Mewah

Global Brands, Local Favourites

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

NEWS RELEASE :

FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

MEWAH REPORTS US$0.9 MILLION PROFIT FOR Q1 2019

- ***Sales volume increased 5.3% year-on-year and 10.8% quarter-on-quarter***
- ***Balance sheet remains strong with low net debt to equity ratio of 0.76***

Results Highlights

	Q1 2019	Q1 2018	Change (YOY)	Q4 2018	Change (QOQ)
Sales volume (MT'000)	**1,175.5**	1,116.1	5.3%	1,061.1	10.8%
Revenue (US$'million)	**724.4**	836.9	-13.4%	661.7	9.5%
Average selling prices (US$)	**616.2**	749.8	-17.8%	623.6	-1.2%
Operating margin (US$'million)	**25.6**	36.7	-30.3%	37.9	-32.5%
Operating margin per MT (US$)	**21.8**	32.9	-33.7%	35.8	-39.1%
Profit before tax (US$'million)	**0.1**	7.6	-98.5%	7.7	-98.7%
Net profit * (US$'million)	**0.9**	4.8	-82.5%	8.6	-89.5%

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

Singapore, May 10, 2019 – 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 first quarter ended 31 March 2019.

The Group achieved sales volume of 1,175,500 metric tonne (“MT”), up 5.3% and 10.8% on Year-over-Year (“YOY”) and Quarter-on-Quarter (“QOQ”) respectively.

The Group reported revenue of US$724.4 million for the quarter, 13.4% lower YOY due to 17.8% lower average selling prices despite 5.3% increase in sales volume. However, revenue increased 9.5% QOQ.

The Group reported lower operating margin of US21.8 per MT for the quarter compared to US32.9 per MT last year and US35.8 per MT last quarter resulted in the Group’s total operating margin decreasing to US25.6 million.

The Group posted net profit of US$0.9 million for the quarter compared to net profit of US$4.8 million last year and US$8.6 million last quarter.

The Company said in the announcement, “CPO prices in Q1 was range-bound with a monthly average of RM2,072 in Jan 2019, RM2,106 in Feb 2019 and declined to RM1,944 in Mar 2019. The declining CPO price was mainly due to high inventory levels in both Indonesia and Malaysia, coupled with weaker prices for soybean oils. This resulted in pressure on the operating margin for the Bulk segment. However, low prices helped to increase sales volumes in this segment. For the Consumer Pack segment, with our strong marketing and distribution networks, long established and well recognised brands and broader product portfolio, we managed to maintain our operating margin and sales volume.”

Segmental Performance

Bulk segment

	Q1 2019	Q1 2018	Change	Q4 2018	Change
Sales volume (MT'000)	**897.9**	839.1	7.0%	761.1	18.0%
Revenue (US$'million)	**514.8**	604.8	-14.9%	435.0	18.3%
Average selling prices (US$)	**573.3**	720.8	-20.5%	571.5	0.3%
Operating margin (US$'million)	**10.8**	22.3	-51.6%	20.5	-47.3%
Operating margin per MT (US$)	**12.0**	26.6	-54.9%	26.9	-55.4%

For the quarter, The Group registered sales volume of 897,900 MT for Bulk segment, up 7.0% and 18.0% on YOY and QOQ respectively.

Revenue decreased to US$514.8 million, 14.9% lower YOY but 18.3% higher QOQ.

The group reported total operating margin of US$10.8 million, 51.6% and 47.3% lower on YOY and QOQ respectively due to lower operating margin of US$12.0 per MT compared to US$26.6 per MT last year and US$26.9 per MT last quarter.

The segment contributed 76.4% of total sales volume, 71.1% of total revenue and 42.2% of total operating margin of the Group for the quarter.

Consumer Pack segment

	Q1 2019	Q1 2018	Change	Q4 2018	Change
Sales volume (MT'000)	**277.6**	277.0	0.2%	300.0	-7.5%
Revenue (US$'million)	**209.6**	232.1	-9.7%	226.7	-7.5%
Average selling prices (US$)	**755.0**	837.9	-9.9%	755.7	-0.1%
Operating margin (US$'million)	**14.8**	14.4	2.8%	17.4	-14.9%
Operating margin per MT (US$)	**53.3**	52.0	2.5%	58.0	-8.1%

The Consumer Pack segment reported sales volume of 277,600 MT, increased 0.2% YOY but decreased 7.5% QOQ.

Revenue decreased to US$209.6 million, 9.7% and 7.5% lower on YOY and QOQ respectively.

The segment achieved improved total operating margin of US$14.8 million, up 2.8% compared to last year on the back of higher operating margin of US$53.3 per MT compared to US$52.0 last year. However, on QOQ, operating margin decreased 14.9% due to lower operating margin per MT compared to last quarter.

The segment contributed 23.6% of total sales volume, 28.9% of total revenue and 57.8% of total operating margin of the Group for the quarter.

Balance Sheet

The Group's balance sheet remained strong with gross debt to equity ratio of 0.85 or net debt to equity ratio of 0.76.

The Group continued to maintain operational efficiency and sustained a short cycle time of 65 days (inventories days add trade receivables days less trade payables days).

Future Outlook

The Company noted in its results announcement, "CPO prices are expected to be slightly bullish due to the implementation of B10 and B20 mandates by the Malaysian and Indonesian Governments respectively. However with continued high inventory levels, refining margins are expected to remain under pressure. The Group remains optimistic for its long term prospects as it continues to be competitively positioned in the palm oil value chain with large scale strategically located integrated refineries, well established brands and broad product portfolio. The Group will continue to focus on operational efficiencies and productivity."

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 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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