



S&P International Holding Limited 椰豐集團有限公司


(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 1695



INTERIM REPORT 中期報告
2017

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- A stylized illustration of two palm trees of different heights on the left side of the page. The background features a gradient of blue shades with wavy lines at the bottom, suggesting a beach or ocean scene.
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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Tang Koon Fook (*Chairman*)
 Mr. Lee Sieng Poon (*Managing Director*)
 Mr. Yap Boon Teong
 Ms. Wong Yuen Lee

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Fung Che Wai, Anthony
 Mr. Chong Yew Hoong
 Mr. Ng Hock Boon

AUDIT COMMITTEE

Mr. Fung Che Wai, Anthony (*Chairman*)
 Mr. Chong Yew Hoong
 Mr. Ng Hock Boon

REMUNERATION COMMITTEE

Mr. Chong Yew Hoong (*Chairman*)
 Mr. Ng Hock Boon
 Mr. Tang Koon Fook

NOMINATION COMMITTEE

Mr. Tang Koon Fook (*Chairman*)
 Mr. Chong Yew Hoong
 Mr. Ng Hock Boon

JOINT COMPANY SECRETARIES

Mr. Kwok Siu Man, *FCIS, FCS*
 Ms. Jane Ong Bee Yen

AUTHORISED REPRESENTATIVES

Mr. Tang Koon Fook
 Mr. Kwok Siu Man, *FCIS, FCS*

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square, Hutchins Drive
 P.O. Box 2681
 Grand Cayman, KY1-1111
 Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

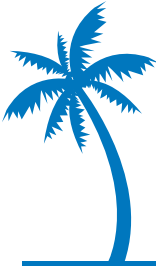
No. 27-2
 Jalan PJU 5/13, Dataran Sunway
 Kota Damansara
 47810 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

31/F., 148 Electric Road
 North Point
 Hong Kong

COMPANY'S WEBSITE

www.spfood.com

CORPORATE INFORMATION (CONTINUED)

LEGAL ADVISER	<i>As to Hong Kong law:</i> Sidley Austin
INDEPENDENT AUDITOR	KPMG PLT Chartered Accountants
COMPLIANCE ADVISER	Dongxing Securities (Hong Kong) Company Limited
PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands
HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
PLACE OF LISTING AND STOCK CODE	The Stock Exchange of Hong Kong Limited Stock Code: 1695
PRINCIPAL BANKERS	The Bank of East Asia, Limited HSBC Hong Kong Hong Leong Bank Berhad Public Bank Berhad United Overseas Bank (Malaysia) Berhad
INVESTOR RELATIONS CONTACT	info@spfood.com

FINANCIAL HIGHLIGHTS

Key Financial Performance

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Unaudited		% of change
	Six months ended 30 June		
	2017 RM	2016 RM	
Revenue	49,844,007	45,241,933	10%
(Loss)/Profit from operating activities	(15,378)	8,883,369	(100%)
After charging:			
Listing expenses	(7,479,383)	—	
Net finance costs	(176,046)	(209,586)	(16%)
Income tax expense	(2,057,900)	(2,272,716)	(9%)
(Loss)/Profit attributable to equity shareholders of the Company	(2,249,324)	6,401,067	(135%)

Consolidated Statement of Financial Position	30 June	31 December	
	2017	2016	
	RM	RM	
Cash and cash equivalents	9,959,022	10,115,057	(2%)
Loans and borrowings	5,032,130	7,058,709	(29%)
Net current assets	36,268,398	38,119,440	(5%)
Net assets	51,417,533	53,386,956	(4%)

Key Financial Ratios

	30 June 2017	30 June 2016	Change (% points)
Gross profit margin	26.3%	33.2%	(6.9)
Return on equity (annualised)	(8.7%)	24.0%	(32.7)
Current ratio (times)	3.8	2.6	

INTERIM FINANCIAL INFORMATION



The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of S&P International Holding Limited (the “**Company**”) hereby announces the unaudited interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2017 (the “**Period**”) together with the comparative figures for the corresponding period in 2016 and selected explanatory notes. All amounts set out in this report 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 2017

	Note	Six months ended 30 June	
		2017 RM (Unaudited)	2016 RM (Unaudited)
Revenue	6	49,844,007	45,241,933
Cost of sales		(36,753,073)	(30,233,038)
Gross profit		13,090,934	15,008,895
Other income		220,320	174,072
Selling and distribution expenses		(2,617,576)	(3,124,045)
Administrative expenses		(10,049,436)	(2,885,886)
Other expenses		(659,620)	(289,667)
(Loss)/Profit from operating activities		(15,378)	8,883,369
Finance income	7	18,729	11,510
Finance costs	7	(194,775)	(221,096)
Net finance costs		(176,046)	(209,586)
(Loss)/Profit before taxation	7	(191,424)	8,673,783
Income tax expense	8	(2,057,900)	(2,272,716)
(Loss)/Profit for the period attributable to the equity shareholders of the Company		(2,249,324)	6,401,067
Other comprehensive income/(loss) for the period <i>Items that is or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences for foreign operations		279,901	(2,351)
Total comprehensive (loss)/income for the period attributable to equity shareholders of the Company		(1,969,423)	6,398,716
Basic and diluted earnings per share	9	N/A	N/A

