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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)**

### **DISCLOSEABLE TRANSACTION AWARD OF CONSTRUCTION CONTRACT IN MALAYSIA**

On 21 June 2018 (after the securities trading hours of the Stock Exchange), S&P Industries Sdn. Bhd. (an indirect wholly-owned subsidiary of the Company and as the Project Owner) has awarded a construction contract to Progamatic Design Sdn. Bhd. (as the Contractor) by way of the Letter of Award with a contract sum of RM12.0 million (equivalent to approximately HK\$23.5 million) in relation to construction works at the Group's Perak Plant for the purposes of facility expansion and upgrade.

As the highest Percentage Ratio in respect of the transactions contemplated under the Letter of Award is more than 5% but less than 25%, the entering into of the Letter of Award constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **INTRODUCTION**

The Board is pleased to announce that on 21 June 2018 (after the securities trading hours of the Stock Exchange), S&P Industries Sdn. Bhd. (an indirect wholly-owned subsidiary of the Company and as the Project Owner) has awarded a construction contract to Progamatic Design Sdn. Bhd. (as the Contractor) by way of the Letter of Award with a contract sum of RM12.0 million (equivalent to approximately HK\$23.5 million) in relation to construction works at the Group's Perak Plant for the purposes of facility expansion and upgrade.

## **LETTER OF AWARD**

The principal terms of the Letter of Award are set out below.

**Date:** 21 June 2018

### **Parties:**

- (a) S&P Industries Sdn. Bhd. as the Project Owner; and
- (b) Progamatic Design Sdn. Bhd. as the Contractor.

### **Scope of Works:**

Pursuant to the Letter of Award, the Contractor shall undertake construction works to construct a new factory building, including relevant associated civil and structural engineering works but not including mechanical and electrical engineering works, in accordance with the Project Owner's design and specifications, at the Perak Plant.

The Contractor shall commence and complete the construction works by 1 July 2018 and 31 January 2019, respectively.

### **Consideration, Payment Terms and Retention Fund:**

The contract sum under the Letter of Award is RM12.0 million (equivalent to approximately HK\$23.5 million) payable in cash by the Project Owner to the Contractor based on the Contractor's monthly claim amount, which in turn is based on the percentage of completion of the contract works, less the applicable retention sum amount. The consideration was the bid price submitted by the Contractor and accepted by the Project Owner after a selective tendering process. The Letter of Award has been awarded to the Contractor after an objective evaluation by the Project Owner of the experience and competency of the Contractor, the expected scope and complexity of the construction works to be carried out, the costs of material and labour estimated to be incurred, and the prevailing market prices for carrying out construction works of comparable scale and complexity.

Pursuant to the Letter of Award, up to 5% of the total contract sum may be retained by the Project Owner as retention fund, half of which shall be released to the Contractor upon expiry of six months after the date of the certificate of practical completion of works and the balance shall be released upon expiration of the applicable defects liability period.

In the event that the Contractor fails to complete the contract works within the stipulated timeline, the Contractor shall be liable to pay liquidated damages to the Project Owner at the rate of RM20,000 per calendar day.

The Contractor shall provide a guarantee in an approved form for the due performance of the construction works.

The consideration payable by the Group pursuant to the transactions contemplated under the Letter of Award will be funded by the internal resources of the Group, including the net proceeds from the Company's IPO completed in July 2017.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

As stated in the Company's prospectus dated 29 June 2017 in relation to the Company's IPO and listing on the Stock Exchange, it is part of our business strategies to produce our own coconut milk products going forward by expanding and upgrading our production facilities at the Perak Plant. The construction works to be undertaken by the Contractor pursuant to the Letter of Award are for expanding and upgrading the facilities at the Perak Plant, which will facilitate the implementation of the above business strategy. Apart from the construction works to be undertaken by the Contractor, the Group will further engage other Independent Third Parties to undertake mechanical and electrical engineering works and for purchase of equipment and machinery as part of the expansion and upgrade at the Perak Plant. The planned expansion and upgrade will be funded by the net proceeds from the Company's IPO completed in July 2017, of which approximately HK\$75.5 million, representing approximately 76.0% of the total net proceeds, has been earmarked for such purpose. The transactions are, therefore, considered by the Directors to be in line with the Group's existing business strategy and represent a logical step forward in the pursuit of the Group's future business development opportunities.

The Letter of Award has been awarded to the Contractor after a tendering process and after arm's length negotiations between the Project Owner and the Contractor. The Directors (including the independent non-executive Directors) consider that the terms (including the contract sum) of the Letter of Award and the transactions contemplated thereunder are normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **GENERAL INFORMATION OF THE GROUP, THE PROJECT OWNER AND THE CONTRACTOR**

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

The Project Owner is a company incorporated in Malaysia with limited liability and an indirect wholly-owned subsidiary of the Company, which is principally engaged in manufacturing and trading of coconut-derived products such as coconut cream powder and low fat desiccated coconut.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, (i) the Contractor is a company incorporated in Malaysia with limited liability, whose principal business activity is building and civil construction, interior fit-out and signage including engineering services; and (ii) the Contractor and its ultimate beneficial owner(s) are Independent Third Parties.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable Percentage Ratio for the Company in respect of the transactions contemplated under the Letter of Award is more than 5% but less than 25%, the entering into of the Letter of Award constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following words and expressions have the following respective meanings:

“Board”	the board of Directors
“Company”	S&P International Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 1695)
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Contractor”	Progamatic Design Sdn. Bhd., a company incorporated in Malaysia with limited liability
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third parties who are independent of the Company and the connected persons of the Company
“IPO”	the initial public offering of the Company
“Letter of Award”	the letter of award dated 21 June 2018 issued by the Project Owner and countersigned and acknowledged by the Contractor in relation to the award of contract for construction works to be undertaken by the Contractor at the Perak Plant
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Perak Plant”	the Group’s main production facility located at Lot 3709, Jalan Bagan Datoh, Simpang Tiga, 36200 Selekoh, Perak, Malaysia

“Percentage Ratio(s)”	the percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction under the Listing Rules
“Project Owner”	S&P Industries Sdn. Bhd, a company incorporated in Malaysia with limited liability and an indirect wholly-owned subsidiary of the Company
“RM”	Malaysian Ringgit, the lawful currency of Malaysia
“Share(s)”	the ordinary share(s) of nominal or par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to this term under the Listing Rules
“%”	per cent.

*In this announcement, the exchange rate of HK\$1:00 to RM0.5103, being Bank Negara Malaysia’s mid-rate as at 5:00 p.m. on 20 June 2018, has been used for currency translation, where applicable, for illustrative purpose only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or any other rate or at all.*

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

Hong Kong, 21 June 2018

*As at the date of this announcement, the Board comprises seven Directors, including four executive Directors, namely Mr. Tang Koon Fook (Chairman), Mr. Lee Sieng Poon, Mr. Yap Boon Teong and Ms. Wong Yuen Lee; and three independent non-executive Directors, namely Mr. Fung Che Wai Anthony, Mr. Chong Yew Hoong and Mr. Ng Hock Boon.*