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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)**

## **ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

### **FINANCIAL HIGHLIGHTS**

### **KEY FINANCIAL PERFORMANCE**

#### **Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December**

	<b>2024</b>	<b>2023</b>	<b>% of change</b>
	<b>RM</b>	<b>RM</b>	
Revenue	<b>114,497,661</b>	85,217,638	34.36
Profit/(Loss) from operations	<b>14,670,835</b>	(609,161)	>100
After charging:			
Net finance costs	<b>(1,376,491)</b>	(2,057,842)	(33.11)
Income tax (expense)/credit	<b>(3,925,836)</b>	868,679	>100
Profit/(Loss) for the year	<b>9,368,508</b>	(1,798,324)	>100

**Consolidated Statement of Financial Position as at 31 December**

	<b>2024</b>	<b>2023</b>	<b>% of change</b>
	<b>RM</b>	<b>RM</b>	
Cash and cash equivalents	<b>14,164,790</b>	8,304,999	70.56
Loans and borrowings	<b>22,110,712</b>	28,761,070	(23.12)
Total assets less current liabilities	<b>147,781,941</b>	120,528,270	22.61
Net assets	<b>126,789,826</b>	118,875,497	6.66

**KEY FINANCIAL RATIOS FOR THE YEAR ENDED 31 DECEMBER**

	<b>2024</b>	<b>2023</b>	<b>change in % point/ % of change</b>
Gross profit margin	<b>25.5%</b>	20.3%	5.2
Return on equity	<b>7.4%</b>	(1.5%)	8.9
Current ratio (times) <sup>#</sup>	<b>2.7</b>	1.2	>100

<sup>#</sup> Dividing current assets by current liabilities as at the end of the reporting year.

## 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 (the “**Group**”) for the year ended 31 December 2024 (“**FY2024**”), together with the comparative figures for the year ended 31 December 2023 (“**FY2023**”) and selected explanatory notes. All amounts set out in this announcement are presented in Ringgit Malaysia (“**RM**”) unless otherwise indicated.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

	<i>Note</i>	<b>2024</b> <i>RM</i>	2023 <i>RM</i>
<b>Revenue</b>	5	<b>114,497,661</b>	85,217,638
Cost of sales		<b>(85,290,327)</b>	(67,879,648)
<b>Gross profit</b>		<b>29,207,334</b>	17,337,990
Other income	6	<b>2,829,660</b>	909,577
Selling and distribution expenses		<b>(4,970,964)</b>	(2,931,972)
Administrative expenses		<b>(10,448,031)</b>	(10,103,986)
Other expenses		<b>(1,947,164)</b>	(5,820,770)
Profit/(Loss) from operations		<b>14,670,835</b>	(609,161)
Finance income	7	<b>129,869</b>	60,976
Finance costs	8	<b>(1,506,360)</b>	(2,118,818)
Net finance costs		<b>(1,376,491)</b>	(2,057,842)
<b>Profit/(Loss) before taxation</b>		<b>13,294,344</b>	(2,667,003)
Income tax (expense)/credit	9	<b>(3,925,836)</b>	868,679
<b>Profit/(Loss) for the year</b>	10	<b>9,368,508</b>	(1,798,324)

