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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 of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review of the Company’s latest unaudited consolidated management accounts for the year ended 31 December 2017 (“**FY2017**”), the Group is expected to record a net profit after tax of less than RM1 million for FY2017 as compared to a net profit after tax of approximately RM13.4 million for the year ended 31 December 2016 (“**FY2016**”).

The significant decline in net profit after tax for FY2017 is primarily attributable to:

- (i) the non-recurring listing expenses recognized by the Company in connection with the listing of the Company’s issued shares on The Stock Exchange of Hong Kong Limited on 11 July 2017, as disclosed in the prospectus of the Company dated 29 June 2017 and the Company’s 2017 interim report in respect of the unaudited consolidated results of the Group for the six months ended 30 June 2017. Upon completion of the said listing exercise, the actual aggregate amount of listing expenses to be recognized by the Company in FY2017 as compared to the earlier estimated amount exceeded by RM4.0 million after taking into account the amount of all fees incurred for professional services; and
- (ii) the net loss on foreign exchange differences of approximately RM1.4 million arising mainly from appreciation of RM against US\$ in the second half of FY2017 as compared to a net gain on foreign exchange differences of approximately RM1.2 million in FY2016. The unforeseen strengthening of RM against US\$ has a significant impact on the Group’s operating results as the Group’s sales to overseas customers were principally denominated in US\$.

Excluding the impact of the non-recurring listing expenses recognized by the Company, the Company expects that there is a decrease in net profit after tax of approximately 10% for FY2017 as compared to that for FY2016. Nevertheless, the revenue and gross profit for FY2017 are expected to increase slightly as compared to FY2016 despite the significant increase in prices of the major raw materials used in the Group's production, namely, coconut and white kernels in FY2017.

The Company is still in the process of finalising the audited consolidated results of the Group for FY2017. The information contained in this announcement is based on the Board's preliminary assessment of the Company's latest unaudited consolidated management accounts for FY2017, which may be subject to adjustments after further internal review by the Board and the audit committee of the Company. The actual annual results of the Group for FY2017 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 FY2017 that will be included in the annual results announcement of the Company for FY2017, which is expected to be published in March 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, 26 February 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.