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 2012

MEWAH REPORTS US$9.0 MILLION PROFIT FOR Q4

- ***Improved operating margin for Consumer Pack segment***
- ***Balance sheet continues to be strong with low net debt to equity ratio of 0.60***
- ***Group remains cautious on near-term outlook***
- ***Final exempt dividend of S$0.0055 per share***

Results Highlights

	Q4 2012	Q3 2012	Change	Q4 2011	Change	FY 2012	FY 2011	Change
Sales volume (MT'000)	**830.2**	777.7	6.8%	918.8	-9.6%	**3,400.6**	3,649.9	-6.8%
Revenue (US$'million)	**767.8**	844.4	-9.1%	1,014.6	-24.3%	**3,620.8**	4,467.9	-19.0%
Operating margin (US$'million)	**23.6**	24.3	-2.9%	34.0	-30.5%	**108.2**	119.0	-9.1%
Operating margin per MT (US$)	**28.4**	31.3	-9.3%	37.0	-23.2%	**31.8**	32.6	-2.5%
Net profit * (US$'million)	**9.0**	1.2	678.2%	12.7	-28.6%	**24.8**	42.2	-41.3%
Exceptional net gains (US$'million)	**4.8**	-	n.m.	2.0	144.2%	**4.8**	2.0	144.2%
Net profit * excluding exceptional net gains (US$'million)	**4.2**	1.2	262.4%	10.7	-60.6%	**20.0**	40.2	-50.4%

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

Singapore, Feb 27, 2013 – 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 results for its fourth quarter and full year ended 31 December 2012.

For the fourth quarter, the Group reported net profit of US$9.0 million, substantially higher than US$1.2 million for the last quarter but lower than US$12.7 million compared to the corresponding quarter last year. For the full year, the Group reported net profit of US$24.8 million, compared to US$42.2 million last year.

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During the quarter, the Group registered exceptional net gains of US$4.8 million including tax credit pertaining to earlier years of US$6.7 million, fair value gains on put option of US$1.3 million and loss due to impairment of goodwill of US$3.2 million. Last year, exceptional net gains amounted to US$2.0 million including tax credits pertaining to earlier years of US$4.7 million and loss due to impairment of goodwill of US$2.7 million. Excluding the exceptional net gains, net profit for the quarter and for the year was US$4.2 million and US$20.0 million respectively compared to US$10.7 million and US$40.2 million last year.

The Group achieved sales volume of 830,200 metric tonne ("MT") for the quarter, an increase of 6.8% on Quarter-on-Quarter ("QOQ") basis but a decrease of 9.6% on Year-over-Year ("YOY") basis. For the full year, the sales volume decreased by 6.8% to 3,400,600 MT from 3,649,900 MT a year earlier.

Revenue for the quarter was US$767.8 million, down by 9.1% on QOQ basis and 24.3% on YOY basis respectively due to lower sales volume and lower average selling prices. For the full year, revenue declined by 19.0% to US$3,620.8 million from US$4,467.9 million a year ago.

Lower operating margin of US$28.4 per MT for the quarter resulted in a lower total operating margin of US$23.6 million, a decline of 2.9% on QOQ basis from US$24.3 million last quarter and a decline of 30.5% on YOY basis from US$34.0 million last year. For the full year, marginally lower operating margin of US$31.8 per MT compared to US$32.6 per MT last year resulted in total operating margin declining by 9.1% from US$119.0 million to US$108.2 million.

The Company said in the results announcement, "As the CPO prices bottomed out during the quarter, the Company witnessed some revival in demand from destination markets which helped the Group to achieve better sales volumes and margins for the Consumer Pack segment. However, high inventory levels in origin countries i.e. Malaysia and Indonesia kept the margins under pressure, particularly for Malaysian refiners due to export duty disadvantage compared to Indonesian peers. Under tough operating conditions for Malaysian refiners, the Group experienced marginal drop in volumes and reduced margins for its Bulk segment".

Mr. Rajesh Chopra, CFO commented, "This was another challenging year for us amidst weak global economic environment, uncertain industry conditions, falling CPO prices and tough operating conditions particularly for Malaysian Refiners. However, we are relieved to close the year on a positive note with improved earnings on QOQ basis, supported particularly by impressive growth in volume as well as in margins for our Consumer Pack business".

Segmental Performance

Bulk segment

	Q4 2012	Q3 2012	Change	Q4 2011	Change	FY 2012	FY 2011	Change
Sales volume (MT'000)	**600.2**	608.9	-1.4%	684.5	-12.3%	**2,576.1**	2,761.3	-6.7%
Revenue (US$'million)	**517.2**	632.3	-18.2%	700.6	-26.2%	**2,649.4**	3,187.9	-16.9%
Average selling prices (US$)	**861.7**	1,038.5	-17.0%	1,023.5	-15.8%	**1,028.5**	1,154.5	-10.9%
Operating margin (US$'million)	**10.5**	17.1	-38.6%	23.6	-55.5%	**64.5**	76.6	-15.8%
Operating margin per MT (US$)	**17.5**	28.1	-37.7%	34.5	-49.3%	**25.0**	27.7	-9.7%

For the quarter, the Group registered sales volume of 600,200 MT for Bulk segment, down 1.4% and 12.3% on QOQ and YOY basis respectively. For the full year, sales volume declined by 6.7% to 2,576,100 MT.

