



ENVICTUS INTERNATIONAL HOLDINGS LIMITED
(Company Registration No: 200313131Z)

THE PROPOSED DISPOSAL OF LAND BY POK BROTHERS (JOHOR) SDN. BHD.

1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Envictus International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that a wholly-owned subsidiary of the Company, Pok Brothers (Johor) Sdn. Bhd. (the “**Vendor**”), has on 30 November 2018 entered into the following conditional sale and purchase agreements (the “**Agreements**”) for the disposal of its interest in 3 plots of freehold land (the “**Land**”) for an aggregate consideration of RM2,100,000 (the “**Proposed Disposal**”):

- (a) a conditional sale and purchase agreement between the Vendor and Bayu Sutera Sdn Bhd for the sale of parcel of freehold land held under H.S.(D) 123885, No. PT: PTD 25488, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor with a gross land area of approximately 435.701 square metres for a consideration of RM1,000,000;
- (b) a conditional sale and purchase agreement between the Vendor and Ng Yoke Peng for the sale of parcel of freehold land held under H.S.(D) 123886, No. PT: PTD 25489, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor with a gross land area of approximately 222.96 square metres for a consideration of RM650,000; and
- (c) a conditional sale and purchase agreement between the Vendor and Choo Chee Hwa for the sale of parcel of freehold land held under H.S.(D) 393723, No. PT: PTD 25491, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor with a gross land area of approximately 222.96 square metres for a consideration of RM450,000.

2. INFORMATION ON THE LAND AND THE PURCHASERS

2.1. The Land is freehold land with details as set out below:

Purchaser	Property Address	Gross Land Area	Building on the Land	Consideration
Bayu Sutera Sdn Bhd	No. 1, Jalan Bertam 6, Taman Daya, 81100 Johor Bahru, Johor	435.701 square metres	Single storey terrace workshop (houses a cold room)	RM1,000,000
Ng Yoke Peng	No. 3, Jalan Bertam 6, Taman Daya, 81100 Johor Bahru, Johor	222.96 square metres	Single storey terrace workshop (houses a cold room and office space)	RM650,000

Purchaser	Property Address	Gross Land Area	Building on the Land	Consideration
Choo Chee Hwa	No. 7, Jalan Bertam 6, Taman Daya, 81100 Johor Bahru, Johor	222.96 square metres	Single storey terrace workshop (houses a cold room)	RM450,000

- 2.2. The Land and the workshops erected on the Land are presently being used by the Group for its trading and frozen food business segment.
- 2.3. Bayu Sutera Sdn Bhd is a company incorporated in Malaysia with its principal activities in real estate. Choo Chee Hwa is a shareholder in Magnum Cold Storage Sdn Bhd, a company incorporated in Malaysia that operates a frozen food business, and which is a customer of Pok Brothers Sdn Bhd. Ng Yoke Peng is a shareholder in Mr Tauge (M) Sdn Bhd, a company incorporated in Malaysia that is involved in the cultivation and trading of bean sprouts. To the best of the Company's knowledge, Bayu Sutera Sdn Bhd, Ng Yoke Peng and Choo Chee Hwa (the "**Purchasers**") are not related to each other or to the Group

3. **PRINCIPAL TERMS OF THE PROPOSED DISPOSAL**

3.1. The Proposed Disposal

The Purchasers have agreed to purchase and the Vendor has agreed to sell the Land, which consists of 3 plots of freehold land located in Johor Bahru, Johor, Malaysia, on the terms and conditions of the Agreements. The Agreements are not inter-conditional.

3.2. Consideration

The aggregate consideration for the Proposed Disposal is RM2,100,000 and the consideration for each plot of Land is set out in paragraph 2.1 above. The consideration for each plot of Land was arrived at by the relevant parties on a willing buyer willing seller basis after taking into consideration, amongst other factors, the market value of the relevant plot of Land based on valuation reports commissioned by the Company. Further details of the valuation reports are set out in paragraph 6.5 below.

The consideration for each plot of Land is payable by the relevant Purchaser to the Vendor in the following manner:

- (a) 7% of the consideration (the "**Deposit**") will be paid to the Vendor prior to the date on which the relevant Agreement is entered into;
- (b) 3% of the consideration will be paid to and retained by the relevant Purchaser's solicitors (as stakeholders) on the date of the relevant Agreement (which shall be remitted to the Director General of Inland Revenue in Malaysia for the purposes of payment of real property gains tax); and
- (c) the balance amount of the consideration (the "**Balance Consideration**") will be paid to the Vendor's solicitors (as stakeholders) on or before the expiry of a period of 3 months from the date of the relevant Agreement (the "**Completion Date**") provided that the Vendor shall automatically grant a further extension of 1 month from the completion date (the "**Extended Completion Date**") for the payment of the Balance Consideration subject to the relevant Purchaser paying the Vendor

interest at 8% per annum on the outstanding amount.

In the event that a Purchaser fails to make payment of the Balance Consideration on or before the date of the Extended Completion Date, the Vendor shall be entitled to terminate the relevant Agreement and the Deposit shall be forfeited (with all other monies paid by the relevant Purchaser to be refunded without interest).