		2024	2023
	Note	RM	RM
<b>Other comprehensive (loss)/income for the year, net of tax</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences for foreign operations		<u>(1,454,179)</u>	<u>3,121,601</u>
<b>Total comprehensive income for the year</b>		<u><b>7,914,329</b></u>	<u><b>1,323,277</b></u>
<b>Profit/(Loss) attributable to:</b>			
Equity shareholders of the Company		<b>9,367,974</b>	(1,800,969)
Non-controlling interest		<u>534</u>	<u>2,645</u>
<b>Profit/(Loss) for the year</b>		<u><b>9,368,508</b></u>	<u><b>(1,798,324)</b></u>
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		<b>7,913,899</b>	1,320,499
Non-controlling interest		<u>430</u>	<u>2,778</u>
<b>Total comprehensive income for the year</b>		<u><b>7,914,329</b></u>	<u><b>1,323,277</b></u>
<b>Basic and diluted earnings/(loss) per ordinary share (expressed in Sen):</b>	11	<u><b>0.87</b></u>	<u><b>(0.17)</b></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Note</i>	<b>2024</b> <b>RM</b>	2023 <b>RM</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>100,850,657</b>	106,161,102
Right-of-use assets		<b>4,257,198</b>	4,833,932
Deferred tax assets		<b>372,190</b>	225,834
<b>TOTAL NON-CURRENT ASSETS</b>		<b>105,480,045</b>	111,220,868
<b>CURRENT ASSETS</b>			
Inventories	13	<b>28,969,531</b>	23,292,226
Current tax asset		<b>1,890,565</b>	1,806,569
Trade and other receivables	14	<b>21,613,738</b>	16,429,874
Pledged time deposits		—	2,208,017
Cash and cash equivalents		<b>14,164,790</b>	8,304,999
<b>TOTAL CURRENT ASSETS</b>		<b>66,638,624</b>	52,041,685
<b>TOTAL ASSETS</b>		<b>172,118,669</b>	163,262,553
<b>EQUITY AND LIABILITIES EQUITY</b>			
Share capital		<b>5,941,706</b>	5,941,706
Share premium		<b>58,707,916</b>	58,707,916
Reserves		<b>62,073,859</b>	54,159,960
Total equity attributable to equity shareholders of the Company		<b>126,723,481</b>	118,809,582
Non-controlling interest		<b>66,345</b>	65,915
<b>TOTAL EQUITY</b>		<b>126,789,826</b>	118,875,497

		<b>2024</b>	2023
	<i>Note</i>	<i>RM</i>	<i>RM</i>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	15	<b>15,781,674</b>	315,354
Lease liabilities		<b>15,668</b>	87,729
Deferred tax liabilities		<b>5,194,773</b>	1,249,690
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>20,992,115</b>	1,652,773
<b>CURRENT LIABILITIES</b>			
Loans and borrowings	15	<b>6,329,038</b>	28,445,716
Lease liabilities		<b>102,885</b>	308,979
Trade and other payables	16	<b>14,260,923</b>	10,601,073
Contract liabilities	17	<b>3,643,882</b>	3,378,515
<b>TOTAL CURRENT LIABILITIES</b>		<b>24,336,728</b>	42,734,283
<b>TOTAL LIABILITIES</b>		<b>45,328,843</b>	44,387,056
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>172,118,669</b>	163,262,553
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>147,781,941</b>	120,528,270

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

The Company is an investment holding company. The Group is principally engaged in manufacturing and distribution of coconut based food and beverage products such as coconut cream powder, low fat desiccated coconut, coconut milk and coconut water. The Group also manufactures 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 Act, 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 89, Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands and its principal place of business in Hong Kong is located at Unit 1513, 15/F, Austin Tower, 22–26 Austin Avenue, Tsim Sha Tsui, Kowloon, Hong Kong. The principal place of business in Malaysia is located at 27–3, Jalan PJU 5/13 Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The Company's ordinary shares in issue were listed and traded on the Main Board of the Stock Exchange 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 (the “**BVI**”) with limited liability on 8 November 2016. TYJ is wholly owned by Mr. Tang Koon Fook, an executive Director and the managing director of the Company, who is also the sole director of TYJ.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The annual results set out in this announcement do not constitute the Group's financial statements for FY2024 but are extracted from those financial statements.

The financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board. 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 (the “**Listing Rules**”).

### *Application of new or amended standards*

In the current year, the Group has applied a number of amendments that become effective mandatorily for the financial periods beginning on or after 1 January 2024. The adoption of the amendments does not have significant impact on the disclosures or on the amounts reported in these financial statements.

#### **(b) Basis of measurement**

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

#### **(c) Functional and presentation currency**

The Company and other investment holding subsidiaries incorporated in the Cayman Islands, the BVI and Hong Kong have their functional currencies in Hong Kong Dollar (“**HK\$**”) and other subsidiaries established in Malaysia, Singapore and Thailand have their functional currencies in RM and Singapore Dollar and Thai Baht, respectively. As the Group mainly operates in Malaysia, RM is used as the presentation currency of the consolidated financial statements.

