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 2015

MEWAH's PROFIT REBOUNDS FOR THE YEAR

- **Net profit for the year rebounds from US$2.7 million to US$6.5 million**
- ***Despite challenging operating conditions, Group's margins remain resilient.***
- ***Balance sheet remains strong with low net debt to equity ratio of 0.67.***
- ***Proposed final dividend of 0.45 Singapore cent per share.***

Results Highlights

	FY 2015	FY 2014	Change	Q4 2015	Q4 2014	Change (YOY)	Q3 2015	Change (QOQ)
Sales volume (MT'000)	**3,883.0**	4,015.7	-3.3%	**846.5**	1,066.6	-20.6%	1,139.5	-25.7%
Revenue (US$'million)	**2,674.7**	3,438.8	-22.2%	**540.3**	828.6	-34.8%	746.6	-27.6%
Average selling prices (US$)	**688.8**	856.3	-19.6%	**638.3**	776.8	-17.8%	655.2	-2.6%
Operating margin (US$'million)	**94.2**	94.6	-0.4%	**24.6**	32.0	-23.3%	21.7	13.4%
Operating margin per MT (US$)	**24.3**	23.6	3.0%	**29.0**	30.0	-3.3%	19.0	52.6%
Profit before tax (US$'million)	**12.7**	3.6	250.6%	**6.3**	10.0	-37.5%	2.1	200.0%
Net profit * (US$'million)	**6.5**	2.7	141.0%	**1.8**	8.7	-79.0%	1.3	38.5%

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

Singapore, February 26, 2016 – 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 2015.

Group's net profit for the year (FY15) rebounded to US$6.5 million from the low of US$2.7 million reported last year (FY14). Profit for the quarter (4Q15) was US$1.8 million compared to US$8.7 million achieved in the corresponding quarter of last year (4Q14).

Sales volume for the year slipped 3.3% to 3,883,000 metric tonne ("MT") from historical high of 4,015,700 MT achieved by the Group last year. Amid global uncertainty and weak destination demand, sales volume for the quarter dropped 20.6% and 25.7% and on Year-over-Year ("YOY") and Quarter-on-Quarter ("QOQ") respectively to 846,500 MT.

Lower sales volumes coupled with lower average selling prices resulted in revenue decreasing by 22.2% to US$2,674.7 million for the year. For the quarter, reported revenue of US$540.3 million was 34.8% and 27.6% lower on YOY and QOQ respectively.

The Company said in the announcement, "Crude Palm Oil ("CPO") prices remained range-bound between 2,100 and 2,300 ringgit during the quarter and closed the year at 2,240 ringgit, 2.5% lower than last year level of 2,300. However, volatile and weakening ringgit resulted in high volatility in CPO prices in dollar terms resulting in the prices dropping 34% by end of August before closing the year 21% lower than last year. Stockpiles in Indonesia and Malaysia, that account for 86% of global palm oil supply, resulted in prices for spot and nearby months at steep discounts during the quarter compared to forward months. This prompted the Group to defer the sales and carry the inventory for longer periods. The Group witnessed weaker destination demand, particularly from the Middle East amid global economic uncertainties."

Mr Rajesh Chopra, Group CFO added, "The last few months have been challenging for everyone and we were no exception. When the going is tough, it is important to remain cautious and avoid any unwarranted risks. We have been selective in choosing the customers and participating in trade flows. We have taken a prudent approach and tightened shipment and payment terms amid the worsening global outlook. This has led to a drop in the sales volume for the quarter. However, our competitive position in the industry, financial flexibility and liquidity remain strong to scale up our business when market conditions improve."

Weaker sales volume was offset by improved operating margin. 3.0% higher operating margin of US$24.3 per MT helped the Group to achieve total operating margin of RM94.2 million for the year, marginally 0.4% lower than last year. For the quarter, operating margin of US$29.0 per MT resulted in total operating margin of US$24.6 million, 23.3% lower on YOY but 13.4% higher on QOQ.

Despite marginally lower operating margin, lower costs duly supported by weaker currencies in operating countries helped the Group to achieve higher net profit for the year.

"We are pleased to have a rebound in our profits. Despite worsened market conditions this year, we were able to improve our margins on the back of particularly strong position in the industry for the Consumer Packs sold under our own brands. Weakening currencies in our operating countries also helped to keep our operating costs low," Mr Chopra added.