Lower sales volumes and lower average selling prices resulted in revenue declining by 18.2% and 26.2% on QOQ and YOY basis respectively to US$517.2 million for the quarter and by 16.9% to US$2,649.4 million for the year.

Operating margin per MT was US$17.5 for the quarter and US$25.0 for the year. Lower sales volume and lower operating margin per MT reduced the total operating margin to US$10.5 million for the quarter and US$64.5 million for the year.

The segment contributed 72.3% of total sales volume, 67.4% of total revenue and 44.5% of total operating margin of the Group for the quarter. For the full year, contributions were 75.8%, 73.2% and 59.6% of total sales volume, total revenue and total operating margin respectively.

Consumer Pack segment

	Q4 2012	Q3 2012	Change	Q4 2011	Change	FY 2012	FY 2011	Change
Sales volume (MT'000)	**230.0**	168.8	36.3%	234.3	-1.8%	**824.5**	888.6	-7.2%
Revenue (US$'million)	**250.6**	212.1	18.2%	314.0	-20.2%	**971.4**	1,280.1	-24.1%
Average selling prices (US$)	**1,089.6**	1,256.5	-13.3%	1,340.2	-18.7%	**1,178.2**	1,440.6	-18.2%
Operating margin (US$'million)	**13.1**	7.2	81.9%	10.4	26.0%	**43.8**	42.4	3.3%
Operating margin per MT (US$)	**57.0**	42.7	33.5%	44.4	28.4%	**53.1**	47.8	11.1%

For the quarter, sales volume of 230,000 MT for Consumer Pack segment was 36.3% higher on QOQ basis but 1.8% lower on YOY basis. For the full year, sales volume declined by 7.2% to 824,500 MT. The segment included rice sales of 8,900 MT for the quarter and 124,800 MT for the year compared to 400 MT and 1,400 MT respectively for the corresponding periods last year.

On QOQ basis, higher sales volume and higher average selling prices resulted in revenue increasing by 18.2% to US$250.6 million. However, when compared to corresponding periods last year, revenue declined by 20.2% to US$250.6 million for the quarter and by 24.1% to US$971.4 million for the full year due to lower sales volumes and lower average selling prices.

The Group registered better operating margin of US$57.0 per MT during the quarter compared to US$42.7 per MT for last quarter and US$44.4 per MT for corresponding quarter last year. As a result, total operating margin for the segment increased to US$13.1 million, 81.9% higher on QOQ basis and 26.0% higher on YOY basis. For the full year, operating margin per MT improved from US$47.8 per MT to US$53.1 per MT. Despite reduced volume, improved operating margin per MT helped to improve the total operating margin for the segment from US$42.4 million to US$43.8 million.

The segment contributed 27.7% of total sales volume, 32.6% of total revenue and 55.5% of total operating margin of the Group for the quarter. For the full year, contributions were 24.2%, 26.8% and 40.4% of total sales volume, total revenue and total operating margin respectively.

Balance Sheet

Mewah's balance sheet remained strong with debt to equity ratio of 0.69 or net debt to equity ratio of 0.60.

The Group continued to maintain operational efficiency reflected in cycle time (inventories days add trade receivables days less trade payables days) of 44.8 days.

Dividends

To show appreciation for the support of the shareholders, the Board of Directors has proposed a final exempt dividend of S$0.0055 per ordinary share, which along with interim dividend of S$0.0030, making total dividend of S$0.0085 per ordinary share for the full year, same as last year.

Future Outlook

Considering high inventories in origin countries and global economic weakness, the Group remains cautious on its near-term outlook. However, the Group believes that the current global conditions and challenging industry conditions will help the industry to consolidate and benefit stronger players in the longer term. Meanwhile the Group continues to tread cautiously in its operations while focusing on increasing refining capacity in Malaysia and participating in other non-oil consumer products.

Mr. Chopra added, "Though future global macro sentiments have started improving, growth particularly in Europe, Africa and Middle East is expected to remain subdued. While we operate prudently by participating selectively in trade flows, we continue to consolidate our already strong strategic position in the value chain by increasing our refining capacity and adding more value added products to offer to our existing customers. With our strategically located large scale integrated manufacturing facilities, global distribution network supported by well established brands and continuously improving balance sheet and liquidity, we remain prepared to embrace the opportunities that lie ahead".

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'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 Americas 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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