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017



	Note	30 June 2017 RM (Unaudited)	31 December 2016 RM (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	10	22,007,534	21,666,828
Deferred tax assets		32,141	49,464
		22,039,675	21,716,292
Current assets			
Inventories	11	19,517,346	19,924,361
Trade and other receivables	12	19,777,500	22,240,123
Cash and cash equivalents	13	9,959,022	10,115,057
		49,253,868	52,279,541
TOTAL ASSETS		71,293,543	73,995,833
EQUITY AND LIABILITIES			
Equity			
Share capital		—*	—*
Reserves		51,417,533	53,386,956
		51,417,533	53,386,956
Liabilities			
Non-current liabilities			
Loans and borrowings	14	3,912,940	3,798,876
Deferred tax liabilities		2,977,600	2,649,900
		6,890,540	6,448,776

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

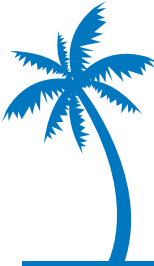
As at 30 June 2017

	Note	30 June 2017 RM (Unaudited)	31 December 2016 RM (Audited)
Current liabilities			
Loans and borrowings	14	1,119,190	3,259,833
Trade and other payables	15	10,142,620	9,073,811
Current tax liabilities		1,723,660	1,826,457
		12,985,470	14,160,101
Total liabilities		19,876,010	20,608,877
TOTAL EQUITY AND LIABILITIES		71,293,543	73,995,833
TOTAL ASSETS LESS CURRENT LIABILITIES		58,308,073	59,835,732

* The share capital of the Company was HK\$0.60 divided into 60 ordinary shares of a par value of HK\$0.01 per share.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017



Attributable to equity shareholders of the Company					
Note	Share Capital RM (Unaudited)	Retained Earnings RM (Unaudited)	Translation Reserve RM (Unaudited)	Other Reserve RM (Unaudited) (Note 16)	Total Equity RM (Unaudited)
Balance at 1 January 2016	—*	46,576,099	285	150,200	46,726,584
Changes in equity for the six months ended 30 June 2016:					
Profit for the period	—	6,401,067	—	—	6,401,067
Other comprehensive loss for the period	—	—	(2,351)	—	(2,351)
Total comprehensive income for the period	—	6,401,067	(2,351)	—	6,398,716
Dividends paid by a subsidiary	17	—	(700,000)	—	(700,000)
Balance at 30 June 2016 and 1 July 2016	—*	52,277,166	(2,066)	150,200	52,425,300
Changes in equity for the six months ended 31 December 2016:					
Profit for the period	—	6,956,234	—	—	6,956,234
Other comprehensive income for the period	—	—	5,422	—	5,422
Total comprehensive income for the period	—	6,956,234	5,422	—	6,961,656
Dividends paid by a subsidiary	17	—	(6,000,000)	—	(6,000,000)
Balance at 31 December 2016	—*	53,233,400	3,356	150,200	53,386,956

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2017

	Attributable to equity shareholders of the Company				
	Share Capital RM (Unaudited)	Retained Earnings RM (Unaudited)	Translation Reserve RM (Unaudited)	Other Reserve RM (Unaudited) (Note 16)	Total Equity RM (Unaudited)
Balance at 1 January 2017	—*	53,233,400	3,356	150,200	53,386,956
Changes in equity for the six months ended 30 June 2017:					
Loss for the period	—	(2,249,324)	—	—	(2,249,324)
Other comprehensive income for the period	—	—	279,901	—	279,901
Total comprehensive loss for the period	—	(2,249,324)	279,901	—	(1,969,423)
Balance at 30 June 2017	—*	50,984,076	283,257	150,200	51,417,533

* The share capital of the Company was HK\$0.60 divided into 60 ordinary shares of a par value of HK\$0.01 each.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017



	Six months ended 30 June	
	2017 RM (Unaudited)	2016 RM (Unaudited)
Cash flows from operating activities		
(Loss)/Profit before tax	(191,424)	8,673,783
Adjustments for:		
Depreciation of property, plant and equipment	1,008,101	913,892
Finance income	(18,729)	(11,510)
Finance costs	194,775	221,096
Bad debts written off	—	51,879
Net loss on disposal of property, plant and equipment	—	20,321
Net loss/(gain) on foreign exchange differences	970,710	(323,239)
Property, plant and equipment written off	24	—
Changes in working capital	1,963,457	9,546,222
Decrease in inventories	407,015	1,777,332
Decrease/(Increase) in trade and other receivables	1,342,761	(7,552,701)
Increase/(Decrease) in trade and other payables	1,573,874	(1,724,681)
Cash generated from operations	5,287,107	2,046,172
Income tax paid	(1,815,674)	(660,896)
Net cash from operating activities	3,471,433	1,385,276
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,348,831)	(485,576)
Proceeds from disposal of property, plant and equipment	—	11,755
Interest received	18,729	11,510
Net cash used in investing activities	(1,330,102)	(462,311)
Cash flows from financing activities		
Interest and other borrowing costs paid	(190,558)	(216,161)
Proceeds from new bank loans	2,735,000	3,965,000
Repayments of bank loans	(2,736,901)	(8,776,556)
Capital element of finance leases paid	(25,083)	(58,249)
Interest element of finance leases paid	(4,217)	(4,935)
Dividends paid by a subsidiary	—	(700,000)
Net cash used in financing activities	(221,759)	(5,790,901)
Net increase/(decrease) in cash and cash equivalents	1,919,572	(4,867,936)
Cash and cash equivalents at 1 January	8,115,462	14,810,882
Effect of foreign exchange rate changes	(76,012)	275,693
Cash and cash equivalents at 30 June	9,959,022	10,218,639



