

Chairman's Message

2011 was a challenging year as the global economy plagued by instability and uncertainty. During tough times, we stayed focused to our vision and remained committed to our mission. During tough and volatile market conditions, we registered resilient earnings reinforcing our strong position in the value chain and competitive position in the industry. Strength of our core palm oil refining business and strategic long term investments in our business were reaffirmed.

Revenue reached US\$4,467.9 million on the back of higher average selling prices, representing a 26.5% increase from the US\$3,533.1 million in 2010. Net profit, on the other hand, was down from US\$92.4 million to US\$42.2 million. This was mainly attributed to bleaker economic conditions and tough market conditions particularly in West Africa. However backed by our solid foundation, the Group maintained a strong Balance Sheet, ending the year with a low debt to equity ratio of 0.72 and healthy cash and cash equivalents of US\$136.8 million.

Undeterred by challenges, the year also saw the Group strengthening our focus on developing our integrated business model with a four-pronged approach: consolidating our position in palm based oils and fats business; expanding our range of consumer products; investing in efficient production facilities; and increasing our marketing and distribution capabilities. With our expansion strategy and cautious cost control measures firmly in place, we are poised to compete even more effectively.

Looking forward, weak global macroeconomic conditions are likely to continue. High crude palm oil (CPO) production in 2011 and uncertainty caused by the change in export duties for refined palm oil, among other factors, are also expected to cause uncertainty in the business. Nevertheless, we remain

optimistic about the long-term outlook of the palm oil industry. In particular, we expect midstream and downstream players in the palm oil industry to benefit from slowing production growth for palm oil, as well as rising demand for cooking oils. We are prepared and well-positioned to embrace the opportunities as they arise, expanding our global presence as a leader in the palm oil industry.

On behalf of the Board, I am pleased to announce a final exempt one-tier dividend of S\$0.005 per ordinary share.

Finally, I would like to take this opportunity to thank the Mewah team, including all employees and my fellow Board members, for their passion and contributions in these trying times. Together, we will work towards creating greater value that will generate expanding returns for our customers. I would also like to show my appreciation for the unwavering support of our shareholders and thank our new public investors for their confidence in us.

Dr Cheo Tong Choon

Chairman and Executive Director