### **3. MATERIAL 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 Company’s annual report for FY2023.

### **4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the financial statements in conformity with IFRS Accounting Standards 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 as disclosed below:

### **Impairment of property, plant and equipment**

Annually, the Group carries out a review of impairment indication on property, plant and equipment. Where there is indicator of impairment, the Group estimates the recoverable amount of the property, plant and equipment. The recoverable amount of the property, plant and equipment is estimated based on value-in-use calculations and/or fair value less costs to sell. The value-in-use is determined by discounting the future cash flows generated from the continuing use of the property, plant and equipment and the projected cash flows were prepared based on the financial projections approved by the Directors. The values assigned to the key assumptions used in the calculations represent management's estimate of the future income and expenditure which involve significant management's estimations based on various factors at the reporting date.

During the previous financial year, impairment test was conducted due to lower than expected utilisation rate of the liquid production plant. The recoverable amount of the assets has been determined on the basis of value in use, where the cash flow projection attributable to the assets was discounted at 10.8% per annum. As recoverable amount was lower than the carrying amount, impairment losses recognised in respect of the liquid production plant and related assets amounted to RM1,750,000.

During the current financial year, management has performed impairment test on the liquid production plant in view of impairment indicators identified. The management has made key assumptions and estimates on the appropriate discount rate, estimated income and expenses. The discount rate adopted in the impairment test model of the Group is 10.8% per annum. Based on the estimated recoverable amount, no impairment loss is identified.

## **5. REVENUE AND SEGMENT INFORMATION**

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

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

	<b>2024</b> <i>RM</i>	2023 <i>RM</i>
Revenue from contracts with customers		
— Coconut related products	<b>102,611,961</b>	78,019,025
— Others	<b>11,885,700</b>	7,198,613
	<b><u>114,497,661</u></b>	<b><u>85,217,638</u></b>

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 distribution of coconut cream powder, low fat desiccated coconut, coconut milk, coconut water 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 at which the goods are delivered.

	<b>2024</b> <i>RM</i>	2023 <i>RM</i>
West Indies	<b>26,149,631</b>	13,541,578
South East Asia	<b>39,338,107</b>	29,688,362
Middle East	<b>20,013,103</b>	18,019,125
North America	<b>8,793,501</b>	7,018,809
East Asia	<b>7,458,312</b>	7,912,433
Other regions	<b>12,745,007</b>	9,037,331
	<b><u>114,497,661</u></b>	<b><u>85,217,638</u></b>

The Group's non-current assets are all located in Malaysia with an aggregate amount of RM105,480,045 (2023: RM111,220,868).

## Major customers

Company A is the customer (including all common control companies) with revenue equal or more than 10% (2023: 10%) of the Group's total revenue:

	<b>2024</b>	<b>2023</b>
	<b><i>RM</i></b>	<b><i>RM</i></b>
Company A	<b><u>34,400,525</u></b>	<b><u>19,405,046</u></b>

## 6. OTHER INCOME

	<b>2024</b>	<b>2023</b>
	<b><i>RM</i></b>	<b><i>RM</i></b>
Income from subleasing of right-of-use assets	<b>202,516</b>	184,000
Net gains on foreign exchange differences		
— Realised	<b>—</b>	73,775
— Unrealised	<b>2,017,759</b>	—
Gain on disposal of property, plant and equipment	<b>7,198</b>	—
Others	<b><u>602,187</u></b>	<u>651,802</u>
	<b><u>2,829,660</u></b>	<b><u>909,577</u></b>

## 7. FINANCE INCOME

	<b>2024</b>	<b>2023</b>
	<b><i>RM</i></b>	<b><i>RM</i></b>
Interest income of financial assets calculated using the effective interest method at amortised cost	<b>60,229</b>	11,176
Interest income from pledged time deposits	<b><u>69,640</u></b>	<u>49,800</u>
	<b><u>129,869</u></b>	<b><u>60,976</u></b>

## 8. FINANCE COSTS

	2024 RM	2023 RM
Interest expense of financial liabilities that are not at fair value through profit or loss	1,493,375	2,095,172
Interest expense on lease liabilities	12,985	23,646
	<u>1,506,360</u>	<u>2,118,818</u>

## 9. INCOME TAX EXPENSE/(CREDIT)

- (a) Income tax expense/(credit) in the consolidated statement of profit or loss and other comprehensive income represents:

	2024 RM	2023 RM
<b>Current tax — Malaysian income tax</b>		
Current year	41,583	6,201
Under/(Over) provision in prior years	85,526	(14,570)
	<u>127,109</u>	<u>(8,369)</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	3,598,885	(562,135)
Under/(Over) provision in prior years	199,842	(298,175)
	<u>3,798,727</u>	<u>(860,310)</u>
	<u>3,925,836</u>	<u>(868,679)</u>

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

The Group is not subject to Hong Kong Profits Tax as it had no assessable income arising in and derived from Hong Kong for FY2024 and FY2023.

