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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 the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Directors**” and the “**Board**”, respectively) wishes to inform the Company’s shareholders and potential investors (the “**Shareholders**” and the “**Potential Investors**” respectively) that based on a preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2020 (“**FY2020**”) and the information currently available to the Board, the Group is expected to record a loss after tax of not more than Ringgit Malaysia (“**RM**”) 4.0 million for FY2020 as compared to its loss after tax of RM1.86 million for the year ended 31 December 2019 (“**FY2019**”).

To the best knowledge of the Directors, in addition to the deteriorated market conditions and the business disruptions of the Group caused by the outbreak of the novel coronavirus disease (2019) (the “**COVID-19**”), the main reasons for the expected loss after tax were:

- (i) A decrease in the gross profit margin (the “**GPM**”) of the Group from 23.7% in FY2019 to 11.8% in FY2020. The significant decrease in the GPM was mainly due to (a) approximately 49.5% increase in the average purchase cost of raw coconuts, which is the main component of the raw material costs for the Group, whereas the average selling price of the Group’s products was roughly the same; and (b) increase in expenses which included the depreciation for the new liquid plant of approximately RM4.0 million, which commenced commercial operations in the first half of FY2020, being charged to cost of sales; and

- (ii) In FY2020, the Group recorded an under provision of FY2019 income tax expenses and FY2019 deferred tax expenses of approximately RM1.9 million.

In response to the challenges caused by the COVID-19 and the increase in operating cost, the Group have implemented several cost-cutting measures. As a result, the Group recorded a saving of approximately RM3.5 million in selling, distribution and administrative expenses in FY2020.

The Company is currently in the process of finalizing the consolidated results of the Group for FY2020. The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for FY2020 which have not been confirmed, audited or reviewed by the independent auditor of the Company nor reviewed by the Audit Committee of the Company and the information currently available to the Board which is subject to finalization and necessary adjustments. The FY2020 final results announcement of the Company are expected to be published by the end of March 2021.

**Shareholders and Potential Investors are advised to 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, 18 February 2021

*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. Ng Hock Boon and Mr Lim Sey Hock.*