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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 UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

### FINANCIAL HIGHLIGHTS

#### KEY FINANCIAL PERFORMANCE

#### Consolidated Statement of Profit or Loss

	Six months ended 30 June		
	2024	2023	% of change
	<i>RM</i>	<i>RM</i>	
	(Unaudited)	(Unaudited)	
Revenue	<b>56,331,822</b>	40,403,890	39.42
Profit/(Loss) from operations	<b>3,943,529</b>	(3,447,941)	>100
Net finance costs	<b>(696,133)</b>	(1,109,172)	(37.24)
Income tax expense	—	—	—
Profit/(Loss) attributable to:			
Owners of the Company	<b>3,247,950</b>	(4,556,561)	>100
Non-controlling interest	<b>(554)</b>	(552)	0.36
	<b><u>3,247,396</u></b>	<b><u>(4,557,113)</u></b>	<b><u>&gt;100</u></b>

## Consolidated Statement of Financial Position

	<b>30 June 2024 RM (Unaudited)</b>	31 December 2023 RM (Audited)	<b>% of change</b>
Cash and cash equivalents	<b>13,247,095</b>	8,304,999	59.51
Loans and borrowings	<b>28,283,719</b>	28,761,070	(1.66)
Net current assets	<b>33,496,110</b>	9,307,402	>100
Net assets	<b>124,333,606</b>	118,875,497	4.59

## KEY FINANCIAL RATIOS

	<b>Six months ended 30 June 2024 (Unaudited)</b>	2023 (Unaudited)	<b>change (% points)</b>
Gross profit margin	<b>23.24%</b>	19.72%	3.52
Return on equity (annualised)	<b>5.22%</b>	(7.78)%	13.00

	<b>30 June 2024 (Unaudited)</b>	31 December 2023 (Audited)	<b>% of change</b>
Current ratio (times) <sup>#</sup>	<b>2.24</b>	1.22	83.61

<sup>#</sup> Dividing current assets by current liabilities

## INTERIM FINANCIAL INFORMATION

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of S&P International Holding Limited (the “**Company**”) presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024 (“**1H2024**”) together with the comparative unaudited figures for the corresponding period in 2023 (“**1H2023**”) and certain audited figures as at 31 December 2023. All amounts set out in this announcement are presented in Malaysian Ringgit (“**RM**”) unless otherwise indicated.

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

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RM (Unaudited)	2023 RM (Unaudited)
<b>Revenue</b>	5	<b>56,331,822</b>	40,403,890
Cost of sales		<b>(43,239,474)</b>	(32,434,833)
<b>Gross profit</b>		<b>13,092,348</b>	7,969,057
Other income	6	<b>310,495</b>	275,608
Selling and distribution expenses		<b>(2,020,286)</b>	(1,498,466)
Administrative expenses		<b>(5,035,000)</b>	(4,639,361)
Other expenses		<b>(2,404,028)</b>	(5,554,779)
<b>Profit/(Loss) from operations</b>		<b>3,943,529</b>	(3,447,941)
Finance income	7	<b>34,872</b>	4,570
Finance costs	8	<b>(731,005)</b>	(1,113,742)
Net finance costs		<b>(696,133)</b>	(1,109,172)
Profit/(Loss) before taxation		<b>3,247,396</b>	(4,557,113)
Income tax expense		<b>—</b>	—
<b>Profit/(Loss) for the period</b>	9	<b>3,247,396</b>	(4,557,113)
<b>Other comprehensive income for the period</b>			
<i>Item that is or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences for foreign operations		<b>2,210,713</b>	4,164,884
<b>Total comprehensive income/(loss) for the period</b>		<b>5,458,109</b>	(392,229)