Malaysian income tax has been provided at the statutory tax rate of 24% (2023: 24%) on the estimated chargeable income arising in Malaysia.

- (b) Reconciliation between income tax expense/(credit) and accounting profit/(loss) at an applicable tax rate:

	<b>2024</b> <i>RM</i>	2023 <i>RM</i>
Profit/(Loss) before tax	<u><b>13,294,344</b></u>	<u>(2,667,003)</u>
Taxation at applicable tax rate of 24% (2023: 24%)	<b>3,190,642</b>	(640,081)
Effect of non-deductible expenses	<b>424,461</b>	98,547
Effect of non-taxable income	<b>(4,539)</b>	(14,532)
Deferred tax not recognised	<b>29,904</b>	—
Recognition of previously unrecognised temporary differences	—	132
Under/(Over) provision in prior years	<u><b>285,368</b></u>	<u>(312,745)</u>
	<u><b>3,925,836</b></u>	<u><b>(868,679)</b></u>

## 10. PROFIT/(LOSS) FOR THE YEAR

Profit/(Loss) before tax is determined after recognising the following expense/(income):

	2024 <i>RM</i>	2023 <i>RM</i>
<b>Material expenses/(income)</b>		
Depreciation of property, plant and equipment	6,846,885	7,306,866
Net (gains)/losses on foreign exchange differences		
— Realised	1,926,872	(73,775)
— Unrealised	(2,017,759)	4,070,391
 Personnel expenses (including Directors' emoluments):		
— Wages, salaries and other benefits	14,014,553	12,908,027
— Contributions to defined contribution plans	1,104,007	986,158
Write-down inventories to net realisable value	642,255	—
Impairment loss on property, plant and equipment	—	1,750,000
Property, plant and equipment written off	<u>69,669</u>	<u>19,416</u>
 <b>Expenses/(Income) arising from leases</b>		
Depreciation of right-of-use assets	642,640	638,113
Expenses relating to short-term leases	9,744	9,744
Income from subleasing of right-of-use assets	<u>(202,516)</u>	<u>(184,000)</u>

## 11. EARNINGS/(LOSS) PER ORDINARY SHARE

The calculation of basic earnings/(loss) per ordinary share was based on the profit/(loss) attributable to ordinary shareholders of RM9,367,974 (2023: (RM1,800,969)) and the weighted average number of ordinary shares outstanding of 1,080,000,000 (2023: 1,080,000,000) ordinary shares.

	2024 <i>Sen</i>	2023 <i>Sen</i>
Basic earnings/(loss) per ordinary share	<u>0.87</u>	<u>(0.17)</u>

The diluted earnings/(loss) per ordinary share is similar to the basic earnings/(loss) per ordinary share as the Group does not have any potential dilutive ordinary shares in issuance.

## 12. DIVIDEND

The Board has resolved not to recommend the payment of any final dividend for FY2024 (2023: Nil).

## 13. INVENTORIES

	<b>2024</b> <i>RM</i>	2023 <i>RM</i>
Packaging and raw materials	<b>9,882,930</b>	10,398,746
Semi-finished goods	<b>9,490,282</b>	6,546,499
Finished goods	<b>9,596,319</b>	6,346,981
	<b><u>28,969,531</u></b>	<b><u>23,292,226</u></b>

## 14. TRADE AND OTHER RECEIVABLES

	<b>2024</b> <i>RM</i>	2023 <i>RM</i>
	<i>Note</i>	
Trade receivables	<b>14(a) 19,656,191</b>	15,322,963
Deposits, prepayments and other receivables	<b>14(b) 1,957,547</b>	1,106,911
	<b><u>21,613,738</u></b>	<b><u>16,429,874</u></b>

