



ENVICTUS INTERNATIONAL HOLDINGS LIMITED
(formerly known as Etika International Holdings Limited)
 (Company Registration No: 200313131Z)

UNAUDITED FULL YEAR RESULTS FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a) (i) Consolidated Statement of Comprehensive Income

	2014 RM '000	2013 RM '000 (Restated)	Change %
Revenue	306,789	296,895	3.3
Cost of goods sold	(248,187)	(236,463)	5.0
Gross profit	58,602	60,432	(3.0)
Other operating income	38,513	1,647	>100
Operating expenses			
Administrative expenses	(30,330)	(29,948)	1.3
Selling and marketing expenses	(38,827)	(39,165)	(0.9)
Warehouse and distribution expenses	(22,071)	(23,925)	(7.7)
Research and development expenses	(1,227)	(1,060)	15.8
Other operating expenses	(51,534)	(2,405)	>100
	(143,989)	(96,503)	49.2
Loss before interest and tax	(46,874)	(34,424)	36.2
Finance costs	(8,288)	(11,071)	(25.1)
Loss before income tax from continuing operations	(55,162)	(45,495)	21.2
Income tax expense	(17,191)	(1,893)	>100
Loss from continuing operations, net of tax	(72,353)	(47,388)	52.7
Profit from discontinued operations, net of tax (Note 1)	610,021	52,488	>100
Profit for the year	537,668	5,100	>100

1(a) (i) Consolidated Statement of Comprehensive Income (continued)

	2014 RM '000	2013 RM '000 (Restated)	Change %
Profit for the year	537,668	5,100	>100
Other comprehensive income:			
<i>Items that may never be reclassified subsequently to profit or loss :</i>			
Actual gain on defined benefit pension plans	-	86	(100)
<i>Items that may be reclassified subsequently to profit or loss :</i>			
Exchange differences on translating foreign operations	3,797	5,355	(29.1)
Fair value gain on available-for-sale financial assets	52	2	>100
Other comprehensive income	3,849	5,443	(29.3)
Total comprehensive income for the financial year	541,517	10,543	>100
Profit attributable to :			
Owners of the Company			
- Loss from continuing operations, net of tax	(67,398)	(45,003)	49.8
- Profit from discontinued operations, net of tax	610,014	52,438	>100
Non – controlling interests	(4,948)	(2,335)	>100
	537,668	5,100	>100
Total comprehensive income attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax	(63,549)	(38,053)	67.0
- Profit from discontinued operations, net of tax	610,014	50,931	>100
Non-controlling interest	(4,948)	(2,335)	>100
	541,517	10,543	>100

1(a) (ii) Notes to Consolidated Statement of Comprehensive Income

Note 1:

The disposal of the dairies and packaging businesses and the relevant intellectual property of the Company were completed on 30 June 2014 and as such, the companies involved in the disposed dairies and packaging businesses have ceased to be subsidiaries of the Group. In compliance with FRS 105, the results of the disposed businesses are presented separately in the Consolidated Statement of Comprehensive Income as “Discontinued Operations” as follows:

	Discontinued Operations	
	9 months ended 30.06.14 RM'000	12 months ended 30.09.13 RM'000
Revenue	540,891	684,881
Cost of goods sold	(423,586)	(521,854)
Gross profit	117,305	163,027
Other operating income	2,418	2,755
Operating expenses		
Administrative expenses	(15,349)	(21,712)
Selling and marketing expenses	(24,753)	(34,115)
Warehouse and distribution expenses	(15,388)	(20,126)
Research and development expenses	(1,451)	(1,750)
Other operating expenses	(8,180)	(7,519)
	(65,121)	(85,222)
Earnings before interest and tax (EBIT)	54,602	80,560
Finance costs	(12,153)	(16,185)
Profit before income tax	42,449	64,375
Income tax expense	(5,704)	(11,887)
Profit, net of tax	36,745	52,488
Gain on disposal of subsidiaries	573,276	-
Profit for the period/year	610,021	52,488

1(a) (ii) Notes to Consolidated Statement of Comprehensive Income (continued)

Note 2 :