Segmental Performance

Bulk segment

	FY 2015	FY 2014	Change	Q4 2015	Q4 2014	Change	Q3 2015	Change
Sales volume (MT'000)	**2,871.7**	2,852.2	0.7%	**569.7**	723.0	-21.2%	863.9	-34.1%
Revenue (US$'million)	**1,876.1**	2,348.7	-20.1%	**337.9**	523.6	-35.5%	538.0	-37.2%
Average selling prices (US$)	**653.3**	823.5	-20.7%	**593.1**	724.2	-18.1%	622.8	-4.8%
Operating margin (US$'million)	**37.2**	41.6	-10.6%	**2.8**	16.7	-83.2%	9.5	-70.5%
Operating margin per MT (US$)	**13.0**	14.6	-11.0%	**4.9**	23.1	-78.8%	11.0	-55.5%

The Bulk segment achieved sales volume of 2,871,700 MT, 0.7% higher than last year. However, as prices for spot and nearby months dropped compared to forward months, Group's sales volume for the quarter dropped 21.2% and 34.1% on YOY and QOQ respectively to 569,700 MT.

For the full year, revenue for the segment decreased by 20.1% to US$1,876.1 million due to lower average selling prices. Lower sales volumes and lower average selling prices resulted in revenue declining by 35.5% and 37.2% on YOY and QOQ respectively to US$337.9 million for the quarter.

For FY15, lower operating margin per MT of US$13.0 per MT reduced total operating margin to US$37.2 million. For the quarter, lower sales volume and lower operating margin of US$4.9 per MT resulted in total operating margin declining to US$2.8 million.

For the full year, the segment's contribution to sales volume, revenue and operating margins was 74.0%, 70.1% and 39.5% respectively.

Consumer Pack segment

	FY 2015	FY 2014	Change	Q4 2015	Q4 2014	Change	Q3 2015	Change
Sales volume (MT'000)	**1,011.3**	1,163.5	-13.1%	**276.8**	343.6	-19.4%	275.6	0.4%
Revenue (US$'million)	**798.7**	1,090.1	-26.7%	**202.4**	305.0	-33.6%	208.6	-3.0%
Average selling prices (US$)	**789.8**	936.9	-15.7%	**731.2**	887.7	-17.6%	756.9	-3.4%
Operating margin (US$'million)	**57.0**	53.0	7.5%	**21.8**	15.3	42.5%	12.2	78.7%
Operating margin per MT (US$)	**56.4**	45.6	23.7%	**78.8**	44.5	77.1%	44.3	77.9%

Sales volume for Consumer Pack segment dropped 13.1% to 1,011,300 MT for the year. For the quarter, sales volume of 276,800 MT was 19.4% lower on YOY but 0.4% higher on QOQ.

Lower sales volume coupled with 15.7% drop in average selling prices resulted in revenue declining by 26.7% to US$798.7 million for the year. For the quarter, revenue of US$202.4 million was 33.6% and 3.0% lower on YOY and QOQ respectively.

Improvement in operating margin from US$45.6 to US$56.4 per MT for the year helped the Segment to record total operating margin of US$57.0 million for the year, 7.5% higher than last year. Impressive operating margin of US$78.8 per MT for the quarter helped the Segment to negate the impact of lower sales volume and resulted in total operating margin improving by 42.5% and 78.7% on YOY and QOQ respectively to US$21.8 million.

For full year, the segment's contribution to sales volume, revenue and operating margins was 26.0%, 29.9% and 60.5% respectively.

Balance Sheet

The Group's balance sheet remained strong with debt to equity ratio of 0.76 or net debt to equity ratio of 0.67.

The Group had a cycle time (inventories days add trade receivables days less trade payables days) of 68 days compared to 48 days last year as the Group carried higher inventories.

Dividend

To show appreciation for the support of the shareholders, the Board of Directors has proposed a final exempt dividend of 0.45 Singapore cent per ordinary share for the full year.

Future Outlook

The Company noted in its results announcement, “Amid challenging global economic conditions, low crude palm oil and alternative vegetable oil prices are expected to keep CPO prices low. The increasing gap between production and demand is expected to keep pressure on palm oil producers and in turn on refiners. While current concerns on El Nino provide some support to CPO prices in the short term, overall palm oil industry is expected to remain under pressure until the global outlook improves. The Group will continue to operate cautiously during these tough and challenging times.”

Mr Chopra commented, “Palm Oil industry is expected to remain under pressure for some time. Current situation of over supply with weak demand would continue resulting in low CPO prices. Currency excess refining capacity in Indonesia will continue to add pressure on refining margins. However our strategic position in the industry remains intact with large scale integrated refineries, our long established standing in the trade, our ability to offer a basket of commodities under own brands to customers in over 100 countries. Supported by strong balance sheet, we remain well positioned to grow our business to next heights in due course.”

About Mewah International Inc.

Mewah International Inc. (“Mewah” or the “Group”) is an integrated agri-business focused on edible oils and fats. 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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