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<i>RM</i>	<i>RM</i>
<i>Notes</i>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit/(Loss) attributable to:</b>		
Equity shareholders of the Company	<b>3,247,950</b>	(4,556,561)
Non-controlling interest	<u>(554)</u>	<u>(552)</u>
<b>Profit/(Loss) for the period</b>	<b><u>3,247,396</u></b>	<b><u>(4,557,113)</u></b>
<b>Total comprehensive income/(loss) attributable to:</b>		
Equity shareholders of the Company	<b>5,458,832</b>	(391,713)
Non-controlling interest	<u>(723)</u>	<u>(516)</u>
<b>Total comprehensive income/(loss) for the period</b>	<b><u>5,458,109</u></b>	<b><u>(392,229)</u></b>
<b>Basic and diluted earning/(loss) per share (expressed in Sen)</b>	<b><u>0.30</u></b>	<b><u>(0.42)</u></b>
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# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		<b>30 June 2024</b>	31 December 2023
		<i>RM</i>	<i>RM</i>
	<i>Notes</i>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>103,168,658</b>	106,161,102
Right-of-use assets		<b>4,578,685</b>	4,833,932
Deferred tax assets		<b>225,834</b>	225,834
		<b>107,973,177</b>	111,220,868
<b>Current assets</b>			
Inventories	<i>11</i>	<b>19,234,169</b>	23,292,226
Current tax asset		<b>1,903,194</b>	1,806,569
Trade and other receivables	<i>12</i>	<b>23,834,839</b>	16,429,874
Pledged time deposits		<b>2,208,017</b>	2,208,017
Cash and cash equivalents		<b>13,247,095</b>	8,304,999
		<b>60,427,314</b>	52,041,685
<b>Total Assets</b>		<b><u>168,400,491</u></b>	<b><u>163,262,553</u></b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital		<b>5,941,706</b>	5,941,706
Share premium		<b>58,707,916</b>	58,707,916
Reserves		<b>59,618,792</b>	54,159,960
Total equity attributable to equity shareholders of the Company		<b>124,268,414</b>	118,809,582
Non-controlling interest		<b>65,192</b>	65,915
<b>Total Equity</b>		<b><u>124,333,606</u></b>	<b><u>118,875,497</u></b>

		<b>30 June</b>	31 December
		<b>2024</b>	2023
		<i>RM</i>	<i>RM</i>
	<i>Notes</i>	<b>(Unaudited)</b>	(Audited)
<b><u>Liabilities</u></b>			
<b>Non-current liabilities</b>			
Loans and borrowings	13	<b>15,832,948</b>	315,354
Lease liabilities		<b>53,043</b>	87,729
Deferred tax liabilities		<b>1,249,690</b>	1,249,690
		<u><b>17,135,681</b></u>	<u>1,652,773</u>
<b>Current Liabilities</b>			
Loans and borrowings	13	<b>12,450,771</b>	28,445,716
Lease liabilities		<b>239,387</b>	308,979
Trade and other payables	14	<b>10,989,887</b>	10,601,073
Contract liabilities		<b>3,251,159</b>	3,378,515
		<u><b>26,931,204</b></u>	<u>42,734,283</u>
<b>Total Liabilities</b>		<u><b>44,066,885</b></u>	<u>44,387,056</u>
<b>Total equity and liabilities</b>		<u><b>168,400,491</b></u>	<u>163,262,553</u>
<b>Total assets less current liabilities</b>		<u><b>141,469,287</b></u>	<u>120,528,270</u>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1. GENERAL INFORMATION

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 Company is an investment holding company. The Group is principally engaged in the manufacturing and distribution of coconut related food and beverage products such as coconut cream powder (the “**CCP**”), low fat desiccated coconut (the “**LFDC**”), coconut milk, coconut water and coconut milk beverage. The Group also manufactures other traditional South-east Asian food ingredients such as rice dumplings (ketupat) and toasted coconut paste (kerisik). The Company’s shares (the “**Shares**”) in issue have been listed 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 with limited liability on 8 November 2016, which is wholly owned by Mr. Tang Koon Fook, an executive Director and the former chairman of the Board, who is also the sole director of TYJ.

This interim condensed consolidated financial information of the Group for 1H2024 (the “**Interim Condensed Consolidated Financial Information**”), which has not been audited, was reviewed and approved for issue by the Board on 29 August 2024.

## 2. BASIS OF PREPARATION

This Interim Condensed Consolidated Financial Information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), including compliance with International Accounting Standard (“**IAS**”) 34, “Interim Financial Reporting” issued by the International Accounting Standards Board.

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted by the Group in the preparation of the Interim Condensed Consolidated Financial Information are consistent with those adopted in the preparation of the audited consolidated financial statements of the Group for the financial year ended 31 December 2023 (“**FY2023**”) and described in the annual report of the Company for FY2023 (the “**2023 Annual Report**”) and the adoption of the following, which became effective for the financial years beginning on or after 1 January 2024:

- Amendments to IFRS 7, 16, IAS 1 and IAS 7

The adoption of the above amendments to IFRSs and IASs in the current period has had no material impact on the Group’s financial performance and financial position for the current and prior periods.