**(a) Trade receivables**

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

	<b>2024</b> <i>RM</i>	<b>2023</b> <i>RM</i>
Within 1 month	<b>7,764,355</b>	7,467,514
1 to 2 months	<b>8,949,703</b>	3,356,939
2 to 3 months	<b>1,961,078</b>	1,606,860
Over 3 months	<b>981,055</b>	2,891,650
	<b><u>19,656,191</u></b>	<b><u>15,322,963</u></b>

(b) Included in prepayments was an amount of RM169,842 (2023: RM35,576) represents the advance paid in relation to acquisition of machinery.

**15. LOANS AND BORROWINGS**

	<b>2024</b> <i>RM</i>	<b>2023</b> <i>RM</i>
<b>Non-current</b>		
Term loans — secured	<b><u>15,781,674</u></b>	<u>315,354</u>
<b>Current</b>		
Term loans — secured	<b>2,941,038</b>	18,858,706
Trust receipts	<b>—</b>	4,704,010
Banker acceptance	<b>3,388,000</b>	2,236,000
Invoice financing	<b>—</b>	2,647,000
	<b><u>6,329,038</u></b>	<u>28,445,716</u>
	<b><u>22,110,712</u></b>	<b><u>28,761,070</u></b>

The term loans are secured by freehold land, factory buildings and other buildings, right-of-use assets for a building and a leasehold land, as further described under “Pledge of Assets” section on page 24 and the corporate guarantees given by the Company (see Note 19(b)).



A specific debentures by a subsidiary incorporating specific charge over the plant and machinery financed by a bank on a term loan which has been settled during FY2024 is in the midst of registering the satisfaction of charge.

The trust receipts, banker acceptance and invoice financing are secured by corporate guarantees given by the Company (see Note 19(b)).

## 16. TRADE AND OTHER PAYABLES

	<i>Note</i>	<b>2024</b> <b><i>RM</i></b>	2023 <i>RM</i>
Trade payables	16(a)	<b>9,528,304</b>	6,255,199
Other payables and accruals	16(b)	<b>4,732,619</b>	4,345,874
		<b><u>14,260,923</u></b>	<b><u>10,601,073</u></b>

- (a) As of the end of the reporting period, the ageing analysis of trade payables based on the invoice date or goods receipt date, where applicable, is as follows:

	<b>2024</b> <b><i>RM</i></b>	2023 <i>RM</i>
Within 1 month	<b>9,421,665</b>	5,572,601
1 to 3 months	<b>105,975</b>	682,598
3 to 6 months	<b>664</b>	—
	<b><u>9,528,304</u></b>	<b><u>6,255,199</u></b>

- (b) Included in other payables was an amount of RM93,257 (2023: RM560,988) owing to supplier in relation to acquisition of machinery.

## 17. CONTRACT LIABILITIES

	2024 <i>RM</i>	2023 <i>RM</i>
<b>Contract liabilities</b>		
Consideration received in advance	2,856,964	1,654,011
<b>Other contract related liabilities</b>		
Sale rebates	<u>786,918</u>	<u>1,724,504</u>
	<u><b>3,643,882</b></u>	<u><b>3,378,515</b></u>

The contract liabilities represent the consideration received in advance from customers as at the end of the reporting period are expected to be recognised as revenue within a year.

At the point of sale, a sales rebate and a corresponding adjustment to revenue are recognised for those sales rebate expected to be incurred. Management uses historical experience to estimate the number of sales rebate on a portfolio level using the expected value method.

## 18. COMMITMENTS

### Capital Commitments

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

	2024 <i>RM</i>	2023 <i>RM</i>
<b>Property, plant and equipment</b>		
Authorised but not contracted for	7,105,090	7,105,090
Contracted but not provided for	<u>715,509</u>	<u>557,938</u>

## 19. RELATED PARTY TRANSACTIONS

### Identity of related parties

For the purposes of the consolidated financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

#### *a. Key management personnel remuneration*

Remuneration of key management personnel of the Group, including amounts paid to the Company's Directors and certain of the highest paid employees, is as follows:

	2024 RM	2023 RM
Salaries and other benefits	1,719,595	1,383,462
Contributions to defined contribution plans	145,492	121,320
	<u>1,865,087</u>	<u>1,504,782</u>

Remuneration for key management personnel is included in personnel expenses as disclosed in Note 10 above.

