Global Brands, Local Favourites

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

NEWS RELEASE :
FINANCIAL RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2020

MEWAH DELIVERS IMPRESSIVE PERFORMANCE WITH US$86.5 MILLION PROFIT FOR FY 2020

- ***Marking the 10th year anniversary of its IPO, Mewah achieved record operational margin of US$240.5 million and net profit of US$86.5 million***
- ***Demonstrated the resilience of its business model during Covid-19 induced global disruptions with all-time high sales volume of 4.8 million metric tonnes Generated healthy operating cash flows of US$161.2 million despite a nearly decade high average palm oil price***
- ***Maintained strong balance sheet to support growth plans with low net debt to equity ratio of 0.34***
- ***Proposed a final dividend of SGD0.0060 per share.***

Results Highlights

	FY 2020	FY 2019	Change
Sales volume (MT'000)	**4,821.2**	4,566.0	5.6%
Revenue (US$'million)	**3,445.9**	2,817.3	22.3%
Average selling prices (US$)	**714.7**	617.0	15.8%
Operating margin (US$'million)	**240.5**	105.4	128.3%
Operating margin per MT (US$)	**49.9**	23.1	116.0%
Net profit * (US$'million)	**86.5**	11.6	643.1%

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

Singapore, Feb 26, 2021 – 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 full year ended 31 Dec 2020.

For the full year, the Group posted net profit of US$86.5 million, an impressive 7-fold increase from US$11.6 million in the preceding year. Excluding exceptional items, the profit increased 9-fold to US$113.6 million due to higher contributions by both Bulk and Consumer Pack segments.

The Group achieved a record sales volume of 4,821,200 metric tonne ("MT") for the full year which is up 5.6% Year-over-Year ("YOY"). The revenue increased 22.3% to US$3,445.9 million driven by 15.8% higher average selling prices and increased volumes.

The Group's operating margin more than doubled to US$240.5 million due to higher operating margin per MT of US$49.9 compared to US$23.1 last year and higher sales volume.

The Company said in the announcement, "The Group is pleased with its performance during these challenging times. As the Group's business is predominantly classified under essential industries its operations were not significantly impacted under Covid-19 influenced disruptive conditions. However, the prices for the majority of agri-commodities remained volatile throughout the year. Average MPOB spot price for CPO was RM2,784/tonne in 2020 against RM2,145/tonne in 2019. This rise in CPO price can be attributed to weaker than expected CPO production supported by strong demand especially from China and India after the end of economic restriction periods. Many countries were trying to stock up and guarantee sufficient internal availability of various agri commodities. This strong demand and tight supply conditions resulted in robust refining margins. The Group's unique position in the value chain as integrated palm oil player supported by large scale production facilities, well established brands, strong distribution capabilities, deep market insights, loyal and long-standing customer and supplier base enabled the Group to appropriate increased margins and register all-time high operating income. At the same time, the impact of the crisis in developing and developed economies triggered the need for in-depth impairment reviews. Despite the higher one-off impairments provided during the year, the Group balance sheet remains strong and continues to provide financial flexibility to explore opportunities for increasing its value chain-participation and diversification of manufacturing facilities geographically."

"In this year of extraordinary disruption and turbulence, the Group's employees' health and safety was its primary concern. The Group had entered the initial phase of Covid-19 global pandemic with healthy opening inventories and strong balance sheet which enabled the Group to take immediate steps to strengthen its liquidity early in the year. Subsequently the Group's talented and experienced teams adapted fast and took decisive actions to ensure business continuity with minimum disruptions. As a result, the Group was able to come out stronger from this crisis. The Group applauds the resilience and dedication of its employees and their commitment to the organisation", the results announcement added.

Segmental Performance

Bulk segment

	FY 2020	FY 2019	Change
Sales volume (MT'000)	**3,825.3**	3,454.6	10.7%
Revenue (US$'million)	**2,647.3**	1,991.5	32.9%
Average selling prices (US$)	**692.1**	576.5	20.1%
Operating margin (US$'million)	**160.5**	45.7	251.2%
Operating margin per MT (US$)	**42.0**	13.2	218.2%

For the full year, the Bulk segment registered 10.7% increase in sales volume to 3,825,300 and 32.9% increase in revenue to US$2,647.3 million.

The total operating margin more than tripled to US$160.5 million on the back of higher operating margin of US$42.0 per MT compared to the compressed margin of US$13.2 last year.

The segment contributed 79.3% of total sales volume, 76.8% of total revenue and 66.7% of total operating margin of the Group for the full year.

Consumer Pack segment

	FY 2020	FY 2019	Change
Sales volume (MT'000)	**995.9**	1,111.4	-10.4%
Revenue (US$'million)	**798.5**	825.8	-3.3%
Average selling prices (US$)	**801.8**	743.0	7.9%
Operating margin (US$'million)	**80.0**	59.7	34.0%
Operating margin per MT (US$)	**80.3**	53.7	49.5%

For the full year, the Consumer Pack segment registered sales volume of 995,900 MT, 10.4% lower than last year. Revenue decreased to US$798.5 million, 3.3% lower than last year despite 7.9% higher average selling prices.

The total operating margin increased 34.0% to US$80.0 million on the back of higher operating margin of US$80.3 per MT compared to US$53.7 last year.

The segment contributed 20.7% of total sales volume, 23.2% of total revenue and 33.3% of total operating margin of the Group for the full year.

Balance Sheet

For FY 2020, the Group generated strong operating cash flows of US$161.2 million which contributed in reducing the net debt by US$133.1 million to US$206.0 million.

The Group's balance sheet remained strong with gross debt to equity ratio of 0.47 and net debt to equity ratio of 0.34.

Due to improved operational efficiency the Group achieved a shorter cycle time of 48 days (inventories days add trade receivables days less trade payables days) compared to 59 days last year.

Dividend

In order to show appreciation for the support of the shareholders, the Board of Directors has proposed a final exempt dividend of S$0.0060 per ordinary share, which along with interim dividend of S$0.0015, making total dividend of S$0.0075 per ordinary share for the full year.

Future Outlook

The Company noted in its results announcement, "The year ahead is expected to remain challenging and uncertain with a range of outcomes across geographies and financial markets. However agricultural supply chains have shown an incredible resilience in 2020 and largely spared from the global slump in international trade. With economies in two largest markets China and India continuing to bounce back from Covid-19 and the demand for vegetable oils expected to double in the next 30 years, the Group remains confident about the long-term outlook of the industry. The Group's good performance amid unprecedented Covid-19 conditions is a testament to its resilient business model and strong fundamentals built over past six decades. The Group is strategically very well placed to embrace the opportunities as they arise."

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 based 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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