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. General Information

The Company is an investment holding company. The Group is principally engaged in the manufacturing and trading of coconut cream powder, low fat desiccated coconut, coconut milk and other related products.

The Company was incorporated in the Cayman Islands under the Companies Law, 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 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is 31/F., 148 Electric Road, North Point, Hong Kong.

The Company's issued shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 11 July 2017 (the "**Listing**").

At the date of this interim report, 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 ("**Mr. Tang**"), an executive Director and the chairman of the Company, who is also the sole director of TYJ.

This interim condensed consolidated financial information was reviewed and approved for issue by the Board on 29 August 2017.

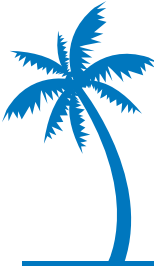
This interim condensed consolidated financial information has not been audited.

2. Reorganisation

In preparation for the Listing, the Company and other companies now comprising the Group had undergone a reorganisation (the "**Reorganisation**"), pursuant to which the Company became the holding company of the companies now comprising the Group on 29 December 2016. As all the companies now comprising the Group that took part in the Reorganisation were beneficially owned and controlled by Mr. Tang and Mr. Lee Sieng Poon ("**Mr. Lee**") (together the "**Controlling Shareholders**") before and after the Reorganisation, there was a continuation of the risks and benefits to the Controlling Shareholders. Accordingly, the Reorganisation is considered to be a business combination of entities under common control. The interim condensed financial information has been prepared using the merger basis of accounting as if the companies now comprising the Group have been consolidated at the beginning of the six months ended 30 June 2016. The assets and liabilities of the consolidating companies are recognised and measured using the historical carrying amounts from the Controlling Shareholders' perspective.

The interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows include the interim condensed consolidated results of operations of the companies now comprising the Group for the six months ended 30 June 2017 and 2016 (or where the companies were incorporated at a date later than 1 January 2016, for the period from the date of incorporation to 30 June 2017) as if the current group structure had been in existence throughout the period presented. The interim condensed consolidated statements of financial position of the Group as at 30 June 2017 and 31 December 2016 have been prepared to present the financial position of the Group as at the respective dates as if the current group structure had occurred at the beginning of the 1 January 2016.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)



3. Basis of Preparation

This interim condensed consolidated financial information for the Period has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” issued by the International Accounting Standards Board.

4. Summary of Significant Accounting Policies

The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial information are consistent with those described in the Accountant’s Report set out in Appendix I to the Company’s listing document dated 29 June 2017 (“**Listing Document**”).

New standards and amendments to standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations have been issued but not effective for the financial year beginning on or after 1 January 2018 and have not been early adopted:

	Effective for accounting periods beginning on or after
IFRS 9, <i>Financial Instruments</i>	1 January 2018
IFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
IFRIC 22, <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to IFRS 1, <i>First-time Adoption of International Financial Reporting Standards (Annual Improvements to IFRS Standards 2014–2016 Cycle)</i>	1 January 2018
Amendments to IFRS 2, <i>Share-based Payment: Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to IFRS 4, <i>Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to IAS 28, <i>Investments in Associates and Joint Ventures (Annual Improvements to IFRS Standards 2014–2016 Cycle)</i>	1 January 2018
Amendments to IAS 40, <i>Investment Property: Transfers of Investment Property</i>	1 January 2018
IFRS 16, <i>Leases</i>	1 January 2019
IFRIC 23, <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
IFRS 17, <i>Insurance Contracts</i>	1 January 2021
Amendments to IFRS 10, <i>Consolidated Financial Statements and IAS 28, Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date yet to be confirmed

The Group is in the process of making an assessment of the impact of these new standards and amendments to standards and interpretations upon initial application but is not yet in a position to state whether these new standards and amendments to standards and interpretations would have a significant impact on its financial performance and financial position.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

5. Estimates

The preparation of 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 applied to the Accountant's Report included in Appendix I to the Listing Document.

