S&P INTERNATIONAL HOLDING LIMITED
椰 豐 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1695)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

FINANCIAL HIGHLIGHTS

KEY FINANCIAL PERFORMANCE

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2017 *RM*	2016 *RM*	**% of change**
Revenue	**96,523,837**	89,795,056	7%
Profit from operations	**5,005,897**	18,564,090	–73%
After charging:			
Listing expenses	**(13,209,615)**	(1,856,600)	
Net finance costs	**(187,020)**	(325,775)	–43%
Income tax expense	**(4,408,046)**	(4,881,014)	–10%
Profit for the year	**410,831**	13,357,301	–97%

Consolidated Statement of Financial Position

	2017 *RM*	2016 *RM*	
Cash and cash equivalents	**59,425,300**	10,115,057	487%
Loans and borrowings	**4,800,679**	7,058,709	–32%
Total assets less current liabilities	**121,422,752**	59,835,732	103%
Net assets	**115,698,730**	53,386,956	117%

KEY FINANCIAL RATIOS

	2017	2016	**Change (% points)**
Gross profit margin	**32.6%**	34.0%	(1.4)
Return on equity	**0.4%**	25.0%	(24.6)
Current ratio (times)	**9.0**	3.7	

FINANCIAL INFORMATION

The board (the "**Board**") of directors (the "**Directors**", each a "**Director**") of S&P International Holding Limited (the "**Company**") hereby announces the annual results of the Company and its subsidiaries (collectively the "**Group** or the **S&P Group**") for the year ended 31 December 2017 ("**FY2017**") together with the comparative figures for the year ended 31 December 2016 ("**FY2016**") and selected explanatory notes. All amounts set out in this announcement are presented in Malaysian Ringgit ("**RM**") unless otherwise indicated.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Note	**2017** *RM*	2016 *RM*
Revenue	*4*	**96,523,837**	89,795,056
Cost of sales		**(65,029,580)**	(59,227,157)
Gross profit		**31,494,257**	30,567,899
Other income	*5*	**652,722**	1,657,732
Selling and distribution expenses		**(5,647,423)**	(5,626,869)
Administrative expenses		**(20,012,924)**	(8,034,672)
Other expenses		**(1,480,735)**	—
Profit from operations		**5,005,897**	18,564,090
Finance income	*6*	**189,953**	10,700
Finance costs	*7*	**(376,973)**	(336,475)
Net finance costs		**(187,020)**	(325,775)
Profit before taxation		**4,818,877**	18,238,315
Income tax expense	*8*	**(4,408,046)**	(4,881,014)
Profit for the year	*9*	**410,831**	13,357,301
Other comprehensive (expense)/income for the year, net of tax			
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**(2,748,679)**	3,071
Total comprehensive (expense)/income for the year		**(2,337,848)**	13,360,372
Basic and diluted earnings per ordinary share (expressed in Sen)	*10*	**0.04**	1.65

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Note	2017 RM	2016 RM
ASSETS			
Non-current assets			
Property, plant and equipment	11	**24,746,533**	21,666,828
Deferred tax assets		**36,304**	49,464
		24,782,837	21,716,292
Current assets			
Inventories	12	**30,315,062**	19,924,361
Current tax asset		**656,665**	—
Trade and other receivables	13	**18,289,111**	22,240,123
Cash and cash equivalents	14	**59,425,300**	10,115,057
		108,686,138	52,279,541
TOTAL ASSETS		**133,468,975**	73,995,833
EQUITY AND LIABILITIES			
Equity			
Share capital		**5,941,706**	—*
Share premium		**58,707,916**	—
Reserves		**51,049,108**	53,386,956
		115,698,730	53,386,956
Liabilities			
Non-current liabilities			
Loans and borrowings	15	**3,404,583**	3,798,876
Deferred tax liabilities		**2,319,439**	2,649,900
		5,724,022	6,448,776
Current liabilities			
Loans and borrowings	15	**1,396,096**	3,259,833
Trade and other payables	16	**8,931,171**	9,073,811
Current tax liabilities		**1,718,956**	1,826,457
		12,046,223	14,160,101
Total liabilities		**17,770,245**	20,608,877
TOTAL EQUITY AND LIABILITIES		**133,468,975**	73,995,833
TOTAL ASSETS LESS CURRENT LIABILITIES		**121,422,752**	59,835,732

* *The share capital of the Company was HK$0.60 divided into 60 ordinary shares of a par value of HK$0.01 per share.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

		Attributable to equity shareholders of the Company					
		Share Capital	**Share Premium**	**Retained Earnings**	**Translation Reserve**	**Other Reserve**	**Total Equity**
		RM	*RM*	*RM*	*RM*	*RM*	*RM*
	Note					*(Note 17)*	
Balance at 1 January 2017		**—***	**—**	**53,233,400**	**3,356**	**150,200**	**53,386,956**
Profit for the year		**—**	**—**	**410,831**	**—**	**—**	**410,831**
Other comprehensive expense for the year		**—**	**—**	**—**	**(2,748,679)**	**—**	**(2,748,679)**
Total comprehensive expense for the year		**—**	**—**	**410,831**	**(2,748,679)**	**—**	**(2,337,848)**
Contributions by and distributions to owners of the Company							
Share issue under initial public offering, net of share issuance expenses		**1,485,427**	**63,164,195**	**—**	**—**	**—**	**64,649,622**
Capitalisation issue	#	**4,456,279**	**(4,456,279)**	**—**	**—**	**—**	**—**
Balance at 31 December 2017		**5,941,706**	**58,707,916**	**53,644,231**	**(2,745,323)**	**150,200**	**115,698,730**

* *The share capital of the Company was HK$0.60 divided into 60 ordinary shares of a par value of HK$0.01 each.*

Pursuant to written resolutions of the Company's shareholders passed on 8 June 2017 and 23 June 2017, conditional upon the crediting of the share premium account of the Company as a result of the issue of ordinary shares pursuant to the initial public offering, the Directors were authorised to allot and issue a total of 809,999,940 shares, by way of capitalisation of the sum of HK$8,099,999 (approximate to RM4,456,279) standing to the credit of the share premium account of the Company, credited as fully paid at par to the Founding Shareholders (as defined in Notes to the Consolidated Financial Statements "2. Basis of Preparation" of this announcement).