The Group has not early adopted any new accounting standards or amendments to standards and interpretations which have been issued but not yet effective. The Group will apply such accounting standards, amendments and interpretations that are applicable to the Group as and when they become effective.

### 4. ESTIMATES

The preparation of the Interim Condensed Consolidated Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Interim Condensed Consolidated Financial Information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were similar to those disclosed in the 2023 Annual Report.



## 5. REVENUE AND SEGMENT INFORMATION

The principal activities of the Group are the manufacturing and distribution of coconut related food and beverage products such as CCP, LFDC, coconut milk, coconut water, coconut milk beverage and other related products.

Revenue represented the sales value of coconut related food and beverage products, other non-coconut related food products, freight charges to customers and miscellaneous income, net of trade discounts, rebates and returns.

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RM</i></b>	<b><i>RM</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue from contracts with customers</b>		
— Coconut related food and beverage products	<b>55,010,156</b>	37,962,868
— Others	<b>1,321,666</b>	2,441,022
	<b><u>56,331,822</u></b>	<b><u>40,403,890</u></b>

The chief operating decision maker of the Group assess 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 CCP, LFDC, coconut milk, coconut water, coconut milk beverage 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.

	Six months ended 30 June	
	2024	2023
	<i>RM</i>	<i>RM</i>
	(Unaudited)	(Unaudited)
South East Asia	20,163,607	15,715,461
Middle East	9,847,685	9,893,593
West Indies	11,746,309	5,133,486
North America	4,053,569	2,896,097
East Asia	4,629,355	3,646,066
Other regions	5,891,297	3,119,187
	<u>56,331,822</u>	<u>40,403,890</u>

## 6. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	<i>RM</i>	<i>RM</i>
	(Unaudited)	(Unaudited)
Income arising from subleasing of right-of-use assets	102,000	90,000
Others	208,495	185,608
	<u>310,495</u>	<u>275,608</u>

## 7. FINANCE INCOME

	Six months ended 30 June	
	2024	2023
	<i>RM</i>	<i>RM</i>
	(Unaudited)	(Unaudited)
Interest income of financial assets calculated using the effective interest method at amortised cost	<u>34,872</u>	<u>4,570</u>

## 8. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	<i>RM</i>	<i>RM</i>
	(Unaudited)	(Unaudited)
Interest expense of financial liabilities that are not at fair value through profit and loss	722,841	1,100,876
Interest expense on lease liabilities	<u>8,164</u>	<u>12,866</u>
	<u>731,005</u>	<u>1,113,742</u>

## 9. PROFIT/(LOSS) FOR THE PERIOD

Profit/(Loss) for the period is arrived at after charging:

	Six months ended 30 June	
	2024	2023
	<i>RM</i>	<i>RM</i>
	(Unaudited)	(Unaudited)
Auditors' remuneration	155,183	153,952
Depreciation of property, plant and equipment	3,449,020	3,664,261
Depreciation of right-of-use assets	321,153	317,295
Property, plant and equipment written off	3,199	1
Gain on disposal of plant and equipment	1,200	—
Net loss on unrealised foreign exchange differences	288,839	1,403,019
Personnel expenses (including Directors' emoluments):		
— Wages, salaries and other benefits	6,768,155	6,206,350
— Contributions to defined contribution plans	<u>539,987</u>	<u>472,317</u>

## 10. EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Profit/(Loss) attributable to equity shareholders of the Company ( <i>expressed in RM</i> )	<u><b>3,247,950</b></u>	<u><b>(4,556,561)</b></u>
Weighted average number of Shares ( <i>unit</i> )	<u><b>1,080,000,000</b></u>	<u><b>1,080,000,000</b></u>
Basic earning/(loss) per Share ( <i>expressed in Sen</i> )	<u><b>0.30</b></u>	<u><b>(0.42)</b></u>

As at 30 June 2024 and 2023, the Company had not issued any dilutive potential Shares and hence, the diluted loss per Share is equal to the basic loss per Share.