6. Revenue and Segment Information

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

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

	Six months ended 30 June	
	2017	2016
	RM	RM
	(Unaudited)	(Unaudited)
Revenue from the sales of		
– Coconut cream powder	42,195,874	38,551,978
– Low fat desiccated coconut	4,151,367	1,201,665
– Coconut milk	1,499,712	2,890,810
– Others	1,997,054	2,597,480
	49,844,007	45,241,933

The Board 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 trading of coconut cream powder, low fat desiccated coconut, coconut milk 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.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

6. Revenue and Segment Information (Continued)

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	
	2017 RM (Unaudited)	2016 RM (Unaudited)
Malaysia	10,816,442	12,187,097
Jamaica	10,895,792	10,583,351
Saudi Arabia	5,230,956	5,179,867
United Arab Emirates	6,447,414	3,416,088
Belize	1,864,671	1,907,329
Other countries and regions	14,588,732	11,968,201
	49,844,007	45,241,933

7. (Loss)/Profit Before Taxation

(Loss)/Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2017 RM (Unaudited)	2016 RM (Unaudited)
(a) Finance costs		
Interest on bank overdrafts	5,424	21,983
Interest on bank loans	171,519	171,336
Interest on finance leases	4,217	4,935
Other borrowing costs	13,615	22,842
	194,775	221,096

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

7. (Loss)/Profit Before Taxation (Continued)

	Six months ended 30 June	
	2017 RM (Unaudited)	2016 RM (Unaudited)
(b) Other items		
Auditors' remuneration	10,000	—
Bad debts written off	—	51,879
Personnel expenses (including Directors' emoluments):		
— Wages, salaries and other benefits	4,538,442	4,901,852
— Contributions to Employees' Provident Fund	317,777	368,737
Depreciation of property, plant and equipment	1,008,101	913,892
Cost of inventories	36,753,073	30,233,038
Operating lease charges in respect of properties — minimum lease payments	140,060	156,823
Listing expenses	7,479,383	—
Net loss on disposal of property, plant and equipment	—	20,321
Net loss on foreign exchange differences	659,596	269,346
Property, plant and equipment written off	24	—
Bank interest income	(18,729)	(11,510)
Rental income	(100,000)	(108,000)

8. Income Tax Expense

Income tax in the interim condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2017 RM (Unaudited)	2016 RM (Unaudited)
Current tax — Malaysian income tax		
Current period	1,712,877	1,985,952
Deferred tax		
Origination and reversal of temporary differences	80,219	286,764
Under provision in prior periods	264,804	—
	345,023	286,764
	2,057,900	2,272,716

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)



9. Earnings Per Share Attributable to Equity Shareholders of the Company

No earnings per share information is presented as its inclusion, for the purpose of this interim report, is not considered meaningful due to the Reorganisation and the preparation of the financial performance for each of the six months ended 30 June 2017 and 2016 on a merger basis as disclosed in Note 2 above.

10. Property, Plant and Equipment

	Freehold land RM (Unaudited)	Leasehold land with unexpired lease period of more than 50 years RM (Unaudited)	Factory buildings and other buildings RM (Unaudited)	Plant and machinery RM (Unaudited)	Motor vehicles RM (Unaudited)	Furniture, fitting and equipment RM (Unaudited)	Construction in progress RM (Unaudited)	Total RM (Unaudited)
Cost								
At 1 January 2017	397,046	415,170	19,005,590	20,912,859	677,720	2,206,097	135,837	43,750,319
Additions	—	—	25,100	1,186,577	—	41,649	95,505	1,348,831
Written off	—	—	—	—	—	(412)	—	(412)
At 30 June 2017	397,046	415,170	19,030,690	22,099,436	677,720	2,247,334	231,342	45,098,738
Accumulated depreciation								
At 1 January 2017	—	(152,225)	(5,998,032)	(13,564,501)	(614,350)	(1,754,383)	—	(22,083,491)
Charges for the period	—	(4,152)	(259,730)	(659,790)	(9,072)	(75,357)	—	(1,008,101)
Written off	—	—	—	—	—	388	—	388
At 30 June 2017	—	(156,377)	(6,257,762)	(14,224,291)	(623,422)	(1,829,352)	—	(23,091,204)
Net carrying amounts								
At 30 June 2017	397,046	258,793	12,772,928	7,875,145	54,298	417,982	231,342	22,007,534
Cost								
At 1 January 2016	2,597,046	415,170	18,635,927	20,769,103	677,720	2,446,846	16,700	45,558,512
Additions	27,098	—	238,707	143,733	—	76,038	—	485,576
Disposal	—	—	—	(62,656)	—	(17,421)	—	(80,077)
Transfers	—	—	—	16,700	—	—	(16,700)	—
At 30 June 2016	2,624,144	415,170	18,874,634	20,866,880	677,720	2,505,463	—	45,964,011
Accumulated depreciation								
At 1 January 2016	—	(143,922)	(5,365,526)	(12,738,198)	(596,183)	(1,987,847)	—	(20,831,676)
Charges for the period	—	(4,152)	(326,552)	(518,672)	(9,084)	(55,432)	—	(913,892)
Disposal	—	—	—	37,463	—	10,538	—	48,001
At 30 June 2016	—	(148,074)	(5,692,078)	(13,219,407)	(605,267)	(2,032,741)	—	(21,697,567)
Net carrying amounts								
At 30 June 2016	2,624,144	267,096	13,182,556	7,647,473	72,453	472,722	—	24,266,444

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

11. Inventories

	30 June 2017 RM (Unaudited)	31 December 2016 RM (Audited)
Packaging and raw materials	4,692,732	4,788,697
Unpacked finished goods	13,950,827	13,727,261
Finished goods	873,787	1,408,403
	19,517,346	19,924,361