#### *b. Corporate guarantee by the Company*

The Company entered into corporate guarantees in favour of the banks, in respect of the banking facilities of RM38,521,600 (2023: RM54,113,000) granted to a subsidiary, S & P Industries Sdn. Bhd.

#### *c. Applicability of the Listing Rules relating to connected transactions*

During the current and previous financial year, the Group did not enter into any related party transaction that falls under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group is engaged in the manufacturing and distribution of coconut based food and beverage products. These include coconut cream powder (the “**CCP**”), low fat desiccated coconut (the “**LFDC**”), coconut milk and coconut water manufactured at the Group’s manufacturing facility located at Bagan Datoh, Perak, Malaysia (the “**Perak Plant**”). The Group also manufactures other South-east Asian traditional food ingredients such as rice dumplings (ketupat) and toasted coconut paste (kerisik).

### Financial Review

For FY2024, the Group reported a profit after tax of approximately RM9.37 million as compared to a loss after tax of approximately RM1.80 million for FY2023 mainly attributed by an increase in revenue and gross profit.

The Group recognised approximately RM114.50 million in revenue for FY2024, representing an increase of approximately 34.36%, or RM29.28 million, when compared with that for FY2023 of approximately RM85.22 million. The increase in revenue was largely due to the growth in sales of CCP and coconut milk.

The Group’s cost of sales increased by approximately 25.65%, or RM17.41 million, from approximately RM67.88 million for FY2023 to approximately RM85.29 million for FY2024. The percentage of increase in cost of sales was lower than the percentage increase in revenue, as the Group achieved higher efficiency from the increase in production volume and adoption of various cost control measures including but not limited to continuously sourcing for alternative supplies without compromising its quality.

Consequently, the gross profit margin of the Group for FY2024 has increased to 25.51% as compared to 20.35% for FY2023 and the gross profit for FY2024 of the Group increased by approximately 68.46%, or RM11.87 million when compared with that for FY2023.

### Coconut related products

The Group’s revenue is mainly derived from sales of coconut related products. Revenue for such products for FY2024 was approximately RM102.61 million, representing an increase of approximately RM24.59 million or 31.52% as compared to that for FY2023 of approximately RM78.02 million. This was mainly due to an increase of sales in CCP and coconut milk.

Other revenue is mainly made up of sales of ketupat and kerisik, freight charges to customers and sales of miscellaneous items. In FY2024, other revenue was approximately RM11.89 million, representing an increase of RM4.69 million from RM7.20 million posted in FY2023.

### **Other income**

In FY2024, other income comprised mainly gain on foreign exchange of RM2.02 million, income from subleasing of right-of-use assets of RM0.20 million and sale of scrap and gain on disposal of property, plant and equipment of RM0.61 million, was approximately RM2.83 million, representing an increase of RM1.92 million from RM 0.91 million posted in FY2023.

### **Selling and distribution expenses**

The Group's selling and distribution expenses of approximately RM4.97 million for FY2024 was approximately RM2.04 million higher than those of approximately RM2.93 million for FY2023. The increase in the selling and distribution expenses was mainly due to higher marketing and promotional expenses and ocean freight cost resulted from the increase in revenue.

### **Administrative expenses**

The Group's administrative expenses for FY2024 were approximately RM10.45 million, which represented an increase of approximately RM0.35 million over those of RM10.10 million in FY2023. Such increase was mainly from employees related cost.

### **Other expenses**

The Group's other expenses for FY2024 were approximately RM1.95 million, which were mainly made up of foreign exchange translation losses represented by a decrease of approximately RM3.87 million over those of approximately RM5.82 million in FY2023. The foreign exchange translation losses reduced from approximately RM4.07 million to approximately RM1.95 million as a result of the conversion of a term loan in US Dollar ("USD") to RM in FY2024.