## 11. INVENTORIES

	30 June 2024 <i>RM</i> (Unaudited)	31 December 2023 <i>RM</i> (Audited)
	Packaging and raw materials	<b>8,785,463</b>
Semi-finished goods	<b>4,085,521</b>	6,546,499
Finished goods	<b>6,363,185</b>	6,346,981
	<u><b>19,234,169</b></u>	<u><b>23,292,226</b></u>

## 12. TRADE AND OTHER RECEIVABLES

	<b>30 June 2024 RM (Unaudited)</b>	31 December 2023 RM (Audited)
Trade receivables	<b>21,443,769</b>	15,322,963
Deposits, prepayments and other receivables	<b>2,391,070</b>	1,106,911
	<b><u>23,834,839</u></b>	<b><u>16,429,874</u></b>

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

	<b>30 June 2024 RM (Unaudited)</b>	31 December 2023 RM (Audited)
Within 1 month	<b>18,729,538</b>	7,467,514
1 to 2 months	<b>693,253</b>	3,356,939
2 to 3 months	<b>90,558</b>	1,606,860
Over 3 months	<b>1,930,420</b>	2,891,650
	<b><u>21,443,769</u></b>	<b><u>15,322,963</u></b>

### 13. LOANS AND BORROWINGS

	<b>30 June 2024 RM (Unaudited)</b>	31 December 2023 RM (Audited)
<b>Non-current</b>		
Term loans — secured	<b>15,832,948</b>	315,354
<b>Current</b>		
Term loans — secured	<b>4,077,452</b>	18,858,706
Trust receipts	<b>4,904,319</b>	4,704,010
Banker acceptance	<b>3,469,000</b>	2,236,000
Invoice financing	—	2,647,000
	<b><u>28,283,719</u></b>	<b><u>28,761,070</u></b>

The bank loans are secured over certain assets of the Group as disclosed under “Pledge of Assets” on page 20 of this announcement.

### 14. TRADE AND OTHER PAYABLES

	<b>30 June 2024 RM (Unaudited)</b>	31 December 2023 RM (Audited)
Trade payables	<b>6,417,896</b>	6,255,199
Other payables and accruals	<b>4,571,991</b>	4,345,874
	<b><u>10,989,887</u></b>	<b><u>10,601,073</u></b>

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:

	<b>30 June 2024</b>	31 December 2023
	<i>RM</i>	<i>RM</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Within 1 month	<b>6,167,994</b>	5,572,601
1 to 3 months	<b>248,018</b>	682,598
3 to 6 months	<b>1,884</b>	—
	<b><u>6,417,896</u></b>	<b><u>6,255,199</u></b>

## 15. CAPITAL COMMITMENTS

Capital commitments outstanding at the end of each reporting period not provided for in the Interim Condensed Consolidated Financial Information are as follows:

	<b>30 June 2024</b>	31 December 2023
	<i>RM</i>	<i>RM</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Property, plant and equipment</b>		
Authorised but not contracted for	<b>7,105,090</b>	7,105,090
Contracted but not provided for	<b>563,808</b>	557,938
	<b><u>7,668,898</u></b>	<b><u>7,663,028</u></b>
Total	<b><u>7,668,898</u></b>	<b><u>7,663,028</u></b>

## 16. RELATED PARTY TRANSACTIONS

### Identity of related parties

For the purpose of the interim condensed 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 related party are subject to common control. Related parties may be individuals or 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.

### Key management personnel compensation

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Salaries and other benefits	<b>1,087,134</b>	802,226
Contributions to defined contribution plans	<b>96,495</b>	74,352
	<b><u>1,183,629</u></b>	<b><u>876,578</u></b>

Key management's compensation is included in personnel expenses as disclosed in Note 9 above.



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is engaged mainly in the manufacturing and distribution of coconut-based food and beverage products. These include CCP, LFDC, coconut milk, coconut water and coconut milk beverage manufactured at the Group's manufacturing facility located at Bagan Datoh, Perak, Malaysia (the "**Perak Plant**"). The Group also manufactures other traditional South-east Asian food ingredients such as rice dumplings (ketupat) and toasted coconut paste (kerisik) at its manufacturing facility located at Kota Damansara, Selangor, Malaysia.

During 1H2024, the Group has attained approximately 39.42% and 64.29% increase in revenue and gross profit mainly from its coconut-based food and beverage products compared to 1H2023. Further, the gross profit margin has improved from 19.72% to 23.24% during 1H2024 compared to 1H2023.