12. Trade and Other Receivables

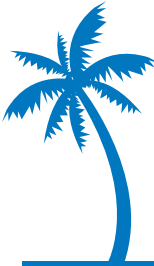
	30 June 2017 RM (Unaudited)	31 December 2016 RM (Audited)
Trade receivables	13,542,625	17,713,589
Deposits, prepayments and other receivables	6,234,875	4,526,534
	19,777,500	22,240,123

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

	30 June 2017 RM (Unaudited)	31 December 2016 RM (Audited)
Within 1 month	6,056,815	7,759,610
1 to 2 months	5,371,849	5,668,559
2 to 3 months	1,957,270	3,547,262
Over 3 months	156,691	738,158
	13,542,625	17,713,589

Trade receivables are due within 7 to 120 days from the date of invoice.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)



13. Cash and Cash Equivalents

	30 June 2017 RM (Unaudited)	31 December 2016 RM (Audited)
Cash on hand	22,987	20,979
Bank balances in licensed banks	9,936,035	10,094,078
Cash and cash equivalents in the consolidated statements of financial position	9,959,022	10,115,057
Bank overdrafts	—	(1,999,595)
Cash and cash equivalents in the consolidated statements of cash flows	9,959,022	8,115,462

14. Loans and Borrowings

	30 June 2017 RM (Unaudited)	31 December 2016 RM (Audited)
Non-current		
Bank loans — secured	3,912,940	3,798,876
Current		
Bank overdrafts — secured	—	1,999,595
Finance lease liabilities — secured	—	25,083
Bank loans — secured	1,119,190	1,235,155
	1,119,190	3,259,833
	5,032,130	7,058,709

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

15. Trade and Other Payables

	30 June 2017 RM (Unaudited)	31 December 2016 RM (Audited)
Trade payables	2,703,079	4,162,458
Advances from customers	115,271	437,094
Other payables and accruals	7,324,270	4,474,259
	10,142,620	9,073,811

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

	30 June 2017 RM (Unaudited)	31 December 2016 RM (Audited)
Within 1 month	1,885,638	2,994,841
1 to 3 months	811,859	1,060,168
3 to 6 months	452	7,508
Over 6 months	5,130	99,941
	2,703,079	4,162,458

16. Other Reserve

Other reserve of the Company represents the difference between the par value of the Company's shares issued and the equity in Edaran Bermutu Sdn. Bhd. ("**Edaran**"), Radiant Span Sdn. Bhd., Rasa Mulia Sdn. Bhd. and Shifu Ingredients Sdn. Bhd. acquired pursuant to the Reorganisation as disclosed in Note 2.

17. Dividends

The Company did not pay any dividends during the period from 10 November 2016 (date of incorporation) to 31 December 2016.

At a meeting of the Board held on 29 August 2017, the Directors resolved not to declare an interim dividend to the shareholders of the Company (the "**Shareholders**") for the six months ended 30 June 2017.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)



17. Dividends (Continued)

Dividends for the previous financial period represent interim dividends declared by the Company's subsidiary, Eداران. The rate of dividend and the number of shares ranking for dividends are not presented as such information is not meaningful having regard to the basis of preparation of the interim condensed consolidated financial information as disclosed in Note 3.

18. Contingent Liabilities

At 30 June 2017, the Group had no material contingent liabilities (31 December 2016: Nil).

19. Commitments

(a) 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:

	30 June 2017 RM (Unaudited)	31 December 2016 RM (Audited)
Approved but not contracted for:		
Property, plant and equipment	48,500,000	—
Contracted but not provided for:		
Property, plant and equipment	—	932,951

(b) Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	30 June 2017 RM (Unaudited)	31 December 2016 RM (Audited)
Within one year	80,400	86,400
After one year but within five years	47,000	127,400
	127,400	213,800

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

20. Related Party Transactions

Key management compensation

Key management compensation was included in personnel expenses as disclosed in Note 7(b) above.

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

	Six months ended 30 June	
	2017 RM (Unaudited)	2016 RM (Unaudited)
Salaries and other benefits	783,132	837,414
Discretionary bonuses	—	339,012
Contributions to Employees' Provident Fund	92,092	137,477
	875,224	1,313,903

21. Financial Instruments

(a) Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Management manages and monitors these exposures to ensure that appropriate measures are implemented on a timely and effective manner. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activities are undertaken by management.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Accountant's Report set out in Appendix I to the Listing Document.

There have been no changes in the risk management policies since year end (i.e. 31 December 2016).

(b) Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their carrying amounts shown in consolidated statements of financial position. None of the financial instruments are carried at fair value during the financial period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)



21. Financial Instruments (Continued)

(b) Fair value information (Continued)

	Fair value of financial instruments not carried at fair value				Carrying amount
	Level 1	Level 2	Level 3	Total	
	RM	RM	RM	RM	
At 30 June 2017					
Financial liabilities					
Bank loans	—	—	4,728,102	4,728,102	5,032,130
	—	—	4,728,102	4,728,102	5,032,130
At 31 December 2016					
Financial liabilities					
Finance lease liabilities	—	—	27,404	27,404	25,083
Bank loans	—	—	5,037,304	5,037,304	5,034,031
	—	—	5,064,708	5,064,708	5,059,114

22. Events After the Reporting Period

The following events took place subsequent to 30 June 2017:

On 11 July 2017, the Company issued 809,999,940 ordinary shares pursuant to the capitalisation issue and 270,000,000 offer shares at an issue price of HK\$0.48 per share in relation to the global offering by the Company and the Listing on the Main Board of the Stock Exchange.