Profit for the financial period is arrived at after charging/(crediting) the following :

	2014 RM '000	2013 RM '000 (Restated)	Change %
<u>Continuing operations</u>			
Allowance for doubtful receivables	1,290	1,835	(29.7)
Allowance for doubtful receivables no longer required	(629)	(325)	93.5
Amortisation of intangible assets	397	357	11.2
Depreciation of property, plant and equipment	13,523	11,128	21.5
Fair value gain on held for trading investments	(335)	-	100
Foreign currency exchange loss/(gain)	3,653	(2,962)	>100
Gain on disposal of property, plant and equipment	(328)	(276)	18.8
Gain on disposal of relevant intellectual property	(34,248)	-	100
Finance costs	8,288	11,071	(25.1)
Impairment of intangible assets	22,841	-	100
Impairment of inventories	1,687	-	100
Impairment of property, plant and equipment	21,832	-	100
Interest income	(1,439)	(312)	>100
Inventories written off	-	576	(100)
Property, plant and equipment written off	91	-	100
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<u>Discontinued operations</u>			
Allowance for doubtful receivables	515	1,781	(71.1)
Allowance for doubtful receivables no longer required	(365)	(591)	(38.2)
Amortisation of intangible assets	80	101	(20.8)
Amortisation of prepaid lease payment for land	604	904	(33.2)
Depreciation of property, plant and equipment	15,037	17,145	(12.3)
Fair value (gain)/loss arising from derivative financial instruments	(420)	403	>100
Foreign currency exchange loss	7,928	6,323	25.4
Gain on disposal of property, plant and equipment	(27)	(75)	64.0
Gain on disposal of subsidiaries	(573,276)	-	100
Finance costs	12,153	16,185	(24.9)
Interest income	(340)	(187)	81.8
Inventories written off	2,978	3,614	(17.6)
Property, plant and equipment written off	-	6	(100)
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Comparative figures have been restated to accordingly reflect discontinued operations in the consolidated statement of comprehensive income.

The discontinued operations' results are disclosed for a period of nine months from 01 October 2013 to 30 June 2014 while its comparative is for a period of twelve months from 01 October 2012 to 30 September 2013.

1(b) (i) Statements of Financial Position

	Group		Company	
	As at 30.09.14 RM'000	As at 30.09.13 RM'000	As at 30.09.14 RM'000	As at 30.09.13 RM'000
Non-current assets				
Property, plant and equipment	92,911	334,510	15	18
Prepaid lease payment for land	4,184	36,549	-	-
Investment in subsidiaries	-	-	2,203	39,335
Trade receivables	-	151	-	-
Available-for-sale financial assets	285	233	-	-
Deferred tax assets	3,622	13,660	-	-
Intangible assets	14,533	113,138	58	93
	115,535	498,241	2,276	39,446
Current assets				
Inventories	40,164	137,877	-	-
Trade and other receivables	106,912	151,096	234,444	164,045
Derivative financial instrument	-	53	-	-
Tax recoverable	788	6,118	28	-
Held for trading investments	16,202	-	16,202	-
Fixed deposits	-	6,088	-	-
Cash and bank balances	144,047	66,692	117,340	2,907
	308,113	367,924	368,014	166,952
Less :				
Current liabilities				
Trade and other payables	57,612	110,834	168,364	25,343
Bank borrowings	5,896	207,287	-	-
Finance lease payables	2,244	3,374	-	-
Derivative financial instruments	-	470	-	-
Current income tax payable	5,161	2,596	295	62
	70,913	324,561	168,659	25,405
Net current assets	237,200	43,363	199,355	141,547
Less :				
Non-current liabilities				
Other payables	-	2,295	-	-
Bank borrowings	156	236,354	-	-
Finance lease payables	5,571	6,985	-	-
Financial guarantee contracts	-	-	92	7,365
Deferred tax liabilities	3,182	22,378	-	-
	8,909	268,012	92	7,365
Net assets	343,826	273,592	201,539	173,628
Capital and reserves				
Share capital	111,406	98,470	111,406	98,470
Treasury shares	(183)	(183)	(183)	(183)
Foreign currency translation reserve	12,969	1,719	9,707	8,925
Fair value reserve	(547)	(453)	-	-
Share options reserve	9,507	9,507	9,507	9,507
Other reserves	(2,168)	(504)	-	-
Accumulated profits	215,782	164,470	71,102	56,909
Equity attributable to the owners of the Company	346,766	273,026	201,539	173,628
Non-controlling interests	(2,940)	566	-	-
Total equity	343,826	273,592	201,539	173,628

1(b) (ii) Aggregate amount of the Group's borrowings and debt securities.

