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S&P INTERNATIONAL HOLDING LIMITED

椰豐集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1695)

PROFIT WARNING

This announcement is made by S&P International Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on a preliminary review of the Group’s latest unaudited consolidated management accounts for the 6-month period ended 30 June 2018 (“**1H2018**”), and taking into consideration of the information currently available to the Board, the Group expects to record a net profit after tax of approximately RM3.5 million as compared with the adjusted net profit after tax of approximately RM5.2 million (after adding back the one-off listing expenses of approximately RM7.5 million for comparison purpose) recorded for the corresponding period ended 30 June 2017 (“**1H2017**”).

Based on the currently available information, the Board believes that the decline in net profit after tax for 1H2018 was primarily attributable to the following:

- (i) a decrease in total gross profit of approximately RM0.2 million in 1H2018 as compared to 1H2017. There was a reduction in sales revenue of approximately RM7.8 million or approximately 16% in 1H2018 as compared to 1H2017, mainly due to a decrease in sales volume of the Group. The decline was partially offset by the decrease in cost of coconuts, which is one of the major raw materials of the Group, during 1H2018, resulting in an increase in the gross profit margin of the Group in 1H2018 as compared to 1H2017;
- (ii) an increase in administrative expenses of the Group of approximately RM2.3 million, mainly due to an increase in staff-related costs in line with its factory and sales expansion plans and other expenses relating to the Company being a listed entity on the Stock Exchange; and

(iii) an increase in net loss on foreign exchange of approximately RM0.9 million arising from the depreciation of the Malaysian Ringgit against the United States Dollar during 1H2018.

The Board is of the view that despite the decline in net profit after tax for 1H2018, the overall financial position of the Group is healthy, and the Company is capable of confronting challenges ahead.

The Company is still in the process of finalising the unaudited consolidated interim results of the Group for 1H2018. The information contained in this announcement is only based on the information currently available to the Board and a preliminary review of the Group's latest unaudited consolidated management accounts for 1H2018, which may be subject to change and adjustment after further internal review by the Board and the audit committee of the Company. The actual unaudited consolidated interim results of the Group for 1H2018 may be different from what is disclosed in this announcement. Shareholders and potential investors of the Company are advised to read carefully on the details of the financial information and performance of the Group for 1H2018 that will be included in the interim results announcement of the Company for 1H2018, which is expected to be published in late August 2018.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 27 July 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.