The net proceeds received by the Company from the Listing (after deducting underwriting fees and commission and expense in connection with the Listing) were approximately HK\$93.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group engages in the manufacturing and trading of food products. The core products include coconut cream powder and low fat desiccated coconut, manufacture at the Perak plant in Malaysia. The Perak plant is equipped with a multi-stage spray dryer which is fully automated and monitored centrally ensuring high quality and stable production. The Group also manufactures other food products, such as non-dairy creamer and other traditional South-east Asian food ingredients, such as rice dumplings (ketupat) and toasted coconut paste (kerisik).

The Group implements strict and comprehensive quality assurance procedures throughout all stages of the production from the procurement of raw materials to the packaging and delivery of the finished products. The Group has been accredited with various certifications, in relation to quality management and food safety. The Group is committed to the core values of delivering high quality and safe food products and services, meeting customers' expectations and complying with legal requirements, and continually improving customers' satisfaction and having a quality management team.

The Group's revenue was approximately RM49.8 million for six months ended 30 June 2017 (the "**Period**"), increased by approximately 10.2%, or RM4.6 million, when compared with that for the six months ended 30 June 2016 (the "**Last Corresponding Period**") of approximately RM45.2 million.

The Group's cost of sales increased by approximately 21.8%, or RM6.6 million, from approximately RM30.2 million for the Last Corresponding Period to approximately RM36.8 million for the Period, which was attributable primarily to significant price increment of the major raw materials, coconuts and white kernels. As a result of the above, the gross profit for the Period decreased by approximately 12.7%, or RM1.9 million when compared with that for the Last Corresponding Period.

Coconut cream powder

The Group's best selling product is coconut cream powder. Revenue for coconut cream powder for the Period was approximately RM42.2 million, higher by approximately RM3.6 million as compared to the Last Corresponding Period of approximately RM38.6 million. The increase in revenue for coconut cream powder was attributable primarily to the increase in selling price offset by the slight decrease in sales volume by approximately 4.7% as compared to the Last Corresponding Period. However the selling price increase is less than compensate the increase in the cost of coconuts to an unprecedented level. This has caused gross profit margin compression.

Low fat desiccated coconut

Revenue for low fat desiccated coconut for the Period was approximately RM4.2 million and has increased by approximately RM3.0 million as compared to approximately RM1.2 million in the Last Corresponding Period. The increase in revenue for low fat desiccated coconut was attributable primarily to the significant increase in sales volume. The Group sold the vast majority of its low fat desiccated coconut to trading companies packed in multi-ply kraft paper bags.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



Coconut milk

Revenue for coconut milk for the Period was approximately RM1.5 million and was approximately RM1.4 million lower as compared to the Last Corresponding Period of approximately RM2.9 million, attributable primarily to a significant decrease in sales volume. This is attributable primarily to the OEM suppliers being unable to fulfil our requirements. Thus, the Group has not been able to meet its customers' demand for coconut milk products. To address this situation, the Group plans to produce its own coconut milk products under its own brand by expanding and upgrading its production facilities at its Perak plant.

Other income

The Group's other income remained relatively stable at approximately RM0.2 million for the Period, mainly represented by rental income generated from the renting of property to a third party under an operating lease.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately 16.1%, or RM0.5 million from approximately RM3.1 million for the Last Corresponding Period to approximately RM2.6 million for the Period, which was mainly attributable to a decrease in advertising and promotion expenses.

Administrative expenses

The Group's administrative expenses increased by approximately 244.8%, or RM7.1 million from approximately RM2.9 million for the Last Corresponding Period to approximately RM10.0 million for the Period, attributable primarily to the recognition of the non-recurring listing expenses of approximately RM7.5 million despite a decrease in staff cost.

Other expenses

The Group's other expenses increased by approximately 133.3%, or RM0.4 million from approximately RM0.3 million for the Last Corresponding Period to approximately RM0.7 million for the Period, attributable primarily to an increase in net loss on foreign exchange differences arising mainly from the translation of amount due from the holding company denominated in Hong Kong dollars ("HK\$") as a result of a gentle depreciation of HK\$ against the RM.

Net Finance Costs

The Group's net finance costs remained relatively stable at approximately RM0.2 million for the Period with a slight decrease in line with the gradual repayments of the long term bank loans and a slight increase in interest income.

Income Tax Expense

The Group's income tax expense decreased by approximately 8.7%, or RM0.2 million from approximately RM2.3 million for the Last Corresponding Period to approximately RM2.1 million for the Period, which was primarily in line with a decrease in the profit before tax, leading to a decrease in the taxable profit.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(Loss)/Profit Attributable to Equity Shareholders of the Company

The Group recorded a loss attributable to equity shareholders of the Company of approximately RM2.2 million for the Period, as compared to a profit of approximately RM6.4 million in the Last Corresponding Period. This was attributable mainly to the non-recurring listing expenses of approximately RM7.5 million incurred during the Period.