	As at 30.09.14		As at 30.09.13	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Amount payable within one year				
Bank borrowings	5,896	-	184,447	22,840
Finance lease payables	2,244	-	3,374	-
	<u>8,140</u>	<u>-</u>	<u>187,821</u>	<u>22,840</u>
Amount payable after one year				
Bank borrowings	156	-	236,354	-
Finance lease payables	5,571	-	6,985	-
	<u>5,727</u>	<u>-</u>	<u>243,339</u>	<u>-</u>
	<u>13,867</u>	<u>-</u>	<u>431,160</u>	<u>22,840</u>
Total	<u>13,867</u>		<u>454,000</u>	

The Group's bank borrowings as at 30 September 2014 are secured against the following:

- ⇒ Registered general security agreement over all present and future assets of Nutrition Division;
- ⇒ Pledge of Horleys trademark; and
- ⇒ Company's Corporate Guarantees, except for a secured term loan of RM182,000 (30 September 2013 : RM205,000).

The Group's finance lease payables are secured by way of a charge against the respective machineries and vehicles under finance leases.

As at 30 September 2014, the following pledges/charges on certain Group's assets, which were used to secure the bank borrowings that were settled by the Group in July 2014, have not been discharged:

- ⇒ Fixed charge over the freehold land and buildings located in Glenmarie Estate, Subang, Selangor and Georgetown, Penang, Kuantan, Pahang and Johor Bharu, Johor (Trading and Frozen Food Division); Oakland Industrial Park, Seremban, Negeri Sembilan (Others Division);
- ⇒ Fixed charge over the machinery and equipment of Trading and Frozen Food and Others Divisions;
- ⇒ Pledge of unquoted shares in Trading and Frozen Food Division; and
- ⇒ Company's Corporate Guarantees

Subsequent to the financial year, certain Corporate Guarantees issued by the Company have been cancelled. For the rest of the pledges/charges and the Corporate Guarantees, the Group has already applied for the cancellation.

1(c) Consolidated Statement of Cash Flows

	2014 RM'000	2013 RM'000 (Restated)
Cash flows from operating activities		
Loss before income tax from continuing operations	(55,162)	(45,495)
Profit before income tax from discontinued operations	615,725	64,375
Profit before income tax, total	560,563	18,880
Adjustments for:		
Allowance for doubtful receivables	1,805	3,616
Allowance for doubtful receivables no longer required	(994)	(916)
Amortisation of intangible assets	477	458
Amortisation of prepaid lease payment for land	604	904
Depreciation of property, plant and equipment	28,560	28,273
Fair value gain on held for trading investments	(335)	-
Fair value (gain)/loss arising from derivative financial instruments	(420)	403
Foreign currency exchange loss	11,581	3,361
Gain on disposal of property, plant and equipment	(355)	(351)
Gain on disposal of relevant intellectual property	(34,248)	-
Gain on disposal of subsidiaries	(573,276)	-
Finance costs	20,441	27,256
Impairment of intangible assets	22,841	-
Impairment of inventories	1,687	-
Impairment of property, plant and equipment	21,832	-
Interest income	(1,779)	(499)
Inventories written off	2,978	4,190
Property, plant and equipment written off	91	6
Operating profit before working capital changes	62,053	85,581
Working capital changes:		
Inventories	(3,245)	(9,995)
Trade and other receivables	(80,707)	2,914
Trade and other payables	30,675	(5,495)
Cash generated from operations	8,776	73,005
Interest paid	(4,055)	(7,058)
Income tax paid, net	(8,482)	(11,026)
Net cash (used in) / generated from operating activities	(3,761)	54,921
Cash flows from investing activities		
Acquisition of held for trading investments	(15,867)	-
Acquisition of non – controlling interests	(1,664)	(1,271)
Interest received	1,779	499
Addition of prepaid lease payment for land	-	(5,683)
Net cash inflow from disposal of subsidiaries and relevant intellectual property (Note 4)	772,299	-
Proceeds from disposal of property, plant and equipment	750	1,303
Purchase of intangible assets	(566)	(1,022)
Purchase of property, plant and equipment	(19,929)	(51,026)
Net cash generated from/ (used in) investing activities	736,802	(57,200)

