin of US$41.6 million compared to US$73.7 million last year.

The segment contributed 67.8% to total sales volume, 63.2% to total revenue and 52.2% to total operating margin of the Group for the quarter. For the full year, the segment's contributions were 71.0%, 68.3% and 44.0% respectively.

Consumer Pack segment

	Q4 2014	Q4 2013	Change	Q3 2014	Change	FY 2014	FY 2013	Change
Sales volume (MT'000)	**343.6**	255.2	34.6%	297.8	15.4%	**1,163.5**	1,026.3	13.4%
Revenue (US$'million)	**305.0**	240.7	26.7%	282.9	7.8%	**1,090.1**	953.2	14.4%
Average selling prices (US$)	**887.7**	943.2	-5.9%	950.0	-6.6%	**936.9**	928.8	0.9%
Operating margin (US$'million)	**15.3**	10.2	50.0%	13.4	14.2%	**53.0**	41.7	27.1%
Operating margin per MT (US$)	**44.5**	40.0	11.3%	45.0	-1.1%	**45.6**	40.6	12.3%

At low and less volatile prices, the Group experienced good demand from destination market for the consumer products. The segment achieved sales volume of 343,600 MT, 34.6% jump from last year and 15.4% higher than last quarter. For the full year, the volumes increased by 13.4% to 1,163,500 MT.

For the quarter, on the back of strong sales volume, despite lower average selling prices, the segment achieved revenue of US$305.0 million, 26.7% and 7.8% higher than last year and previous quarter respectively. For the full year, revenue grew by 14.4% to US$1,090.1 million supported by 13.4% higher sales volume and 0.9% higher average selling prices.

The segment achieved total operating margin of US$15.3 million for the quarter, an impressive growth of 50.0% from last year and 14.2% higher than last quarter on the back of strong growth in the sales volume and resilient operating margin of US$44.5 per MT. For the full year, total operating margin improved by 27.1% to US$53.0 million on the back of 13.4% growth in the volume and operating margin of US$45.6 per MT, 12.3% higher than last year.

The segment contributed 32.2% of total sales volume, 36.8% of total revenue and 47.8% of total operating margin of the Group for the quarter. For the full year, the segment's contributions were 29.0%, 31.7% and 56.0% respectively.

Balance Sheet

The Group's balance sheet remained strong with debt to equity ratio of 0.62 or net debt to equity ratio of 0.50.

The Group continued to maintain operational efficiency and sustained a short cycle time of 48 days. (inventories days add trade receivables days less trade payables days)

Dividends

To show appreciation for the support of the shareholders, the Board of Directors has proposed a final exempt dividend of 1.7 Singapore cents per ordinary share for the full year.

Future Outlook

The Group noted in results announcement, "CPO prices are expected to get support in the short term due to recent floods in Malaysia, a lean production season from January to March and building-up of inventories at destination market at current low prices. Indonesian government's recent proposal of a three-fold increase in the bio-diesel subsidies is also expected to provide some support to the prices. However, medium term outlook for palm oil remains bearish. Without the subsidies, use of palm oil for bio-diesel remain commercially unviable at current low petroleum prices and bumper harvests for soyabean in Argentina and Brazil are expected to keep pressure on the demand for palm oil while the pace of increase in production in Indonesia and Malaysia is expected to continue resulting in the inventories to build up again at originating countries. Low prices and resultant low or nil export duties on CPO are expected to keep refining margins under pressure with current over capacities in the Industry. However Group expects the distribution margins for Bulk business and Consumer Pack margins to remain resilient. With prolonged low palm oil prices and low refining margins, the Industry is going through the consolidation."

Mr Chopra added, "While we are pleased with performance for the quarter, increasing supplies and high inventories of other oilseeds, low and volatile crude oil prices and resultant weak demand for palm oil is expected to keep refining margins under pressure. Our recent investments in an additional refinery and a bio-diesel plant in Malaysia would help us to further consolidate our position in the palm oil industry. Addition of rice and dairy products, duly supported by our recent investment in dairy manufacturing facilities, has improved our competitive position in the consumer products business. With our improved competitive position and strong balance sheet, we are confident of our future prospects."

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 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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