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 2018

MEWAH REPORTS US$8.6 MILLION PROFIT FOR Q4 2018

- ***Sales volume increased 3.3% quarter-on-quarter***
- ***Operating margin improved 45.8% quarter-on-quarter***
- ***Balance sheet remains strong with low net debt to equity ratio of 0.77***
- ***Final dividend of S$0.0045 per share.***

Results Highlights

	FY 2018	FY 2017	Change	Q4 2018	Q4 2017	Change (YOY)	Q3 2018	Change (QOQ)
Sales volume (MT'000)	**4,197.6**	3,690.6	13.7%	**1,061.1**	901.5	17.7%	1,027.0	3.3%
Revenue (US$'million)	**2,946.8**	2,926.7	0.7%	**661.7**	722.2	-8.4%	705.8	-6.2%
Average selling prices (US$)	**702.0**	793.0	-11.5%	**623.6**	801.1	-22.2%	687.2	-9.3%
Operating margin (US$'million)	**122.8**	151.0	-18.7%	**37.9**	50.6	-24.9%	26.0	45.8%
Operating margin per MT (US$)	**29.3**	40.9	-28.4%	**35.8**	56.1	-36.2%	25.3	41.5%
Profit before tax (US$'million)	**12.0**	57.2	-79.0%	**7.7**	19.4	-60.4%	-0.2	n.m.
Net profit * (US$'million)	**14.8**	32.1	-53.9%	**8.6**	11.5	-25.4%	0.8	975.0%

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

Singapore, February 28, 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 fourth quarter and full year ended 31 December 2018.

For the full year, the Group's sales volume increased 13.7% to 4,197,600 MT. For the quarter, the sales volume was 1,061,100 MT, an increase of 17.7% Year-on-Year ("YOY") and 3.3% Quarter-on-Quarter ("QOQ").

For the full year, revenue increased 0.7% to US$2,946.8 million. For the quarter, revenue decreased 8.4% to US$661.7 million YOY and 6.2% QOQ.

For the full year, lower OM of US$29.3 per MT compared to US$40.9 per MT resulted in the Group's operating margin decreasing to US$122.8 million. For the quarter, the Group's operating margin decreased to US$35.8 per MT from US$56.1 last year resulting in total operating margin declining to US$37.9 million but 45.8% increase for QOQ.

For the full year, the Group posted net profit of US$14.8 million compared to US$32.1 million last year. For the quarter, the Group posted net profit of US$8.6 million compared to US$11.5 million last year and US$0.8 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, "During this quarter, the monthly average CPO price continued to decline from RM2,086 in October to RM1,862 in November. However, there was a price rally in December which peaked at RM2,140. The rally was partly due to announcements on the increase of the biodiesel mandates in Malaysia and Indonesia, India's temporary suspension of import duties and a rally in soya bean prices.

The Group closed the year on a positive note with improved earnings on QOQ basis, supported by a growth in volume and improved margins for both the Bulk and Consumer Pack segments compared to last quarter. This year has been especially challenging for all players. Despite this, the Group managed to push through more volume as buyers at destination markets were attracted by the lower prices. The weaker ringgit also made palm oil attractive for international buyers.

The Group's consolidated position in the palm oil industry, stronger product offerings in its Consumer Pack portfolio, strong marketing network and well-established in-house brands helped us to deliver stronger performance for the quarter. Our balance sheet remains strong with high financial liquidity. The Group strives to operate efficiently and leverage on our competitive position to protect ourselves from volatile market conditions".

Segmental Performance

Bulk segment

	FY 2018	FY 2017	Change	Q4 2018	Q4 2017	Change	Q3 2018	Change
Sales volume (MT'000)	**3,088.2**	2,596.1	19.0%	**761.1**	647.7	17.5%	756.8	0.6%
Revenue (US$'million)	**2,030.6**	1,979.7	2.6%	**435.0**	501.1	-13.2%	487.0	-10.7%
Average selling prices (US$)	**657.5**	762.6	-13.8%	**571.5**	773.7	-26.1%	643.5	-11.2%
Operating margin (US$'million)	**70.2**	85.9	-18.3%	**20.5**	30.5	-32.8%	13.2	55.3%
Operating margin per MT (US$)	**22.7**	33.1	-31.4%	**26.9**	47.1	-42.9%	17.4	54.6%

For the full year, sales volume increased 19.0% to 3,088,200 MT from 2,596,100 MT last year. For the quarter, the Group registered sales volume of 761,100 MT, increased 17.5% YOY and 0.6% QOQ.