3.3. Conditions Precedent

The completion of the disposal of each plot of Land is conditional on the following condition:

- (a) the Vendor obtaining a waiver or confirmation from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") that the Company is not required to seek shareholders' approval for the disposal of the relevant plot of Land; or
- (b) in the event that such waiver is not granted by SGX-ST, the Company passing a shareholders' resolution approving the disposal of the relevant plot of Land as may be required under the Listing Manual of the SGX-ST (the "**Listing Manual**").

The condition is to be satisfied within four (4) months of the date of the relevant Agreement (or such extended period of time as the parties may agree).

4. **RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS**

- 4.1. The individual cold rooms that are currently situated on the Land provide insufficient storage capacity for the operations of the Vendor. As there is no room for expanding these cold rooms, the Vendor intends to dispose of the Land by way of the Proposed Disposal. To replace the disposed Land, the Group intends to acquire a new factory building with a single larger cold room facility to meet the storage needs for the operations of the Vendor.
- 4.2. The Group intends to use the net proceeds from the disposal of the Land for the acquisition of such new factory building.

5. **RELATIVE FIGURES FOR THE PROPOSED DISPOSAL**

- 5.1. The relative figures of the Proposed Disposal computed on the bases set out in Rules 1006 (a) to (d) of the Listing Manual are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	0.26% ⁽¹⁾
(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits.	-5.2% ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	2.0% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable

Notes:

- (1) Based on the latest announced consolidated results of the Group as at 30 September 2018.
- (2) Based on the latest announced consolidated results of the Group as at 30 September 2018, the net profits attributable to the Land disposed of (excluding income tax and real property gains tax) is approximately RM1,317,000 and the Group's net loss for the financial year ended 30 September 2018 is RM25,432,000.
- (3) Based on the aggregate consideration for the Land of RM 2,100,000 and the issued share capital (excluding treasury shares) of the Company of 247,114,403 ordinary shares in the capital of the Company and the weighted average price of S\$0.1421 transacted on the Mainboard of the SGX-ST on 29 November 2018, being the last market day preceding the date of the Agreements.

- 5.2. As the relative figures under Rule 1006 of the Listing Manual do not exceed 5%, the Proposed Disposal constitutes a "non-discloseable transaction" as defined in Chapter 10 of the Listing Manual. However, as relative figure computed pursuant to Rule 1006(b) of the Listing Manual is negative, the Company has consulted with the SGX-ST in accordance with Rule 1007(1) of the Listing Manual as to whether shareholders' approval for the Proposed Disposal is required and will update shareholders on the outcome of such consultation.

6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

6.1. Assumptions

The pro forma financial effects in this section are based on the unaudited consolidated financial statements for the year ended 30 September 2018 ("FY2018") and are purely for illustration purposes only and do not reflect the actual future results and financial position of the Group following the completion of the Proposed Disposal.

6.2. Net Tangible Assets

For illustrative purposes and assuming the Proposed Disposal had been completed on 30 September 2018, the pro forma financial effects on the consolidated net tangible assets ("NTA") for FY2018 are as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (RM)	249,943,000	251,199,000
Number of shares	141,918,499	141,918,499
NTA per share (RM)	1.76	1.77

6.3. Earnings

For illustrative purposes and assuming the Proposed Disposal had been completed on 1 October 2017, the pro forma financial effects on the earnings per share of the Group for FY2018 are as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net profit attributable to shareholders after tax from continuing operations (RM)	(26,408,000)	(25,152,000)
Number of weighted average shares	130,983,901	130,983,901
Earnings per share (RM sen)	(20.16)	(19.20)

6.4. Gain from the Proposed Disposal

The amount of gain from the Proposed Disposal after taking into account estimated incidental costs and real property gains tax is approximately RM1,256,000.

6.5. Valuation Reports

The Company had commissioned Savills (Malaysia) Sdn Bhd, an independent valuer, to undertake a valuation of the Land. The open market value of each plot of Land as set out in the valuation reports dated 12 December 2017 and issued by the valuer (the “**Valuation Reports**”) is as follows:

Purchaser	Property Address	Valuation Amount	Effective Date of Valuation
Bayu Sutera Sdn Bhd	No. 1, Jalan Bertam 6, Taman Daya, 81100 Johor Bahru, Johor	RM1,000,000	12 December 2017
Ng Yoke Peng	No. 3, Jalan Bertam 6, Taman Daya, 81100 Johor Bahru, Johor	RM670,000	12 December 2017
Choo Chee Hwa	No. 7, Jalan Bertam 6, Taman Daya, 81100 Johor Bahru, Johor	RM630,000	12 December 2017

7. **INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company (other than in their capacity as Directors or shareholders of the Company) has any interest, direct or indirect, in the Proposed Disposal.

8. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Agreements and the Valuation Reports will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this announcement.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and the directors of the Company jointly and severally accept full responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

By order of the Board
ENVICTUS INTERNATIONAL HOLDINGS LIMITED

DATO' KAMAL Y P TAN
Group Chief Executive Officer

30 November 2018