1(c) Consolidated Statement of Cash Flows (continued)

	2014 RM'000	2013 RM'000 (Restated)
Cash flows from financing activities		
Dividends paid to shareholders	(491,304)	(8,624)
Interest paid	(16,386)	(20,198)
Decrease/(Increase) in pledged fixed deposits	597	(200)
Proceeds from the issuance of ordinary shares	12,936	41,406
Proceeds from issuance of additional shares to non – controlling interests	1,843	671
Payment of finance lease obligations	(3,718)	(3,412)
Repayment of bank borrowings	(402,667)	(451,772)
Proceeds from bank borrowings	260,328	459,291
Net cash (used in)/generated from financing activities	(638,371)	17,162
Net change in cash and cash equivalents	94,670	14,883
Cash and cash equivalents at the beginning of financial year	49,356	34,180
Effect of exchange rate changes	21	293
Cash and cash equivalents at the end of financial year	144,047	49,356
Cash and cash equivalents comprise the following:		
Cash and bank balances	144,047	66,692
Fixed deposits	-	5,491
Bank overdrafts – secured	-	(22,827)
	144,047	49,356

1(c) (i) Notes to the Consolidated Statement of Cash Flows

Note 3:

The impact of the discontinued operations on the cash flows of the Group is as follows:

	2014 RM'000	2013 RM'000
Operating activities	22,660	43,938
Investing activities	(7,154)	(35,917)
Financing activities	(35,411)	(7,738)
Total cash (outflows) / inflows	(19,905)	283

Note 4:

Net cash inflow from disposal of subsidiaries and relevant intellectual property.

	RM'000
Gross disposal proceeds	1,055,805
<u>Less</u> : Net debts (borrowings less cash and cash equivalents)	(259,788)
Consideration received, satisfied in cash	796,017
<u>Less</u> : Cash and cash equivalents disposed of	(23,718)
Net cash inflow	772,299

1(d) (i) Statements of Changes in Equity

Group	Share capital	Treasury shares	Foreign currency translation reserve	Fair value reserve	Share options reserve	Other reserves	Accumulated profits	Total attributable to owners of the Company	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 Oct 2013	98,470	(183)	1,719	(453)	9,507	(504)	164,470	273,026	566	273,592
Profit for the period	-	-	-	-	-	-	542,616	542,616	(4,948)	537,668
Other comprehensive income :										
Exchange differences on translating foreign operations	-	-	3,797	-	-	-	-	3,797	-	3,797
Available- for- sale financial assets	-	-	-	52	-	-	-	52	-	52
Total other comprehensive income	-	-	3,797	52	-	-	-	3,849	-	3,849
Total comprehensive income for the financial year	-	-	3,797	52	-	-	542,616	546,465	(4,948)	541,517
Issuance of ordinary shares	12,936	-	-	-	-	-	-	12,936	-	12,936
Acquisition of non – controlling interests	-	-	-	-	-	(1,664)	-	(1,664)	-	(1,664)
Acquisition of additional shares by non – controlling interests	-	-	-	-	-	-	-	-	1,843	1,843
Disposal of subsidiaries	-	-	7,453	(146)	-	-	-	7,307	(401)	6,906
Dividend paid	-	-	-	-	-	-	(491,304)	(491,304)	-	(491,304)
Balance at 30 Sept 2014	111,406	(183)	12,969	(547)	9,507	(2,168)	215,782	346,766	(2,940)	343,826
Balance at 1 Oct 2012	57,064	(183)	(3,636)	(541)	9,507	-	165,659	227,870	2,996	230,866
Profit for the period	-	-	-	-	-	-	7,435	7,435	(2,335)	5,100
Other comprehensive income :										
Exchange differences on translating foreign operations	-	-	5,355	-	-	-	-	5,355	-	5,355
Actual gain on defined benefit pension plans	-	-	-	86	-	-	-	86	-	86
Available-for-sale financial assets	-	-	-	2	-	-	-	2	-	2
Total other comprehensive income	-	-	5,355	88	-	-	-	5,443	-	5,443
Total comprehensive income for the financial year	-	-	5,355	88	-	-	7,435	12,878	(2,335)	10,543
Issuance of ordinary shares	41,406	-	-	-	-	-	-	41,406	-	41,406
Acquisition of non – controlling interests	-	-	-	-	-	(504)	-	(504)	(1,021)	(1,525)
Acquisition of additional shares by non – controlling interests	-	-	-	-	-	-	-	-	926	926
Dividend paid	-	-	-	-	-	-	(8,624)	(8,624)	-	(8,624)
Balance at 30 Sept 2013	98,470	(183)	1,719	(453)	9,507	(504)	164,470	273,026	566	273,592