	Note	Share Capital RM	Share Premium RM	Retained Earnings RM	Translation Reserve RM	Other Reserve RM (Note 17)	Total Equity RM
		Attributable to equity shareholders of the Company					
Balance at 1 January 2016		—*	—	46,576,099	285	150,200	46,726,584
Profit for the year		—	—	13,357,301	—	—	13,357,301
Other comprehensive income for the year		—	—	—	3,071	—	3,071
Total comprehensive income for the year		—	—	13,357,301	3,071	—	13,360,372
Dividend paid by a subsidiary	*18*	—	—	(6,700,000)	—	—	(6,700,000)
Balance at 31 December 2016		—*	—	53,233,400	3,356	150,200	53,386,956

* *The share capital of the Company was HK$0.60 divided into 60 ordinary shares of a par value of HK$0.01 each.*

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	2017	2016
	RM	*RM*
Cash flows from operating activities		
Profit before tax	**4,818,877**	18,238,315
Adjustments for:		
Depreciation of property, plant and equipment	**2,013,191**	1,801,980
Finance income	**(189,953)**	(10,700)
Finance costs	**376,973**	336,475
Gain on disposal of an associate	**—**	(40,206)
Bad debts written off	**9,347**	51,879
Net loss/(gain) on disposal of property, plant and equipment	**53,916**	(25,608)
Net loss/(gain) on foreign exchange differences	**1,052,191**	(1,874,998)
Operating profit before changes in working capital	**8,134,542**	18,477,137
Change in inventories	**(10,390,701)**	2,083,282
Change in trade and other receivables	**3,131,874**	(6,555,854)
Change in trade and other payables	**(166,412)**	(7,704,457)
Cash generated from operations	**709,303**	6,300,108
Income tax paid	**(5,489,513)**	(5,628,055)
Net cash (used in)/from operating activities	**(4,780,210)**	672,053
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(5,192,185)**	(1,601,646)
Proceeds from disposal of property, plant and equipment	**45,373**	2,885,282
Proceed from disposal of an associate	**—**	40,206
Interest received	**189,953**	10,700
Net cash (used in)/from investing activities	**(4,956,859)**	1,334,542

	2017	2016
	RM	*RM*
Cash flows from financing activities		
Interest and other borrowing costs paid	**(372,756)**	(328,579)
Proceeds from new bank loans	**6,913,000**	8,952,000
Repayments of bank loans	**(7,146,352)**	(11,904,260)
Capital element of finance leases paid	**(25,083)**	(79,707)
Interest element of finance leases paid	**(4,217)**	(7,896)
Dividend paid by a subsidiary	**—**	(6,700,000)
Proceeds from shares issued under initial public offering, net of issuance expenses	**64,649,622**	—
Net cash from/(used in) financing activities	**64,014,214**	(10,068,442)
Net increase/(decrease) in cash and cash equivalents	**54,277,145**	(8,061,847)
Cash and cash equivalents at 1 January	**8,115,462**	14,810,882
Effect of foreign exchange rate changes	**(2,967,307)**	1,366,427
Cash and cash equivalents at 31 December	**59,425,300**	8,115,462

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is an investment holding company. The Group is engaged in the manufacturing and trading of food products. The core products include coconut cream powder and low fat dessicated coconut. The Group also manufactures other food products, such as non-dairy creamer and other traditional South-east Asian traditional food ingredients, such as rice dumplings (ketupat) and toasted coconut paste (kerisik).

The Company was incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 10 November 2016. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at 31/F., 148 Electric Road, North Point, Hong Kong.

The Company's issued shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 11 July 2017 (the "**Listing**").

At the date of this announcement, the Company's ultimate parent company is TYJ Holding Limited ("**TYJ**"), a company incorporated in the British Virgin Islands with limited liability on 8 November 2016 which is wholly owned by Mr. Tang Koon Fook ("**Mr. Tang**"), an executive Director and the chairman of the Company, who is also the sole director of TYJ.

2. BASIS OF PREPARATION

(a) Reorganisation

Pursuant to a group reorganisation, S&P (Hong Kong) Holding Limited, an indirect wholly owned subsidiary of the Company, acquired the entire equity interests in Edaran Bermutu Sdn. Bhd., Radiant Span Sdn. Bhd., Rasa Mulia Sdn. Bhd. and Shifu Ingredients Sdn. Bhd. from Mr. Tang and Mr. Lee Sieng Poon ("**Mr. Lee**") (together the "**Founding Shareholders**") on 29 December 2016 (the "**Reorganisation**"). Subsequent to the Reorganisation, the Company became the holding company of these companies. The risks and benefits of the Founding Shareholders in all the companies involved before and after the Reorganisation remain unchanged. Accordingly, the Reorganisation is considered to be a business combination of entities under common control. These financial statements have been prepared using the merger basis of accounting as if the companies now comprising the Group have been consolidated as at the beginning of the reporting period presented. The assets and liabilities of the consolidating companies are recognised and measured using the historical carrying amounts from the Founding Shareholders' perspective.