## **Net finance costs**

In FY2024, the Group incurred net finance costs of approximately RM1.38 million as compared to the net finance costs of approximately RM2.06 million in FY2023. The decrease in net finance cost of approximately RM0.68 million was mainly due the conversion of a higher interest-bearing term loan in USD to a lower interest-bearing term loan in RM and a reduction in trade finance borrowings.

## **Income tax (expense)/credit**

The Group's income tax expense for FY2024 was approximately RM3.93 million as compared with income tax credit of approximately RM0.87 million for FY2023. The income tax expense for FY2024 was mainly due to deferred tax liabilities.

## **Profit/(Loss) attributable to equity shareholders**

The Group recorded a profit attributable to equity shareholders of approximately RM9.37 million for FY2024 as compared to a loss of approximately RM1.80 million in FY2023. The increase in profit in FY2024 was due to factors as discussed above.

## **Future Prospects and Strategies**

Towards the last quarter of FY2024 and until the date of this annual announcement, global coconut industry is experiencing a period of significant challenges due to supply shortages in key coconut producing countries including Indonesia, Philippines, Vietnam and Sri Lanka as a result of adverse weather conditions and high demand from countries such as China, United States of America and European Union. As a consequence, coconut prices are surging. The first half of 2025 is expected to be tough with shortages and price hikes dominating the global coconut market.

As coconut is one of the main ingredients required for the manufacturing of coconut-based food and beverage products, our Group will closely monitor the coconut supply and plan ahead in order to manage customer's expectations while continue to focus in enhancing its performance and mitigate the risks associated with the coconut supply shortages.

Despite the above, the Group is cautiously optimistic on the future developments of the global coconut industry.

## **Significant event during and after the financial year**

There is no significant event occurred during and after the financial year up to the date of this announcement.

## **Liquidity, Financial Resources and Capital Structure**

The Group's financial position was in a net assets position as at 31 December 2024 and is able to meet its obligations when they become due in its ordinary and usual course of business.

### **Capital Structure**

The Group's objectives in managing capital are 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 sustain future development of the business.

There were no changes in the Group's approach to capital management during FY2024.

### **Cash Position**

As at 31 December 2024, the Group's cash and cash equivalents were approximately RM14.16 million as compared with approximately RM8.30 million as at 31 December 2023. The increase of approximately RM5.86 million was mainly due to cash generated from operating activities of approximately RM14.04 million which was mitigated by the cash used in financing activities of approximately RM7.42 million and the net effect of foreign exchange changes of approximately RM0.76 million.

### **Loans and Borrowings**

As at 31 December 2024, the loans and borrowings amounted to approximately RM22.11 million, representing a decrease of approximately RM6.65 million as compared to approximately RM28.76 million as at 31 December 2023, attributable primarily to repayment of loans and borrowings.

### **Gearing Ratio**

Gearing ratio equals to total liabilities divided by total assets. As at 31 December 2024, the gearing ratio was approximately 0.26 (2023: 0.27).

## PLEDGE OF ASSETS

As at the end of the reporting period, the carrying amount of assets (property, plant and equipment and right-of-use assets) pledged to licensed banks for banking facilities granted to the Group were as follows:

	<b>2024</b>	<b>2023</b>
	<b><i>RM</i></b>	<b><i>RM</i></b>
Freehold and leasehold land	<b>5,144,345</b>	1,432,016
Factory buildings and other buildings	<b>39,809,103</b>	20,645,915
Plants and machinery	<b>20,722,867</b>	31,037,986
	<b><u>65,676,315</u></b>	<b><u>53,115,917</u></b>

## CAPITAL EXPENDITURES

During FY2024, the Group had incurred capital expenditures of approximately RM1.74 million as compared to approximately RM 0.70 million in FY2023. The expenditures related mainly to the purchase of property, plant and equipment.

## SIGNIFICANT INVESTMENTS

The Group did not hold any significant investments as at 31 December 2024 and 31 December 2023.

## MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during FY2024.

## 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, management monitors foreign exchange exposure closely and performs foreign currency transactions for the Group's cashflow needs in keeping the net exposure to an acceptable level.



## **FINAL DIVIDEND**

At the meeting of the Board held on 28 March 2025, the Board has resolved not to recommend the payment of any dividend to the Shareholders for FY2024 (2023: Nil).