Future Prospects and Strategies

Looking forward to the second half of 2017, the demand for coconut related products is expected to remain relatively stable. The Group will continue to expand global market reach by increasing sales and marketing efforts in different countries and participation at well-known food exhibitions around the world.

The Group's in house research and development team continues to work closely with the sales and marketing team in order to better respond to customers' specific needs. In this regard, the Company will continue to offer customised product formulations as required by various customers. The Group will enhance and refine its products portfolio with the development of new products and improved variations of existing products.

Liquidity, Financial Resources and Capital Structure

The Group maintained a solid financial position and was in a net cash position as at 30 June 2017. The Group was able to repay its obligations when they became due.

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.

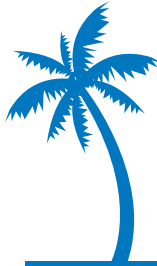
Cash Position

As at 30 June 2017, the Group's cash and cash equivalents were approximately RM10.0 million, slightly decreased as compared with approximately RM10.1 million as at 31 December 2016.

Loans and Borrowings

As at 30 June 2017, the loans and borrowings amounted to approximately RM5.0 million, decreased by approximately RM2.1 million as compared to approximately RM7.1 million as at 31 December 2016, attributable primarily to net repayments of bank borrowings during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



Pledge of Assets

As at 30 June 2017 and 30 June 2016, the assets pledged to licensed banks for banking facilities granted to the Group were as follows:

	30 June 2017 RM (Unaudited)	31 December 2016 RM (Audited)
Leasehold land	258,793	262,945
Freehold land	97,046	97,046
Factory buildings and other buildings	11,590,607	11,791,483
	11,946,446	12,151,474

Capital Expenditures

For the Period, the Group had incurred capital expenditure of approximately RM1.3 million as compared to approximately RM0.5 million in the Last Corresponding Period. The expenditure was mainly related to the purchase of property, plant and equipment.

Significant Investments

The Group did not hold any significant investments as at 30 June 2017 and 31 December 2016.

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 the Period and the Last Corresponding Period.

Interim Dividend

The Board takes into account, among other factors, the Group's overall results of operation, financial position and capital requirements in considering the declaration of dividends. The Board has resolved not to declare any interim dividend for the Period.

The Company did not pay any dividends during the period from 10 November 2016 (date of incorporation) to 31 December 2016.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Foreign Exchange Exposure

The Group undertakes certain transactions denominated in foreign currencies, mainly in United States dollars (“USD”) and HK\$, hence exposure to exchange rate fluctuations arise. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely in order to keep the net exposure to an acceptable level. The Group will consider hedging significant foreign currency exposure should the need arise.

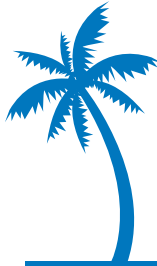
Employees and Remuneration Policies

The Group had 248 employees and 255 employees as at 30 June 2017 and 31 December 2016 respectively. Remuneration is determined by reference to prevailing market terms and in accordance with the performance, qualification and experience of each individual employee.

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 achieve 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. Please refer to the section headed “CORPORATE GOVERNANCE AND OTHER INFORMATION — Share Option Scheme” of this report for further details.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 June 2017 and 31 December 2016.



CORPORATE GOVERNANCE AND OTHER INFORMATION

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

Since the shares of the Company (the "**Shares**") were initially listed on the Stock Exchange on 11 July 2017 (the "**Listing Date**"), the Company was not required to keep any register under Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**") as at 30 June 2017.

As at the date of this report, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), were as follows:

(i) Long positions in the Shares

Name of Directors	Note	Capacity/Nature of interest	Number of shares interested	Approximate percentage of shareholding interest in the Company
Mr. Tang	1	Interest in a controlled corporation	567,000,000	52.5%
Mr. Lee	2	Interest in a controlled corporation	243,000,000	22.5%

Notes:

- Mr. Tang beneficially owns 100% of the issued share capital of TYJ and he is deemed to be interested in 567,000,000 Shares held by TYJ by virtue of the SFO.
- Mr. Lee beneficially owns 100% of the issued share capital of Trinity Holding Limited ("**Trinity**") and he is deemed to be interested in 243,000,000 Shares held by Trinity.
- The percentages of shareholding interest in the Company shown in the table above are calculated on the basis of 1,080,000,000 Shares in issue on the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

(ii) Long position in the shares of an associated corporation

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number and class of share interested	Percentage of shareholding interest
Mr. Tang	TYJ	Beneficial owner	1 ordinary share	100%

Save as disclosed above, as at the date of this report, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO), (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares

Since the Shares were initially listed on the Stock Exchange on the Listing Date, the Company was not required to keep any register under Part XV of the SFO as at 30 June 2017.