(b) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual IFRSs, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board ("**IASB**"). These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing these financial statements, the Group has adopted all applicable new and revised IFRSs for the current and prior accounting periods, except for any new standards or interpretations that will be effective for the accounting period beginning on or after 1 January 2018. The new and revised accounting standards and interpretations issued that will be effective for the accounting period beginning on or after 1 January 2018 are set out below.

Effective for accounting periods beginning on or after 1 January 2018

- IFRS 9, *Financial Instruments*
- IFRS 15, *Revenue from Contracts with Customers*
- IFRIC 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to IFRS 1, *First-time Adoption of International Financial Reporting Standards (Annual Improvements to IFRS Standards 2014–2016 Cycle)*
- Amendments to IFRS 2, *Share-based Payment: Classification and Measurement of Share-based Payment Transactions*
- Amendments to IFRS 4, *Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
- Amendments to IAS 28, *Investments in Associates and Joint Venture (Annual Improvements to IFRS Standards 2014–2016 Cycle)*
- Amendments to IAS 40, *Investment Property: Transfers of Investment Property*

Effective for accounting periods beginning on or after 1 January 2019

- IFRS 16, *Leases*
- IFRIC 23, *Uncertainty over Income Tax Treatments*
- Amendments to IFRS 3, *Business Combinations (Annual Improvements to IFRS Standards 2015–2017 Cycle)*
- Amendments to IFRS 9, *Financial Instruments — Prepayment Features with Negative Compensation*
- Amendments to IFRS 11, *Joint Arrangements (Annual Improvements to IFRS Standards 2015–2017 Cycle)*
- Amendments to IAS 12, *Income Taxes (Annual Improvements to IFRS Standards 2015–2017 Cycle)*
- Amendments to IAS 19, *Employee benefits — Plan amendment, curtailment or settlement*
- Amendments to IAS 23, *Borrowing Costs (Annual Improvements to IFRS Standards 2015–2017 Cycle)*
- Amendments to IAS 28, *Investments in Associates and Joint Ventures — Long-term Interests in Associates and Joint Ventures*

Effective for accounting periods beginning on or after 1 January 2021

- IFRS 17, *Insurance Contracts*

Effective for accounting periods beginning on or after a date yet to be confirmed

- Amendments to IFRS 10, *Consolidated Financial Statement*s and IAS 28, *Investments in Associates and Joint Ventures — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group will apply the abovementioned accounting standards, amendments and interpretations that are applicable to the Group when they become effective.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements of the Group.

(i) *IFRS 9, Financial Instruments*

IFRS 9 replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 also introduces a new impairment model with a forward-looking expected credit loss model.

Based on the assessment, the Group does not expect the application of IFRS 9 to have a significant impact on its consolidated financial statements, other than the disclosure impact of which the Group is finalising.

(ii) *IFRS 15, Revenue from Contracts with Customers*

IFRS 15 replaces the guidance in IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers* and IFRIC, *Revenue — Barter Transactions Involving Advertising Services*. IFRS 15 provides a single model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligations.

Based on the assessment, the Group does not expect the application of IFRS 15 to have a significant impact on its consolidated financial statements.

(iii) *IFRS 16, Leases*

IFRS 16 replaces the guidance in IAS 17, *Leases*, IFRIC 4, *Determining whether an Arrangement contains a Lease*, IFRIC 15, *Operating Leases — Incentives* and IFRIC 27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group is currently assessing the impact of adopting IFRS 16.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(d) Functional and presentation currency

The Company and other investment holding subsidiaries incorporated in the Cayman Islands, the British Virgin Islands and Hong Kong have their functional currencies in Hong Kong Dollar ("**HK$**") and subsidiaries established in Malaysia and Singapore have their functional currencies in RM and Singapore Dollar ("**SGD**") respectively. As the Group mainly operates in Malaysia, RM is used as the presentation currency of the financial statements.

(e) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than disclosed in Note 12 — Inventories.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted in the preparation of the consolidated financial statements are consistent with those described in the Accountant's Report set out in Appendix I to the Company's Prospectus dated 29 June 2017 ("**Prospectus**") and Interim report for the six months ended 30 June 2017.

4. REVENUE AND SEGMENT INFORMATION

The principal activities of the Group are the manufacturing and trading of coconut cream powder, low fat desiccated coconut and other related products.

Revenue represented the sales value of coconut cream powder, low fat desiccated coconut, coconut milk and other related products to customers net of trade discounts and returns.

	2017	2016
	RM	*RM*
Revenue from the sales of		
— Coconut cream powder	**82,476,981**	79,054,432
— Low fat desiccated coconut	**7,297,451**	3,546,111
— Coconut milk	**2,158,607**	3,415,093
— Others	**4,590,798**	3,779,420
	96,523,837	89,795,056

The chief operating decision maker of the Group assesses the performance and allocates the resources of the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the manufacturing and trading of coconut cream powder, low fat desiccated coconut and other related products. Therefore, management considers that there is only one operating segment under the requirements of IFRS 8, *Operating Segments*. In this regard, no segment information is presented.

Geographical information

The following table sets out information on the geographical locations of the Group's revenue from external customers. The geographical location of customers is based on the location to which the goods are delivered.

	2017	2016
	RM	*RM*
Malaysia	**20,267,917**	20,640,658
Jamaica	**22,517,195**	24,282,310
United Arab Emirates	**12,475,510**	6,009,912
Saudi Arabia	**9,565,247**	9,364,308
Belize	**4,226,538**	4,435,699
Other countries and regions	**27,471,430**	25,062,169
	96,523,837	89,795,056

The Group carries out its operations in Malaysia and all of the Group's non-current assets are located in Malaysia.

