



Global Brands, Local Favourites

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

NEWS RELEASE :
FINANCIAL RESULTS FOR THE 1ST QUARTER ENDED 31 MARCH 2017

MEWAH REPORTS US\$4.0 MILLION PROFIT FOR Q1 2017

- *Group achieved improved operating margin compared to last year*
- *Group achieved improved sales volume for Consumer Pack segment*
- *Balance sheet remains strong with low net debt to equity ratio of 0.45*

Results Highlights

	Q1 2017	Q1 2016	Change (YOY)	Q4 2016	Change (QOQ)
Sales volume (MT'000)	881.6	1,094.1	-19.4%	930.4	-5.2%
Revenue (US\$ million)	727.9	711.4	2.3%	740.0	-1.6%
Average selling prices (US\$)	825.7	650.2	27.0%	795.3	3.8%
Operating margin (US\$ million)	26.6	25.2	5.4%	39.7	-33.0%
Operating margin per MT (US\$)	30.2	23.1	30.7%	42.7	-29.3%
Profit before tax (US\$ million)	5.0	3.9	27.7%	17.8	-71.9%
Net profit * (US\$ million)	4.0	2.9	35.8%	5.4	-25.9%

* Profit after tax attributable to equity holders of the Company

Singapore, May 12, 2017 – 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 first quarter ended 31 March 2017.

The Group posted net profit of US\$4.0 million for the quarter, 25.8% higher than corresponding quarter last year (Q1 2016) but 25.9% lower than previous quarter (Q4 2016).

Sales volume of 881,600 MT was 19.4% lower than last year and 5.2% lower than previous quarter.

Despite lower sales volume, higher average selling prices for the quarter helped the revenue increased 2.3% to US\$727.9 million from last year. Compared to previous quarter, revenue decreased 1.6% due to 5.2% lower sales volume though 3.8% higher average selling prices.

The Group's operating margin increased 5.4% to US\$26.6 million from US\$25.2 million last year on the back of improved OM of US\$30.2 per MT compared to US\$23.1 last year. Compared to previous quarter, operating margin decreased 33.0% due to lower sales volume and lower margin per MT.

The Company said in the announcement, "Crude Palm Oil ("CPO") prices had surged 43% in 2016 to close the year at 3,210 ringgit. The prices continued to rise and reached 3,350 ringgit by the 2nd week of February. The surge in prices were mainly due to shortage of inventories in Indonesia and Malaysia as a result of low production caused by El-Nino."

"As the outlook for production improved, prices made a sharp correction and dropped to 2,900 ringgit by the end of the first quarter, a drop of 13% in less than two months. Current stock levels continued to be low and demand from destination markets remained sluggish after the festival seasons amid volatile prices." the Company added.

Segmental Performance

Bulk segment

	Q1 2017	Q1 2016	Change	Q4 2016	Change
Sales volume (MT'000)	621.3	861.2	-27.9%	669.2	-7.2%
Revenue (US\$'million)	500.2	543.4	-7.9%	506.1	-1.2%
Average selling prices (US\$)	805.1	631.0	27.6%	756.3	6.5%
Operating margin (US\$'million)	14.7	16.3	-9.8%	25.0	-41.2%
Operating margin per MT (US\$)	23.7	18.9	25.4%	37.4	-36.6%

Sales volume of 621,300 MT for Bulk segment was 27.9% and 7.2% lower than last year and previous quarter respectively.

Revenue for the quarter decreased 7.9% and 1.2% to US\$500.2 million respectively from last year and previous quarter due to lower sales volume despite higher average selling prices.

The segment achieved improved OM of US\$23.7 per MT compared to US\$18.9 last year but 27.9% lower sales volume resulted in operating margin decreasing 9.8% to US\$14.7 million. Compared to previous quarter, operating margin decreased 41.2% due to lower sales volume and lower margin per MT.

The segment contributed 70.5% of total sales volume, 68.7% of total revenue and 55.3% of total operating margin of the Group for the quarter.

Consumer Pack segment

	Q1 2017	Q1 2016	Change	Q4 2016	Change
Sales volume (MT'000)	260.3	232.9	11.8%	261.2	-0.3%
Revenue (US\$million)	227.7	168.0	35.5%	233.9	-2.7%
Average selling prices (US\$)	874.8	721.3	21.3%	895.5	-2.3%
Operating margin (US\$million)	11.9	8.9	33.7%	14.7	-19.0%
Operating margin per MT (US\$)	45.7	38.2	19.6%	56.3	-18.8%

Consumer Pack segment registered sales volume of 260,300 MT, 11.8% higher than last year but 0.3% marginally lower than previous quarter.

The segment's revenue improved 35.5% to US\$227.7 million supported by 11.8% higher sales volume and 21.3% higher average selling prices.

The segment's operating margin increased 33.7% to US\$11.9 million backed by higher sales volume and improved OM of US\$45.7 per MT compared to US\$38.2 last year. However the operating margin was 19.0% lower than previous quarter due to lower OM per MT.

The segment contributed 29.5% of total sales volume, 31.3% of total revenue and 44.7% of total operating margin of the Group for the quarter.

Balance Sheet

The Group's balance sheet remained strong with debt to equity ratio of 0.55 or net debt to equity ratio of 0.45.

The Group continued to maintain operational efficiency and sustained a short cycle time of 44 days (inventories days add trade receivables days less trade payables days).

Future Outlook

The Company noted in its results announcement, "With higher production outlook, inventory levels are expected to improve and prices are expected to ease further and stabilise. After the slow start of the year due to low inventory levels and volatility in the prices, the Group expects the sales volumes to pick up as some stability in the prices sets in. The Group expects to remain competitively positioned to leverage its strengths in the palm oil value chain."

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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