Mewah

Global Brands, Local Favourites

MEWAH INTERNATIONAL INC.

(Company Registration No.: CR-166055)

NEWS RELEASE :

FINANCIAL RESULTS FOR THE 3RD QUARTER AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2018

MEWAH REPORTS US$0.8 MILLION PROFIT FOR Q3 2018

- ***Sales volume increased 4.6% quarter-on-quarter***
- ***Lower operating margin***
- ***Balance sheet remains strong with low net debt to equity ratio of 0.73***

Results Highlights

	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change (YOY)	Q2 2018	Change (QOQ)
Sales volume (MT'000)	**3,136.5**	2,789.1	12.5%	**1,027.0**	981.5	4.6%	993.4	3.4%
Revenue (US$'million)	**2,285.1**	2,204.5	3.7%	**705.8**	739.0	-4.5%	742.4	-4.9%
Average selling prices (US$)	**728.6**	790.4	-7.8%	**687.2**	752.9	-8.7%	747.3	-8.0%
Operating margin (US$'million)	**84.9**	100.4	-15.5%	**26.0**	35.5	-26.8%	22.2	17.1%
Operating margin per MT (US$)	**27.1**	36.0	-24.7%	**25.3**	36.1	-29.9%	22.3	13.5%
Net profit * (US$'million)	**6.2**	20.5	-69.9%	**0.8**	13.4	-94.4%	0.6	33.3%

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

Singapore, November 9, 2018 – 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 third quarter and nine months period ended 30 September 2018.

For the nine months, the Group's sales volume increased 12.5% to 3,136,500 MT. For the quarter, the sales volume was 1,027,000 MT, an increase of 4.6% Year-on-Year ("YOY") and 3.4% Quarter-on-Quarter ("QOQ").

For the nine months, revenue increased 3.7% to US$2,285.1 million. For the quarter, revenue was down 4.5% to US$705.8 million YOY and 4.9% QOQ.

For the nine months, lower OM of US$27.1 per MT compared to US$36.0 resulted in the Group's operating margin decreasing to US$84.9 million. For the quarter, the Group's operating margin decreased to US$25.3 per MT from US$36.1 last year and US$22.3 last quarter, resulting in total operating margin declining to US$26.0 million.

For the nine months, the Group posted net profit of US$6.2 million compared to US$20.5 million last year. For the quarter, the Group posted net profit of US$0.8 million compared to US$13.4 million last year and US$0.6 million last quarter. Last year was an exceptional year of which the net profit included gain of US$4.9 million from disposal of land in Indonesia.

The Company said in the announcement, "Crude Palm Oil ("CPO") price had been on a gradual decline since the beginning of the quarter, RM2,328, which was the peak, to end the quarter at its lowest of RM2,104. For the Bulk segment, the current excess inventory in Malaysia and Indonesia continued to weigh down on the market resulting in lower prices. The margins for the refiners continued to be under pressure amidst tough industry conditions. However, the Group was able to leverage its competitive position to scale up sales volume during the quarter. For the Consumer Pack segment, we continued to experience tough conditions in the destination markets since prices were trending lower. As prices moderated during the quarter, and the outlook for future prices remaining bearish, we experienced tendency on part of our customers to delay additional purchases and/or negotiate harder prices putting pressure on our margins. Despite these conditions, we managed a positive quarter by the fact of our scale in operations and large customer base."

Segmental Performance

Bulk segment

	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change	Q2 2018	Change
Sales volume (MT'000)	**2,327.1**	1,948.4	19.4%	**756.8**	679.6	11.4%	731.2	3.5%
Revenue (US$'million)	**1,595.6**	1,478.7	7.9%	**487.0**	487.7	-0.1%	503.8	-3.3%
Average selling prices (US$)	**685.7**	758.9	-9.6%	**643.5**	717.6	-10.3%	689.0	-6.6%
Operating margin (US$'million)	**49.6**	55.4	-10.5%	**13.2**	17.8	-25.8%	14.1	-6.4%
Operating margin per MT (US$)	**21.3**	28.4	-25.0%	**17.4**	26.2	-33.6%	19.3	-9.8%

For the nine months, sales volume increased 19.4% to 2,327,100 MT from 1,948,400 MT last year. For the quarter, the Group registered sales volume of 756,800 MT, up 11.4% YOY and 3.5% QOQ.

For the nine months, revenue increased 7.9% to US$1,595.5 million. Revenue was down 0.1% YOY to US$487.0 million, and 3.3% QOQ.

For the nine months, lower operating margin of US$21.3 per MT compared to US$28.4 last year despite 19.4% higher sales volume resulted in operating margin declining to US$49.6 million. For the quarter, lower operating margin of US$17.4 per MT compared to US$26.2 last year and US$19.3 last quarter resulted in total operating margin declining to US$13.2 million.

The segment contributed 73.7% of total sales volume, 69.0% of total revenue and 50.8% of total operating margin of the Group for the quarter. For the nine months, the segment's contributions were 74.2%, 69.8% and 58.4% respectively.

Consumer Pack segment

	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change	Q2 2018	Change
Sales volume (MT'000)	**809.4**	840.7	-3.7%	**270.2**	301.9	-10.5%	262.2	3.1%
Revenue (US$'million)	**689.5**	725.8	-5.0%	**218.8**	251.3	-12.9%	238.6	-8.3%
Average selling prices (US$)	**851.9**	863.3	-1.3%	**809.8**	832.4	-2.7%	910.0	-11.0%
Operating margin (US$'million)	**35.3**	45.0	-21.6%	**12.8**	17.7	-27.7%	8.1	58.0%
Operating margin per MT (US$)	**43.6**	53.5	-18.5%	**47.4**	58.6	-19.1%	30.9	53.4%

For the nine months, sales volume decreased to 809,400 MT from 840,700 MT last year. For the quarter, the Group registered sales volume of 270,200 MT, a decrease of 10.5% YOY but an increase of 3.1% QOQ.

For the nine months, revenue decreased to US$689.5 million. For the quarter, revenue was 12.9% lower YOY and 8.3% QOQ to US$218.8 million.

For the nine months, lower operating margin of US$43.6 per MT compared to US$53.5 resulted in operating margin declining to US$35.3 million. For the quarter, lower operating margin of US$47.4 per MT compared to US$58.6 last year and US$30.9 last quarter resulted in total operating margin declining to US$12.8 million.

The segment contributed 26.3% of total sales volume, 31.0% of total revenue and 49.2% of total operating margin of the Group for the quarter. For the nine months, the segment's contributions were 25.8%, 30.2% and 41.6% respectively.

Balance Sheet

The Group's balance sheet remained strong with gross debt to equity ratio of 0.92 or net debt to equity ratio of 0.73.

The Group continued to maintain operational efficiency and sustained a short cycle time of 56 days (inventories days add trade receivables days less trade payables days).

Future Outlook

The Company noted in its results announcement, “The view on prices remains bearish as supply in 2018 is still expected to outpace demand. Apart from the existing excess supply amid seasonally high output in Q3 2018, the escalation of both regional and global geopolitics, expectation of a good soybean harvest in the United States, and the weak demand from India due to its high import taxes may continue to contribute to a lacklustre near-term price outlook for the industry. The Group, however, is still optimistically cautious about our full year performance and will continue to leverage on our integrated scale of operations, and diversified network in order to maintain our competitive edge and profitability.”

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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