Major customer

Company A is the only major customer with revenue equals to or more than 10% of the Group's total revenue:

	2017	2016
	RM	*RM*
Company A (including all common control companies)	**31,192,313**	31,623,252

Revenue from Customer A is included in various different geographical locations as presented above for both FY2017 and FY2016.

5. OTHER INCOME

	2017	2016
	RM	*RM*
Gain on disposal of an associate	**—**	40,206
Net gain on disposal of plant and equipment	**—**	25,608
Net gain on foreign exchange differences	**—**	1,164,399
Rental income	**204,000**	216,000
Others	**448,722**	211,519
	652,722	1,657,732

6. FINANCE INCOME

	2017	2016
	RM	*RM*
Bank interest income	**189,953**	10,700

7. FINANCE COSTS

	2017	2016
	RM	*RM*
Interest on bank overdrafts	**9,610**	28,630
Interest on bank loans	**346,527**	258,139
Interest on finance leases	**4,217**	7,896
Other borrowing costs	**16,619**	41,810
	376,973	336,475

8. INCOME TAX EXPENSE

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2017	2016
	RM	*RM*
Current tax — Malaysian Income Tax		
Current year	**4,643,419**	4,360,401
Under/(Over) provision in respect of prior years	**81,928**	(49,808)
	4,725,347	4,310,593
Deferred tax		
Origination and reversal of temporary differences	**(52,706)**	570,421
Over provision in respect of prior years	**(264,595)**	—
	(317,301)	570,421
	4,408,046	4,881,014

The Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Hong Kong Profits Tax rate is 16.5% for the year ended 31 December 2017 (2016: 16.5%). The Group is not subject to Hong Kong Profits Tax as it has no assessable income arising in and derived from Hong Kong for the years ended 31 December 2017 and 2016.

Malaysian Income Tax has been provided at the statutory tax rate of 24% (2016: 24%) on the estimated chargeable income arising in Malaysia for the year ended 31 December 2017, except for certain subsidiaries that are entitled to tax rate at 6% lower than the statutory tax rate for their first RM500,000 chargeable income during the financial year.

9. PROFIT FOR THE YEAR

	Note	2017 RM	2016 RM
Profit for the year is arrived at after charging:			
Auditors' remuneration		**212,000**	76,000
Bad debts written off		**9,347**	51,879
Personnel expenses (including Directors' emoluments):			
— Wages, salaries and other benefits		**9,225,509**	9,603,715
— Contributions to Employees' Provident Fund		**581,370**	668,042
Depreciation of property, plant and equipment	*11*	**2,013,191**	1,801,980
Net loss on disposal of property, plant and equipment		**53,916**	—
Net loss on foreign exchange differences		**1,426,819**	—
Rental of premises		**357,581**	302,431
Listing expenses^		**13,209,615**	1,856,600
and after crediting:			
Gain on disposal of an associate		**—**	40,206
Net gain on disposal of property, plant and equipment		**—**	25,608
Net gain on foreign exchange differences		**—**	1,164,399
Rental income		**204,000**	216,000

^ Listing expenses relate to one-off expenses incurred by the Group in conjunction with the Listing, and are included as part of administrative expenses.

10. EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders of RM410,831 (2016: RM13,357,301) and the weighted average number of ordinary shares outstanding of 938,712,329 ordinary shares (2016: the deemed weighted average number of 810,000,000 ordinary shares of the Company based on the number of outstanding shares before the initial public offering ("**IPO**")).

	2017	2016
Deemed issued ordinary shares before the IPO	**810,000,000**	810,000,000
Effect of ordinary shares issued upon the IPO	**128,712,329**	—
Weighted average number of ordinary shares at 31 December	**938,712,329**	810,000,000

	2017	2016
	Sen	*Sen*
Basic earnings per ordinary share	**0.04**	1.65

The diluted earnings per ordinary share is similar to the basic earnings per ordinary share as the Company does not have any material potential dilutive ordinary shares in issuance.

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Leasehold land with unexpired lease period of more than 50 years RM	Factory buildings and other buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fitting and equipment RM	Construction in progress RM	Total RM
Cost								
At 1 January 2017	**397,046**	**415,170**	**19,005,590**	**20,912,859**	**677,720**	**2,206,097**	**135,837**	**43,750,319**
Additions	**3,400,000**	**—**	**48,000**	**1,422,612**	**—**	**114,886**	**206,687**	**5,192,185**
Disposals	**—**	**—**	**—**	**(705,949)**	**—**	**(36,271)**	**—**	**(742,220)**
Reclassification	**—**	**—**	**25,100**	**—**	**—**	**—**	**(25,100)**	**—**
At 31 December 2017	**3,797,046**	**415,170**	**19,078,690**	**21,629,522**	**677,720**	**2,284,712**	**317,424**	**48,200,284**
Accumulated depreciation								
At 1 January 2017	**—**	**152,225**	**5,998,032**	**13,564,501**	**614,350**	**1,754,383**	**—**	**22,083,491**
Charge for the year	**—**	**8,303**	**587,263**	**1,248,478**	**18,144**	**151,003**	**—**	**2,013,191**
Disposal	**—**	**—**	**—**	**(631,288)**	**—**	**(11,643)**	**—**	**(642,931)**
At 31 December 2017	**—**	**160,528**	**6,585,295**	**14,181,691**	**632,494**	**1,893,743**	**—**	**23,453,751**
Net carrying amounts								
At 31 December 2017	**3,797,046**	**254,642**	**12,493,395**	**7,447,831**	**45,226**	**390,969**	**317,424**	**24,746,533**
Cost								
At 1 January 2016	2,597,046	415,170	18,635,927	20,769,103	677,720	2,446,846	16,700	45,558,512
Additions	300,000	—	32,403	648,223	—	113,722	507,298	1,601,646
Disposals	(2,500,000)	—	(34,201)	(521,167)	—	(354,471)	—	(3,409,839)
Reclassification	—	—	371,461	16,700	—	—	(388,161)	—
At 31 December 2016	397,046	415,170	19,005,590	20,912,859	677,720	2,206,097	135,837	43,750,319
Accumulated depreciation								
At 1 January 2016	—	143,922	5,365,526	12,738,198	596,183	1,987,847	—	20,831,676
Charge for the year	—	8,303	660,833	1,002,931	18,167	111,746	—	1,801,980
Disposal	—	—	(28,327)	(176,628)	—	(345,210)	—	(550,165)
At 31 December 2016	—	152,225	5,998,032	13,564,501	614,350	1,754,383	—	22,083,491
Net carrying amounts								
At 31 December 2016	397,046	262,945	13,007,558	7,348,358	63,370	451,714	135,837	21,666,828