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the “**AGM**”) will be held at 10:00 a.m. on Monday, 26 May 2025 at 27-1, Jalan PJU 5/13, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia 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 Listing Rules in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the Shareholders’ rights to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Tuesday, 20 May 2025 to Monday, 26 May 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible for attending and voting at the forthcoming AGM, non-registered Shareholders must lodge their duly completed and stamped transfer forms accompanied by the relevant share certificates with the Company’s branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Monday, 19 May 2025.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group had 375 and 337 employees as at 31 December 2024 and 31 December 2023, respectively. Remuneration is determined by reference to the prevailing market terms and in accordance with the performance, qualification and experience of each individual employee and the Group’s financial results. Periodic in-house training is provided to the employees to enhance the knowledge of the workforce. Meanwhile, training programs conducted by qualified personnel are also attended by our employees to enhance their skills and working experience.

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 achieving 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 31 December 2024 and the date of this announcement, there was no outstanding share option granted under the Share Option Scheme and no share option lapsed or was granted, exercised or cancelled during FY2024.

The remuneration committee of the Company has at its meeting held on 26 March 2025 reviewed the Share Option Scheme.

## **CONTINGENT LIABILITIES**

The Group did not have any material contingent liabilities as at 31 December 2024 and 31 December 2023.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

The Company did not redeem any of its Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such Shares during FY2024.

## **EVENTS AFTER REPORTING PERIOD**

The Board is not aware of any important event requiring disclosure that has taken place subsequent to 31 December 2024 and up to the date of this announcement.

## **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 as set out in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Listing Rules as its own code of corporate governance. During FY2024, the Company had complied with all of the applicable code provisions of the CG Code. The Company is committed to implementing the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors (the “**INEDs**”) so that there is a strong independent element on the Board which can effectively exercise independent judgement.

Throughout the FY2024, the Company had three INEDs, which was in compliance with the requirement of the Listing Rules that the number of INEDs must represent at least one-third of the Board members, and that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

As at the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) consists of three INEDs, namely Mr. Lee King Fui (chairman of the Audit Committee), Dato’ Mohd Ibrahim Bin Mohd Nor and Mr. Eng Hup Tat. The Audit Committee is 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.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct governing the Directors’ transactions of listed securities of the Company. All the Directors have confirmed, upon specific enquiries made by the Company, that they had complied with the Model Code during FY2024.

## **INDEPENDENCE OF INEDs**

The Company has received a confirmation of independence in writing from each of the three INEDs, namely Mr. Lee King Fui, Dato’ Mohd Ibrahim Bin Mohd Nor and Mr. Eng Hup Tat in accordance with Rule 3.13 of the Listing Rules, and confirms that all of the INEDs are independent. The Board has reviewed the independence of all INEDs and concluded that all of them are independent after taking into account the factors set out in 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 INEDs has been impaired up to the date of this announcement.

## **REVIEW BY AUDIT COMMITTEE**

The Audit Committee has reviewed the consolidated results of the Group for FY2024 (the “**Group Results**”) and is of the view that the Group Results have been prepared in accordance with the applicable accounting standards and in compliance with the Listing Rules and relevant statutory provisions, and is satisfied that sufficient disclosure has been made.

## **SCOPE OF WORK OF FORVIS MAZARS PLT (*FORMERLY KNOWN AS MAZARS PLT*)**

The figures in respect of the preliminary announcement of the Group Results have been agreed by the Group's independent auditors, Forvis Mazars PLT ("**Forvis Mazars**"), to the amounts set out in the Group's draft consolidated financial statements for FY2024. The work performed by Forvis Mazars 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 Forvis Mazars on the preliminary announcement.

For and on behalf of  
**S&P International Holding Limited**  
**Dato' Mohd Ibrahim Bin Mohd Nor**  
*Chairman and Independent Non-Executive Director*

Hong Kong, 28 March 2025

*As at the date of this announcement, the Board comprises seven Directors, including four executive Directors, namely Mr. Tang Koon Fook, Mr. Lee Sieng Poon, Mr. Yap Boon Teong and Ms. Wong Yuen Lee; and three INEDs, namely Dato' Mohd Ibrahim Bin Mohd Nor (Chairman), Mr. Lee King Fui and Mr. Eng Hup Tat.*