### FINANCIAL REVIEW

The Group recognised approximately RM56.33 million in revenue for 1H2024, representing an increase of approximately 39.42%, or RM15.93 million, when compared with that for 1H2023 of approximately RM40.40 million. The increase in revenue was largely attributed to the increase in sales of CCP.

The Group's cost of sales increased by approximately 33.31%, or RM10.80 million, from approximately RM32.43 million for 1H2023 to approximately RM43.23 million for 1H2024. The increased in cost of sales was mainly attributable to the increase in sales. The percentage increase in cost of sales was lower than the percentage increase in revenue as a result of production efficiency.

Consequently, the gross profit of the Group for 1H2024 increased by approximately RM5.12 million or 64.29% as compared to 1H2023 and the gross profit margin of the Group for 1H2024 was 23.24% as compared to 1H2023 at 19.72%.

Further details on comparative changes in revenue and expenses are as follows:

#### Revenue

The Group's revenue is mainly derived from the sales of coconut-based food and beverage products. Revenue for such products for 1H2024 was RM55.01 million, representing an increase of approximately RM17.05 million, when compared with that for 1H2023 of approximately RM37.96 million.

Other revenue is mainly made up of sales of rice dumplings (ketupat), toasted coconut paste (kerisik) and freight charges to customers. In 1H2024, other revenue was approximately RM1.32 million, representing an approximately 45.86% reduction from RM2.44 million recorded in 1H2023.

### **Other Income**

In 1H2024, the Group's other income comprised mainly rental income, scrap sales and other sundry income of RM0.31 million, the total of which increased by approximately RM0.03 million for 1H2024 as compared to that of approximately RM0.28 million of 1H2023 as due increase in rental income and scrap sales.

### **Selling and Distribution Expenses**

The Group's selling and distribution expenses of approximately RM2.02 million for 1H2024 were approximately RM0.52 million higher than those of approximately RM1.50 million for 1H2023 due to higher logistic related expenses.

### **Administrative Expenses**

The Group's administrative expenses of approximately RM5.04 million for 1H2024 was approximately RM0.40 million higher than those of approximately RM4.64 million for 1H2023. This was mainly from the increase in employees related cost.

### **Other Expenses**

The Group's other expenses for 1H2024 of approximately RM2.40 million was mainly related to foreign exchange translation losses, represented by a decrease of approximately RM3.15 million from approximately RM5.55 million for 1H2023. Reduction in foreign exchange translation losses was as a result of settlement of term loan in USD.

### **Net Finance Costs**

In 1H2024, the Group incurred approximately RM0.70 million of net finance costs as compared to approximately RM1.11 million in 1H2023. The decrease in net finance costs of approximately RM0.41 million was mainly due a switch from higher interest-bearing term loan in USD to lower interest bearing term loan in RM and a reduction in trade finance facility.

### **Income Tax Expense**

No provision of income tax expense has been made for 1H2024 and 1H2023 as the Group has unutilised losses and capital allowances to offset against the profit attained.

## **Profit Attributable to Equity Shareholders**

The Group recorded a profit attributable to equity shareholders of the Company (the “**Shareholders**”) of approximately RM3.25 million for 1H2024. This was primarily attributed to the reasons as discussed above.

## **FUTURE PROSPECTS AND STRATEGIES**

The Group has achieved a decent growth in both revenue and gross profit margin during 1H2024 arising the positive market outlook of coconut demand. While the Group remains optimistic in the said outlook for coming years, it is likely to be impacted by the global issues surrounding the business environment.

In the years ahead, it will be a continuous effort of the Group to explore new and potential coconut markets to strengthen and enhance its distributional channel, supply chain and market competitiveness for a sustainable future and positive return to the shareholder.

## **SIGNIFICANT EVENT DURING AND AFTER THE FINANCIAL PERIOD**

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

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group maintained a solid financial position and was in a net cash position as at 30 June 2024. The Group was able to repay its obligations when they became due in the ordinary and usual course of business in 1H2024.

## **CAPITAL STRUCTURE**

The Group believes in maintaining a strong capital base as well as the confidence of the investors, creditors and market to sustain future development of the business. The Group continues to maintain an optimal debt-to-equity ratio that complies with its debt covenants.