1(d) (i) Statements of Changes in Equity (continued)

Company	Share capital	Treasury shares	Foreign currency translation reserve	Share options reserve	Accumulated profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 October 2013	98,470	(183)	8,925	9,507	56,909	173,628
Profit for the period	-	-	-	-	505,497	505,497
Other comprehensive income:						
Exchange differences on translating foreign operations	-	-	782	-	-	782
Total comprehensive income for the period	-	-	782	-	505,497	506,279
Issuance of ordinary shares	12,936	-	-	-	-	12,936
Dividend paid	-	-	-	-	(491,304)	(491,304)
Balance at 30 Sept 2014	111,406	(183)	9,707	9,507	71,102	201,539
Balance at 1 October 2012	57,064	(183)	4,339	9,507	27,315	98,042
Profit for the period	-	-	-	-	38,218	38,218
Other comprehensive income:						
Exchange differences on translating foreign operations	-	-	4,586	-	-	4,586
Total comprehensive income for the period	-	-	4,586	-	38,218	42,804
Issuance of ordinary shares	41,406	-	-	-	-	41,406
Dividend paid	-	-	-	-	(8,624)	(8,624)
Balance at 30 Sept 2013	98,470	(183)	8,925	9,507	56,909	173,628

1(d) (i) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrant, conversion of other issues of equity securities, issue of shares for cash, or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital	Number of shares	COMPANY	
		S\$'000	RM'000
Issued and fully paid-up ordinary shares as at 01 October 2013	614,795,528	41,512	98,470
Issued during the period			
- pursuant to the exercise of share options	17,131,000	5,014	12,936
Balance as at 30 September 2014	631,926,528	46,526	111,406

Treasury Shares	Number of treasury shares	COMPANY	
		S\$'000	RM'000
Balance as at 30 September 2014	(1,210,000)	(76)	(183)

Share Capital	Number of shares	COMPANY	
		S\$'000	RM'000
Issued and fully paid-up ordinary shares as at 01 October 2012	536,191,528	24,930	57,064
Issued during the period			
- pursuant to the exercise of share options	3,604,000	591	1,488
- pursuant to subscription agreement	75,000,000	15,991	39,918
Balance as at 30 September 2013	614,795,528	41,512	98,470

Treasury Shares	Number of treasury shares	COMPANY	
		S\$'000	RM'000
Balance as at 30 September 2013	(1,210,000)	(76)	(183)

	As at 30 Sept 2014	As at 30 Sept 2013
The number of shares that may be issued on exercise of share options outstanding at the end of the period	12,173,000	29,304,000

1(d) (ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 September 2014, the total number of issued shares less treasury shares of the Company was 630,716,528 shares (30 September 2013: 613,585,528 shares).

1(d) (iii) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 September 2014.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard (eg. the Singapore Standard on Auditing 910 Engagement to Review Financial Statements), or an equivalent standard.