12. INVENTORIES

	2017	2016
	RM	*RM*
Packaging and raw materials	**4,423,453**	4,788,697
Unpacked finished goods	**24,996,480**	13,727,261
Finished goods	**895,129**	1,408,403
	30,315,062	19,924,361

The amount of inventories recognised as an expense is as follows:		
Carrying amount of inventories sold	**65,029,580**	59,227,157

13. TRADE AND OTHER RECEIVABLES

	2017	2016
	RM	*RM*
Trade receivables	**14,878,361**	17,713,589
Deposits, prepayments and other receivables	**3,410,750**	4,526,534
	18,289,111	22,240,123

All trade and other receivables are expected to be recovered or recognised as expense within one year.

As of the end of the reporting period, the ageing analysis of trade receivables based on the invoice date is as follows:

	2017	2016
	RM	*RM*
Within 1 month	**8,756,688**	7,759,610
1 to 2 months	**3,514,127**	5,668,559
2 to 3 months	**1,690,037**	3,547,262
Over 3 months	**917,509**	738,158
	14,878,361	17,713,589

14. CASH AND CASH EQUIVALENTS

	2017	2016
	RM	*RM*
Cash on hand	**56,443**	20,979
Bank balances in licensed banks	**59,368,857**	10,094,078
Cash and cash equivalents in the consolidated statement of financial position	**59,425,300**	10,115,057
Bank overdrafts *(see Note 15)*	**—**	(1,999,595)
Cash and cash equivalents in the consolidated statement of cash flows	**59,425,300**	8,115,462

15. LOANS AND BORROWINGS

	2017	2016
	RM	*RM*
Non-current		
Bank loans — secured	**3,404,583**	3,798,876
Current		
Bank overdrafts — secured	**—**	1,999,595
Finance lease liabilities — secured	**—**	25,083
Bank loans — secured	**1,396,096**	1,235,155
	1,396,096	3,259,833
	4,800,679	7,058,709

16. TRADE AND OTHER PAYABLES

	2017	2016
	RM	*RM*
Trade payables	**4,459,014**	4,162,458
Advances from customers	**470,734**	437,094
Other payables and accruals	**4,001,423**	4,474,259
	8,931,171	9,073,811

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade payables based on the invoice date is as follows:

	2017	2016
	RM	*RM*
Within 1 month	**3,454,925**	2,994,841
1 to 3 months	**1,001,723**	1,060,168
3 to 6 months	**—**	7,508
Over 6 months	**2,366**	99,941
	4,459,014	4,162,458

17. OTHER RESERVE

Other reserve of the Group represents the difference between the par value of the Company's shares issued and the aggregate amount of paid-up capital of Edaran Bermutu Sdn. Bhd. Radiant Span Sdn. Bhd., Rasa Mulia Sdn. Bhd. and Shifu Ingredients Sdn. Bhd. acquired pursuant to the Reorganisation as disclosed in Note 2.

18. DIVIDENDS

The Company did not pay any dividends during the period from 10 November 2016 (date of incorporation) to 31 December 2016.

At a meeting of the Board held on 28 March 2018, the Directors resolved not to declare any dividend to the shareholders of the Company (the "**Shareholders**") for FY2017.

In 2016, dividend paid represent an interim dividend declared by the Company's subsidiary, Edaran Bermutu Sdn. Bhd., in respect of the financial year ended 31 December 2016. The rate of dividend and the number of shares ranking for dividend are not presented as such information are not meaningful having regard to the basis of preparation of the consolidated financial statements as disclosed in Note 2.

19. CONTINGENT LIABILITIES

At 31 December 2017, the Group had no material contingent liabilities (2016: Nil).

20. COMMITMENTS

(a) Capital commitments

Capital commitments outstanding at the end of each reporting period not provided for in the consolidated financial statements are as follows:

	2017	2016
	RM	*RM*
Property, plant and equipment		
Authorised but not contracted for	**51,500,000**	—
Contracted but not provided for	**1,073,090**	932,951

(b) Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2017	2016
	RM	*RM*
Within one year	**78,480**	86,400
After one year but within five years	**70,220**	127,400
	148,700	213,800

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

21. RELATED PARTY TRANSACTIONS

Key management personnel remuneration

Remuneration of key management personnel of the Group is as follows:

	2017	2016
	RM	*RM*
Salaries and other benefits	**2,094,370**	1,892,045
Discretionary bonuses	**19,816**	358,512
Contributions to Employees' Provident Fund	**221,627**	263,153
	2,335,813	2,513,710

22. FINANCIAL INSTRUMENTS

(a) Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Management manages and monitors these exposures to ensure that appropriate measures are implemented on a timely and effective manner. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activities are undertaken by management.

The consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Accountants' Report set out in Appendix I to the Prospectus.

There have been no changes in the risk management policies since FY2016.

(b) Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their carrying amounts shown in consolidated statement of financial position. None of the financial instruments are carried at fair value during the financial period.

	Fair value of financial instruments not carried at fair value				
	Level 1	**Level 2**	**Level 3**	**Total**	**Carrying amount**
	RM	*RM*	*RM*	*RM*	*RM*
2017					
Financial liabilities					
Bank loans	**—**	**—**	**4,354,561**	**4,354,561**	**4,800,679**
2016					
Financial liabilities					
Finance lease liabilities	—	—	27,404	27,404	25,083
Bank loans	—	—	5,037,304	5,037,304	5,034,031
	—	—	5,064,708	5,064,708	5,059,114

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is engaged in the manufacturing and trading of food products. The core products include coconut cream powder and low fat dessicated coconut, manufactured at the Group's manufacturing facility located at Bagan Datoh, Perak, Malaysia (the "**Perak Plant**"), which is equipped with a multi-stage spray dryer which is fully automated and monitored centrally ensuring high quality and stable production. The Group also manufactures other food products, such as non-dairy creamer and other traditional South-east Asian traditional food ingredients, such as rice dumplings (ketupat) and toasted coconut paste (kerisik).

The Group is committed to delivering high quality and safe food products and services, meeting customers' expectations and complying with legal requirements, and continually improving customers' satisfaction and having a quality management team. It implements comprehensive and strict quality assurance procedures throughout all stages of the production, from the procurement of raw materials to the packaging and delivery of the finished products. In this regard, the Group has been accredited with various certifications in relation to quality management and food safety.

Financial Review

The Group's revenue was approximately RM96.5 million for FY2017, representing an increase of approximately 7.5%, or RM6.7 million, when compared with that for FY2016 of approximately RM89.8 million.

The Group's cost of sales increased by approximately 9.8%, or RM5.8 million, from approximately RM59.2 million for FY2016 to approximately RM65.0 million for FY2017, which was attributable primarily to significant price increment of the major raw materials, coconuts and white kernels. Nonetheless, gross profit for FY2017 increased by approximately 2.9%, or RM0.9 million when compared with that for FY2016 in tandem with the increase in revenue.

A combination of (i) the selling price increase is less than the significant increase in cost of coconuts (major raw material of coconut cream powder) and (ii) appreciation of RM against United States Dollars ("**USD**"), resulted in a gross margin compression from approximately 34.0% in FY2016 to approximately 32.6% in FY2017.

Coconut cream powder

The Group's best-selling product is coconut cream powder. Production of coconut cream powder went through a tumultuous period in the second and third quarter of 2017. In response to a sudden change in the supply and demand situation in the coconut market in the second and third quarters of 2017, the cost of coconuts surged to unprecedented levels. This has significantly impacted the performance of the Group for the year. Revenue for coconut cream powder for FY2017 was approximately RM82.5 million, which increased by approximately RM3.4 million as compared to FY2016 of approximately

RM79.1 million. The increase in revenue for coconut cream powder for FY2017 was attributable primarily to the 9.4% increase in average selling price, partially offset by a decrease in sales volume by approximately 4.6% as compared to FY2016.

Low fat desiccated coconut

Revenue for low fat desiccated coconut for FY2017 was approximately RM7.3 million, an increase of approximately RM3.8 million as compared to that for FY2016 of approximately RM3.5 million. The increase was attributable primarily to a significant increase in sales volume by approximately 101.5%.

Coconut milk

Revenue for coconut milk for FY2017 was approximately RM2.2 million, a reduction by approximately RM1.2 million as compared to that for FY2016 of approximately RM3.4 million. This was attributable mainly to a significant decrease in sales volume by approximately 43.3%, primarily caused by the inability of the Group's Original Equipment Manufacturer ("**OEM**") suppliers of coconut milk to fulfil supply requirements in FY2017. Consequently, the Group had not been able to meet the demand for coconut milk products from its customers. To address this situation, the Group is sourcing for new OEM suppliers to meet customers demand in the short term. For the longer term, in addition to the network of OEM suppliers, the Group plans to expand and upgrade its production facilities at its Perak Plant, the construction works for which shall commence shortly.

Other income

This comprises mainly of rental income, sale of scrap items and net foreign currency exchange gain, if any. In FY2017, whilst the property rental income remained fairly stable at approximately RM0.2 million, the Group did not have any net foreign exchange gain (but instead suffered a net foreign exchange loss, as explained in 'Other expenses' below) due mainly to the appreciation of RM against USD in relation to the settlement and retranslation of USD-denominated account receivables of the Group, as compared to the net foreign exchange gain of RM1.2 million in FY2016.

Selling and distribution expenses

The Group's selling and distribution expenses remained relatively stable at approximately RM5.6 million for both FY2017 and FY2016.

Administrative expenses

The Group's administrative expenses increased by approximately 150.0%, or RM12.0 million from approximately RM8.0 million for FY2016 to approximately RM20.0 million for FY2017, attributable primarily to the incurrence of the one-off and non-recurring Listing expenses of approximately RM13.2 million.

Other expenses

The Group's other expenses for FY2017 were approximately RM1.5 million, which were mainly made up of net foreign exchange loss. This arose primarily from the appreciation of RM against the USD during FY2017.

Net finance costs

The Group's net finance costs were reduced from approximately RM0.3 million in FY2016 to approximately RM0.2 million in FY2017. Whilst finance cost remained largely stable, the Group recorded finance income of approximately RM0.2 million in FY2017, primarily earned from interest income on unutilised net proceeds from the initial public offering exercise, pending their deployment for the Group's future expansion plans.