## CASH POSITION

As at 30 June 2024, the Group's cash and cash equivalents were approximately RM13.25 million, representing an increase of approximately RM4.95 million as compared with those of approximately RM8.30 million as at 31 December 2023.

## LOANS AND BORROWINGS

As at 30 June 2024, the loans and borrowings amounted to approximately RM28.28 million, representing a decrease of approximately RM0.48 million as compared to those of approximately RM28.76 million as at 31 December 2023 due to the repayment of the Group's loans facility.

## GEARING RATIO

Gearing ratio equals total debt divided by total asset. As at 30 June 2024, the Group's gearing ratio was approximately 0.262 times (31 December 2023: 0.272 times).

## PLEDGE OF ASSETS

As at 30 June 2024 and 31 December 2023, 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>30 June 2024 RM (Unaudited)</b>	31 December 2023 RM (Audited)
Freehold and leasehold land	<b>5,148,497</b>	1,432,016
Factory buildings and other buildings	<b>43,331,370</b>	20,645,915
Plant and machinery	<b>29,668,662</b>	31,037,986
	<b><u>78,148,529</u></b>	<u>53,115,917</u>

## CAPITAL EXPENDITURES

During 1H2024, the Group had incurred capital expenditure of approximately RM0.46 million as compared to that of approximately RM0.44 million in 1H2023. The capital expenditure was mainly related to purchase of plant and equipment.

## **SIGNIFICANT INVESTMENTS AND PLAN FOR MATERIAL CAPITAL COMMITMENTS**

Save as disclosed in Note 15 on page 15 of this announcement, the Group did not hold any significant investments or have any plan for material capital commitments as at 30 June 2024.

## **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 1H2024 and 1H2023.

## **FOREIGN EXCHANGE EXPOSURE**

The Group undertakes certain transactions denominated in foreign currencies, mainly in USD and HK\$, and hence, is exposed to exchange rate fluctuations. 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 foreign exchange exposure to an acceptable level.

## **DIVIDENDS**

At a meeting of the Board held on 29 August 2024, the Directors resolved not to declare the payment of an interim dividend to the Shareholders for 1H2024.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group had 354 employees as at 30 June 2024 and 30 June 2023. Remuneration is determined by reference to prevailing market terms and in accordance with the performance, qualification and experience of each individual employee. Periodic in-house training is provided to the employees to enhance the knowledge of the workforce. Meanwhile, training programmes conducted by qualified personnel are also attended by our employees to enhance their skills set 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 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 eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

As at 30 June 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 exercised or cancelled during 1H2024.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

The Company did not redeem its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such securities during 1H2024.

## **EVENTS AFTER THE REPORTING PERIOD**

The Group is not aware of any important event requiring disclosure that has taken place subsequent to 30 June 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 1H2024, 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 1H2024, 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 (the “**Model Code**”) as contained in Appendix C3 to the Listing Rules as its code of conduct regarding the Directors’ securities transactions and all the Directors have confirmed, upon specific enquiries made by the Company, that they had complied with the Model Code during 1H2024 and up to the date of this announcement.

## **REVIEW OF INTERIM GROUP RESULTS BY THE AUDIT COMMITTEE**

The Audit Committee was established on 8 June 2017 with written terms of reference in compliance with code provisions of the CG Code and the Listing Rules. Such written terms of reference were revised on 1 January 2019 to conform with the requirements under the CG Code and the Listing Rules.

The Audit Committee has reviewed the unaudited condensed consolidated interim results of the Group for 1H2024 (the “**Interim Group Results**”) and agreed to the accounting principles and practices adopted by the Group.

## **PUBLICATION OF THE UNAUDITED INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

In accordance with the requirements under the Listing Rules, the interim report containing all the Company’s information set out in this announcement including the Interim Group Results will be published on the Company’s website ([www.spfood.com](http://www.spfood.com)) and of the Stock Exchange’s website ([www.hkexnews.hk](http://www.hkexnews.hk)) in due course in the manner as required by the Listing Rules.

By order of the Board,  
**S&P International Holding Limited**  
**Dato’ Mohd Ibrahim Bin Mohd Nor**  
*Chairman and Independent Non-Executive Director*

Hong Kong, 29 August 2024

*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 independent non-executive Directors, namely Mr. Lee King Fui, Dato’ Mohd Ibrahim Bin Mohd Nor (Chairman) and Mr. Eng Hup Tat.*