The figures have not been audited or reviewed.

3 Where the figures had been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation in these financial statements as those used in preparing the audited annual financial statements for the financial year ended 30 September 2013. In addition, the Group also adopted various revisions to the Singapore Financial Reporting Standards ("FRS") which became effective beginning 1 October 2013.

5 If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect, of the change.

The adoption of the said revisions has no significant impact to these financial statements.

6 Earnings per ordinary shares of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year after deducting any provision for preference dividends.

	2014	Group 2013 (Restated)
<u>From continuing operations</u>		
Net loss attributable to owners of the Company for the financial year (RM '000)	(67,398)	(45,003)
Weighted average number of ordinary shares		
- Basic	622,627,188	591,128,912
- Fully diluted	622,910,188	595,687,507
Earnings per share (EPS) (RM sen)		
- Basic	(10.82)	(7.61)
- Fully diluted	(10.82)	(7.55)

	2014	Group 2013 (Restated)
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From discontinued operations

Net profit attributable to owners of the Company for the financial year (RM '000)	610,014	52,438
Weighted average number of ordinary shares		
- Basic	622,627,188	591,128,912
- Fully diluted	622,910,188	595,687,507
Earnings per share (EPS) (RM sen)		
- Basic	97.97	8.87
- Fully diluted	97.93	8.80

- 7 **Net asset value (for issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	GROUP		COMPANY	
	As at 30.09.14 RM sen	As at 30.09.13 RM sen	As at 30.09.14 RM sen	As at 30.09.13 RM sen

Net asset value per ordinary share based on issued share capital at the end of the financial year	54.51	44.59	31.95	28.30
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- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cashflow, working capital, assets or liabilities of the group during the current financial period.

Business Segments

The Group disposed of the dairies and packaging businesses and the relevant intellectual property on 30 June 2014. Prior to the disposal, its business segments were as follows:

- Dairies Division;
- Trading and Frozen Food Division – comprising frozen food trading, butchery and bakery sub – divisions and the distribution business;
- Nutrition Division – comprising marketing of branded sports nutrition and weight management foods and contract packing for dairy and juice based drinks;
- Others Division – comprising packaging, beverage, noodles and restaurant businesses.

Following the disposal, the Group's core business segments are as follows:

- Trading and Frozen Food Division – comprising frozen food trading, butchery and bakery sub – divisions;
- Nutrition Division – comprising marketing of branded sports nutrition and weight management foods and contract packing for dairy and juice based drinks;
- Others Division – comprising beverage, noodles and restaurant businesses. The noodles business ceased its manufacturing operations on 19 September 2014.

Moving forward, the business segments will be reorganised into the following to better reflect the business activities they are engaged in :

- a) Trading and Frozen Food Division;
- b) Food Services Division – Texas Chicken;
- c) Nutrition Division;
- d) Food Processing Division comprising
 - bakery
 - butchery
 - beverages
 - contract packing for dairy and juice based drinks.

Performance Review

Review on Consolidated Statement of Comprehensive Income

The results of the disposed businesses have been accounted for as discontinued operations in accordance with FRS 105 and the gain of RM573.3 million arising from this disposal has been reflected. The gain on disposal of relevant intellectual property of RM34.2 million has been taken up under the continuing operations.

The Group registered a slight increase in revenue of RM9.9 million or 3.3% compared to the preceding year from RM296.9 million to RM306.8 million. The Trading and Frozen Food Division and the restaurant business contributed to the major increase in the Group's revenue of RM17.2 million and RM14.7 million respectively. The increase in the Trading and Frozen Food Division was a result of increasing number of retail outlets, small food and beverage outlets, cafes and restaurants while the restaurant business opened an additional six outlets in the Klang Valley during the financial year. However, these increases were impacted by the lower sales performance of the Nutrition Division of RM4.7 million due to the continuous influx of US products and the production issues encountered by the beverage plant, while the noodles business' revenue was lower by RM18.3 million caused by uncompetitive pricing. As a result, management had decided to cease the manufacturing operations on 19 September 2014 to exit from the highly competitive noodles business in Indonesia.