For the full year, revenue increased 2.6% to US$2,030.6 million. Revenue decreased 13.2% YOY to US$435.0 million, and 10.7% QOQ.

For the full year, lower operating margin of US$22.7 per MT compared to US$33.1 last year despite 19.0% higher sales volume resulted in operating margin declining to US$70.2 million. For the quarter, lower operating margin of US$26.9 per MT compared to US$47.1 per MT last year resulted in total operating margin declining to US$20.5 million but 55.3% increase for QOQ.

The segment contributed 71.7% of total sales volume, 65.7% of total revenue and 54.1% of total operating margin of the Group for the quarter. For the full year, the segment's contributions were 73.6%, 68.9% and 57.2% respectively.

Consumer Pack segment

	FY 2018	FY 2017	Change	Q4 2018	Q4 2017	Change	Q3 2018	Change
Sales volume (MT'000)	**1,109.4**	1,094.5	1.4%	**300.0**	253.8	18.2%	270.2	11.0%
Revenue (US$'million)	**916.2**	946.9	-3.2%	**226.7**	221.1	2.5%	218.8	3.6%
Average selling prices (US$)	**825.9**	865.1	-4.5%	**755.7**	871.2	-13.3%	809.8	-6.7%
Operating margin (US$'million)	**52.6**	65.1	-19.2%	**17.4**	20.1	-13.4%	12.8	35.9%
Operating margin per MT (US$)	**47.4**	59.5	-20.3%	**58.0**	79.2	-26.8%	47.4	22.4%

For the full year, sales volume increased to 1,109,400 MT from 1,094,500 MT last year. For the quarter, the Group registered sales volume of 300,000 MT, an increase of 18.2% YOY and 11.0% QOQ.

For the full year, revenue decreased to US$916.2 million. For the quarter, revenue was 2.5% higher YOY and 3.6% QOQ to US$226.7 million.

For the full year, lower operating margin of US$47.4 per MT compared to US$59.5 resulted in operating margin declining to US$52.6 million. For the quarter, lower operating margin of US$58.0 per MT compared to US$79.2 per MT last year resulted in total operating margin declining to US$17.4 million but 35.9% increase for QOQ.

The segment contributed 28.3% of total sales volume, 34.3% of total revenue and 45.9% of total operating margin of the Group for the quarter. For the full year, the segment's contributions were 26.4%, 31.1% and 42.8% respectively.

Balance Sheet

The Group's balance sheet remained strong with gross debt to equity ratio of 0.87 or net debt to equity ratio of 0.77.

The Group continued to maintain operational efficiency and sustained a short cycle time of 61 days (inventories days add trade receivables days less trade payables days).

Dividend

In order to show appreciation for the support of the shareholders, the Board of Directors has proposed a final exempt dividend of S$0.0045 per ordinary share, which along with interim dividend of S$0.0022, making total dividend of S$0.0067 per ordinary share for the full year.

Future Outlook

The Company noted in its results announcement, "CPO prices are expected to be supported in the short term by recent incentive programs from Malaysia and Indonesia, rally in soya beans caused by the China-USA trade dispute, and India's restocking of palm oil due to the price differential between palm and soyabean oil. However, the medium term outlook for palm oil remains bearish. Without sustainable incentives and subsidies, and with bumper harvests for soyabean in Argentina and Brazil, we expect continued pressure on the demand for palm oil while the pace of increase in production in Indonesia and Malaysia is expected to result in the inventories build-up again at originating countries. Lower prices and temporary export duties on CPO are expected to keep refining margins under pressure with current over capacities in the industry. However, the Group expects the distribution margins for Bulk business and Consumer Pack margins to remain resilient.

While the Group is pleased with performance for the quarter, increasing supplies and high inventories of other oilseeds, low and volatile crude oil prices and resultant weak demand for palm oil are expected to keep refining margins under pressure. However with continuous investment into the business, our improved competitive position and strong balance sheet, the Group is confident of our future prospects".

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.

For any corporate communication, contact:

Name	: Mr James Soo
Designation	: Chief Financial Officer
Contact number	: +65 6829 5255
Email	: jamessoo@mewahgroup.com

Issued by
MEWAH INTERNATIONAL INC.
28th February 2019