Income tax expense

The Group's income tax expense decreased by approximately 10.2%, or RM0.5 million from approximately RM4.9 million for FY2016 to approximately RM4.4 million for FY2017, which was primarily in line with a decrease in the profit before tax, leading to a decrease in the taxable profit.

Profit Attributable to equity shareholders of the Company

The Group recorded a profit attributable to equity shareholders of the Company of approximately RM0.4 million for FY2017, as compared to a profit of approximately RM13.4 million in FY2016. This was attributable mainly to the one-off and non-recurring Listing expenses of approximately RM13.2 million incurred during FY2017.

Future Prospects and Strategies

S&P Group intends to grow and expand in tandem with the growing coconut related products industry. Initiatives are put in place to capitalise on the vibrant industry outlook. Areas which the management team shall place emphasis on, amongst others, are widening of the global distribution network and strengthening of the Group's product innovation and development capabilities, and talent development and management initiatives to ensure sustainable growth of the Group.

Liquidity, Financial Resources and Capital Structure

The Group maintained a solid financial position and was in a net cash position as at 31 December 2017. The Group was able to meet its obligations when they became due in its ordinary and usual course of business.

Capital Structure

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business.

There were no changes in the Group's approach to capital management during the FY2017.

Cash Position

As at 31 December 2017, the Group's cash and cash equivalents were approximately RM59.4 million as compared with approximately RM10.1 million as at 31 December 2016. The increase of approximately RM49.3 million in cash was mainly from unutilised net proceeds from the IPO exercise.

Loans and Borrowings

As at 31 December 2017, the loans and borrowings amounted to approximately RM4.8 million, representing a decrease of approximately RM2.3 million as compared to approximately RM7.1 million as at 31 December 2016, attributable primarily to net repayments of bank borrowings during FY2017.

PLEDGE OF ASSETS

As at 31 December 2017 and 31 December 2016, the assets pledged to licensed banks for banking facilities granted to the Group were as follows:

	2017	2016
	RM	*RM*
Leasehold land	**254,642**	262,945
Freehold land	**97,046**	97,046
Factory buildings and other buildings	**11,344,831**	11,791,483
	11,696,519	12,151,474

CAPITAL EXPENDITURES

During FY2017, the Group had incurred capital expenditures of approximately RM5.2 million as compared to approximately RM1.6 million in FY2016. The expenditures were mainly related to the purchase of property, plant and equipment.

SIGNIFICANT INVESTMENTS

The Group did not hold any significant investments as at 31 December 2017 and 31 December 2016.

MATERIALS ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2017 and FY2016.

USE OF PROCEEDS FROM LISTING AND CHANGE IN USE OF PROCEEDS

On 11 July 2017 (the "**Listing Date**"), the Company completed its IPO by way of a global offering of 270,000,000 shares (the "**Shares**") at an issue price of HK$0.48 per share and the Company's shares commenced trading on the Main Board of The Stock Exchange of Hong Kong Limited on the same day.

The net proceeds received by the Company from the IPO after deducting the relevant one-off and non-recurring Listing expenses amounted to approximately HK$90.4 million (equivalent to approximately RM46.8 million based on Bank Negara Malaysia's mid-rate as at 29 December 2017 (being the last trading day of 2017) of HK$1.00:RM0.51795)) ("**Year End HK$:RM Rate**") (the "**Net Proceeds**").

The Group is in the process of implementing its business strategies as set out in the Prospectus of the Company and has utilised approximately RM0.8 million of the Net Proceeds as at 31 December 2017 based on the proposed applications under the Section headed "Future Plans and Use of Proceeds" of the Prospectus. The following sets forth a summary of the allocation of the Net Proceeds and its utilisation as at 31 December 2017, the Group's current plan as to the remaining utilisation and reasons for the changes to their manner of utilisation as compared to that envisaged in the Prospectus.

Use of Proceeds	**Approximate amount of Net Proceeds** *(RM 'million)*	**Approximate percentage of Net Proceeds** *(%)*	**Approximate actual amount utilized as at 31 December 2017** *(RM 'million)*	**Unused amount of Net Proceeds as at 31 December 2017** *(RM 'million)*
Expanding and upgrading the production facilities at the Perak Plant	35.6	76.0%	(0.1)	35.5
Recommissioning of the Johor Plant	4.7	10.0%	0	4.7
Advertising and promotion expenses	1.2	2.5%	0	1.2
Investing in new equipment to enhance the research and development	1.2	2.5%	0	1.2
General corporate purposes and working capital	4.1	9.0%	(0.7)	3.4
Total	46.8*	100.0%	(0.8)	46.0

* The above Net Proceeds in RM were arrived at after taking into account the Year End HK$:RM Rate. Should there be any further movement in the foreign exchange rate until the actual utilisation of the Net Proceeds, any upward or downward differences will be taken into "General corporate purposes and working capital".

(i) The planned expansion and upgrade of the Group's production facilities at the Perak Plant was originally expected to be completed in second quarter of 2018. Subsequent to the Listing, the Group has come across to an opportunity to purchase the two parcels of land adjacent to the Perak Plant from an independent third party, and decided to use its internally generated funds to pursue on the acquisition which was completed in fourth quarter of 2017. The Directors take the view that, after assessing and considering the long term development, business expansions and commercial factors, the Group will be better off to site certain facilities on these purchased lands than the originally leased land in order to accommodate the planned expansion and upgrade of Perak Plant in the future.