The Group's gross profit margin slipped from 20.4% in the previous year to 19.1% mainly due to the loss of margin by the Nutrition Division as a result of price increases for powder based products which forms a significant component of the division's costs and the production issues encountered by the beverage plant, which has been rectified gradually, resulting in lower sales volume. High production costs coupled with insufficient sales by the noodles business had also impacted the margin. Net loss before tax (excluding the one-off exceptional gain on the disposal of relevant intellectual property and the provision for impairment) reduced by RM0.8 million from RM45.5 million to RM44.7 million.

A review was carried out by management on the property, plant and equipment and intangibles. The review led to an impairment of plant and machinery, goodwill, patents and trademarks amounting to RM44.7 million, which is principally attributable to adverse operating conditions and results of the specific operating units. Consequently, operating expenses increased by RM47.5 million or 49.2% from RM96.5 million to RM144.0 million. The increase in administrative expenses by RM0.4 million was mainly due to higher salary and staff related costs and the one - off compensation payment made by the Indonesian subsidiary which was offset by the reduction in bonus payment during the year. The reduction in selling and marketing expenses of RM0.3 million was principally due to the lower advertising and promotion expenses incurred by the noodles business of RM8.7 million. However, this savings was eroded by the increase in staff costs, rental of outlets, depreciation and utility charges of RM7.6 million incurred by the restaurant business.

The overall reduction in the warehouse and distribution expenses was principally due to the lower depreciation charges of RM2.7 million which was partially negated by the higher warehouse rental, repair and maintenance of the fleet of distribution vehicles of RM1.3 million.

Other operating income increased in the current year by RM36.9 million mainly attributable to the gain on disposal of the relevant intellectual property of RM34.2 million, interest income earned from deposits of the disposal proceeds and settlement discounts given by suppliers to the Indonesian subsidiary.

The higher tax expense in the current year was due to the additional tax charge as a result of increase in profit generated by certain subsidiaries for which group relief is not available and the write off of the deferred tax asset of RM6.6 million as a result of the cessation of the operations of the noodles manufacturing business.

As for the discontinued operations, the dairies business has been the major contributor to the revenue and earnings of the Group. The disposed businesses registered a gross profit of RM117.3 million and profit after tax of RM36.7 million for the nine months period as compared to the corresponding twelve months period of RM163.0 million and RM52.5 million respectively.

Review on Statements of Financial Position

Following the disposal of the dairies and packaging businesses and the relevant intellectual property, the financial position of the Group has changed significantly.

Non-current assets reduced by RM382.7 million. The major reduction related to the disposed entities and the relevant intellectual property of RM330.9 million. Management had undertaken a review and assessment on the Group's assets based on the current operating conditions and results of the specific operating units. As a result of the review, provisions were made for impairment on plant and machinery, goodwill, patents and trademarks amounting to RM44.7 million. Deferred tax asset of RM6.6 million relating to the noodles business has been written off as a result of the cessation in the manufacturing operations. The Group invested RM16.8 million in capital expenditure mainly on the additional six outlets opened during the financial year and equipments.

Overall, current assets reduced by RM59.8 million. The inventories and receivables relating to the disposed subsidiaries contributed mainly to a reduction of RM246.3 million. This reduction was compensated mainly by the increase in the cash and bank balances, receivables and investment held for trading of RM190.7 million from the continuing operations.

Current and non – current liabilities reduced by RM253.6 million and RM259.1 million respectively largely due to the decrease in trade and other payables, bank borrowings, finance lease payables and deferred tax liabilities of RM494.3 million arising from the disposal. Borrowings of the continuing operations were also repaid during the financial year.

Review on Consolidated Statement of Cash Flows

Overall, the increase in the Group's cash and cash equivalents was principally due to the net cash received from the disposal proceeds of the dairies and packaging businesses and the relevant intellectual property out of which, dividend payment to shareholders and settlement of loans were made.

Net cash utilised in operating activities of RM58.7 million was mainly attributable to an increase in receivables of RM83.6 million, an increase in payables of RM36.2 million and a reduction in inventories of RM6.8 million.