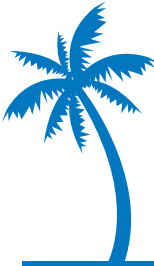
As at the date of this report, so far as is known to the Directors, the following persons and entities (other than a Director or the chief executive of the Company) had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholders	Note	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of shareholding interest in the Company
TYJ	1	Beneficial owner	567,000,000	52.5%
Ms. Yeow Geok Tiang ("Ms. Yeow")	1	Interest of spouse	567,000,000	52.5%
Trinity	2	Beneficial owner	243,000,000	22.5%
Ms. Goh Soo Cheng ("Ms. Goh")	2	Interest of spouse	243,000,000	22.5%

Notes:

- TYJ is beneficially and wholly owned by Mr. Tang who is the husband of Ms. Yeow. By virtue of the SFO, Ms. Yeow is deemed to be interested in the Shares held and deemed to be held by Mr. Tang.
- Trinity is beneficially and wholly owned by Mr. Lee who is the husband of Ms. Goh. By virtue of the SFO, Ms. Goh is deemed to be interested in the Shares held and deemed to be held by Mr. Lee.
- The percentages of shareholding interest in the Company shown in the table above are calculated on the basis of 1,080,000,000 Shares in issue on the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)



Save as disclosed above, as at the date of this report, so far as the Directors or chief executive of the Company are aware, no other persons or entities (other than a Director or the chief executive of the Company) had any interests or short positions in the Shares or underlying Shares, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

Share Option Scheme

On 23 June 2017, the then Shareholders approved and conditionally adopted a share option scheme (the “**Share Option Scheme**”) to enable the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. The Share Option Scheme became effective on the Listing Date. No option has been granted since then and up to the date of this report.

The following is a summary of the principal terms of the Share Option Scheme:

1. Purpose of the Share Option Scheme:

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph 2 below) had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants with an opportunity to have a personal stake in the Company with the 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 on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

2. Participants of the Share Option Scheme:

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of new Shares as the Board may determine at an exercise price as the Board may determine:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including independent non-executive directors) of the Company or any of its subsidiaries; and
- (iii) any advisers, consultants, suppliers, customers, distributors and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

3. Total number of Shares available for issue under the Share Option Scheme and percentage of the number of issued Shares as at the Listing Date:

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme shall not in aggregate exceed 108,000,000 Shares (representing approximately 10% of the total number of issued Shares as at the Listing Date).

4. Maximum entitlement of each participant under the Share Option Scheme:

(a) Subject to paragraph (b) below, the total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such Eligible Participant), the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his/her close associates (or his/her associates if the Eligible Participant is a connected person) abstaining from voting.

(b) Maximum entitlement of each independent non-executive Director, substantial shareholder of the Company and their respective associates (as defined in the Listing Rules):

- 0.1% of the number of the Shares in issue
- HK\$5 million (value of the Shares based on the closing price of the Shares)

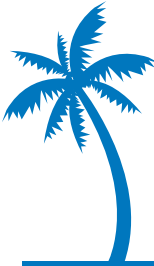
5. The period during which the options must be exercised under the Share Option Scheme to subscribe for Shares:

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the effective date of the Share Option Scheme, i.e. 11 July 2017. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from 11 July 2017.

6. The minimum period for which an option must be held before it can be exercised:

There is no minimum period for which an option granted must be held before it can be exercised except otherwise imposed by the Board.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)



7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made, or loans for such purposes must be repaid:

Options granted must be taken up within 21 days of the date of offer, upon payment of HK\$1 per grant.

8. The basis of determining the exercise price:

The exercise price for the options that may be granted under the Share Option Scheme shall be determined by the Board in its absolute discretion, save that such price must be at least the highest of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

9. The remaining life of the Share Option Scheme:

The Share Option Scheme shall be valid and effective for a period commencing on 11 July 2017 and ending on the tenth anniversary of the date of adoption (both days inclusive), subject to earlier termination by the Company in general meeting or by the Board.

Purchase, Sale or Redemption of Shares

As the issued Shares were initially listed on the Stock Exchange on the Listing Date, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the Period and up to the date of this report.

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 code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules were not applicable to the Company for the Period as the Shares were initially listed on the Stock Exchange on the Listing Date.



CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

From the Listing Date and up to the date of this report, the corporate governance practices adopted by the Company have complied with all of the code provisions of the CG Code. The Company is committed to the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

The audit committee of the Company (the “**Audit Committee**”), consisting of three independent non-executive Directors, namely Mr. Fung Che Wai Anthony (chairman of the Audit Committee), Mr. Chong Yew Hoong and Mr. Ng Hock Boon, is responsible for reviewing the Company’s corporate governance policies and the Company’s compliance with the CG Code and shall make recommendations to the Board accordingly.

Securities Transactions by Directors

The Model Code as set out in Appendix 10 to the Listing Rules was not applicable to the Company during the Period as the Shares were initially listed on the Stock Exchange on the Listing Date. The Company has adopted the Model Code as its code of conduct regarding the Directors’ securities transactions upon the Listing and all the Directors have confirmed, upon specific enquiries made by the Company, that each of them had complied with the Model Code since the Listing Date and up to the date of this report.

Review by the Audit Committee

The Audit Committee has reviewed the unaudited condensed consolidated interim results of the Group for the Period and this report and agreed to the accounting principles and practices adopted by the Group.

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

Hong Kong, 29 August 2017



S&P International Holding Limited
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