    In accordance with the Uniform Building By-Laws, 1984, the Group is required to submit an application to the relevant authority, Majlis Perbandaran Teluk Intan, Perak (Teluk Intan Municipal Council) for (i) planning approval and (ii) approval of the building plans prior to the commencement of construction. The Group has obtained planning approval on 16 March 2018 and is in the midst of obtaining the approval for the building plans before construction works for the said expansion and upgrade commences. Our Directors expect to obtain the approval for building plans by the second quarter of 2018, and now expect that the allocated portion of the Net Proceeds for the Perak Plant expansion and upgrade project to be utilised by the second quarter of 2019.

(ii) The recommissioning of the Group's second production facility located at Parit Raja, Johor, Malaysia (the "**Johor Plant**") was originally expected to be completed in the third quarter of 2018, and one of the uses of the Net Proceeds earmarked for this purpose was for purchasing and installing a biomass boiler thereat. With the expected availability of natural gas (a cleaner and more efficient alternative fuel to biomass) at the Johor Plant in the near future, the installation of the biomass boiler will no longer be required. In view of this, the utilisation of proceeds allocated for the biomass boiler will be applied to the other two planned uses under this head, namely for building a waste water treatment plant and installation of coconut milk extraction equipment and other equipment and building structures required for recommissioning the Johor Plant. The Directors now expect that the Net Proceeds allocated for refurbishing the Johor Plant will be fully utilised by the second quarter of 2019.

(iii) The Group has planned to undertake appropriate advertising and promotion activities to be timed in line with the commencement of the production of coconut milk and coconut water from the Perak Plant. Further, the Group will also acquire appropriate equipment for research and development and product testing purposes. The Directors now expect the allocated Net IPO Proceeds for these purposes to be fully utilised by third quarter of 2018.

The Directors have considered the impact of the above changes to the use and the date of use of the Net Proceeds, and are of the view that the changes are in the best interests of the Group to meet its future business operations and financial requirements. The Group remains resolute to execute the future expansion plans of the Company as set out in the 'Use of Proceeds' section in the Prospectus and above albeit with delay due to unforeseen developments.

As at 31 December 2017, the unutilised Net IPO Proceeds were deposited as short-term deposits with a licensed bank in Hong Kong.

FOREIGN EXCHANGE EXPOSURE

The Group undertakes certain transactions denominated in foreign currencies, mainly in USD and HK$, and hence exposure to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely in order to keep the net exposure to an acceptable level. The Group will consider hedging significant foreign currency exposure should the need arises.

FINAL DIVIDEND

At the meeting of the Board held on 28 March 2018, the Board has resolved not to declare any dividend to the shareholders of the Company for FY2017.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held at 10:00 a.m. on Wednesday, 30 May 2018 at Seminar Room 03D, The Executive Centre, Level 3, Three Pacific Place, Admiralty, Hong Kong and the notice of the AGM will be published and despatched in accordance with the requirements under the Company's articles of association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' rights to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 25 May 2018 to Wednesday, 30 May 2018, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, non-registered Shareholders must lodge all completed transfer documents accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 24 May 2018.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 238 employees and 247 employees as at 31 December 2017 and 31 December 2016 respectively. Remuneration is determined by reference to prevailing market terms and in accordance with the performance, qualification and experience of each individual employee.

The Company has adopted a share option scheme (the "**Share Option Scheme**") with effect from 11 July 2017 to enable the Board to grant share options to eligible participants with an opportunity to have a personal stake in the Company with a view to achieve the following objectives: (i) motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain an ongoing business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

As at the date of this announcement, there was no outstanding share option granted under the Share Option Scheme.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2017 and 31 December 2016.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company did not redeem any of its Shares nor did the Company or any of its subsidiaries, purchase or sell any of such Shares during the period from the Listing Date and up to 31 December 2017.

CORPORATE GOVERNANCE

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company so as to achieve effective accountability.

The Company has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance.

During the period from the Listing Date and up to 31 December 2017, the Company had complied with all of the applicable code provisions of the CG Code. The Company is committed to the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

The audit committee of the Company (the "**Audit Committee**"), consisting of three independent non-executive Directors, namely Mr. Fung Che Wai Anthony (chairman of the Audit Committee), Mr. Chong Yew Hoong and Mr. Ng Hock Boon, are responsible for reviewing the Company's corporate governance policies and the Company's compliance with the CG Code and will make recommendations to the Board accordingly.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct governing the Directors' securities transactions. All the Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the Model Code during the period from the Listing Date and up to 31 December 2017.

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

The Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has received the annual confirmation of independence from all three independent non-executive Directors, namely Mr. Fung Che Wai Anthony, Mr. Chong Yew Hoong and Mr. Ng Hock Boon in accordance with Rule 3.13 of the Listing Rules.

The Board has reviewed the independence of all independent non-executive Directors and concluded that all of them are independent within the definition of the Listing Rules. Furthermore, the Board is not aware of the occurrence of any event which would cause it to believe that the independence of any of the independent non-executive Directors has been impaired up to the date of this announcement.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee has reviewed the consolidated results of the Group for FY2017 and agreed to the accounting principles and practices adopted by the Group.

SCOPE OF WORK OF KPMG PLT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2017 have been agreed by the Group's auditors, KPMG PLT, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG PLT in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board and consequently no assurance has been expressed by KPMG PLT on the preliminary announcement.

By order of the Board,
S&P International Holding Limited
Tang Koon Fook
Chairman and Executive Director

Hong Kong, 28 March 2018

As at the date of this announcement, the Board comprises seven Directors, including four executive Directors, namely Mr. Tang Koon Fook (Chairman), Mr. Lee Sieng Poon, Mr. Yap Boon Teong and Ms. Wong Yuen Lee; and three independent non-executive Directors, namely Mr. Fung Che Wai Anthony, Mr. Chong Yew Hoong and Mr. Ng Hock Boon.