Net cash generated from investing activities of RM736.8 million was contributed by the net disposal proceeds of RM772.3 million from which RM15.9 million was invested in investments held for trading. Capital expenditure were reduced to RM19.9 million.

The increase in net cash used in financing activities was due to higher dividends paid to shareholders of RM491.3 million and lower proceeds from bank borrowings of RM199.0 million. This increase was partially negated by the lower repayment of bank borrowings of RM49.1 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

On 30 June 2014, the Company completed the sale of its dairies and packaging businesses and the relevant intellectual property to Asahi Group Holdings Southeast Asia Pte Ltd. Henceforth, the Group's focus will be on nurturing the growth of its existing businesses particularly the restaurant business while exploring for opportunities for mergers and acquisitions in the food business.

a) Trading and Frozen Food Division

The Trading and Frozen Food Division expects challenges in the forthcoming year as although demand is improving, the frozen food market remains competitive. In the last two months, industry players have embarked on a price war by reducing their prices on most beef and lamb cuts. The United States has been buying up the non – loin beef cuts from Australia and New Zealand, hence pushing up prices by 20%. This has caused a surge in prices to customers although there are certain customers to whom the additional costs were not passed on in order to maintain the Division's competitiveness. Dairy products' supplies and prices remain stable.

The Department of Islamic Development Malaysia has yet to approve any turkey slaughter house to supply "halal" turkey meat following the delisting of several Australian meat manufacturing and processing plants in April 2014. As a result, revenue will be impacted during the month of December as the demand for turkey is highest during the Christmas and New Year season. The Division will be developing substitute products for this festive period to replace the turkey products in its efforts to mitigate the potential loss in revenue. The retail of cold cuts in most supermarket and hypermarket chains across the country under the Gourmessa brand is encouraging hence building a strong brand recognition as a product of quality.

The Division anticipates better revenue in 2015 with more hotels and malls opening up. However, with the implementation of the Goods and Service Tax ("GST") which officially takes effect on 01 April 2015, both consumer spending trends and businesses may be temporary affected in the future.

b) Nutrition Division

Dairy ingredients in the form of milk powders and highly specialised whey proteins form a significant component of the Nutrition Division's costs. International prices for milk powder and specialised dairy proteins have come off their high providing some pricing relief. Overall world demand for milk products remains muted reflecting the current world economic outlook.

Sales for the nutritional supplements in New Zealand especially in the supermarket channel, continues to grow albeit at a slow pace. However in Australia, the loss of market share continues due to the significant entry of US products. Currently, the US brands continue to be competitively priced and trading terms are attractive, however pressure must be building as they progressively lose their margins with the strengthening of the US currency.

The Division is currently endeavouring to rebuild lost market share in the ready to drink category for sports and weight management drinks via production from its beverage plant. With the most comprehensive range of drinks compared to regional competitors, the Division is confident of rebuilding a significant share of the market over time. Horleys brand is also in the process of launching an exciting new range of sports bars. Early trade response is positive and again promises the prospect of Horleys being able to rebuild lost market share in this key growing segment of the market.

The beverage plant in Hawkes Bay, New Zealand has largely overcome the quality issues that held back expansion plans in FY2014. More robust processes have been implemented and consistent high quality product is being produced. Notwithstanding the setbacks, there remains strong customer demand for a variety of beverages manufactured at this plant. New ready to drink sports nutrition beverages that were recalled previously are now in the process of being re-launched into the market.

The primary objective for FY2015 will be a year to rebuild our customers' and consumers' confidence in the products. The Division is confident that the majority of the lost market share can be recovered over time.

c) Others Division

With the Group's plan to increase the number of "Texas Chicken" outlets by the next financial year, the restaurant business will be a key growth driver for Envictus. In embarking on a drive to enhance the brand and raise the awareness of its outlets, the Group's strategy includes directing its efforts towards advertising and promotion campaigns.

The Group has grown the number of "Texas Chicken" outlets at a good pace to reach a total of 14 outlets currently after launching six during FY2014 and two subsequent to the year-end. The two outlets recently opened were at Mid Valley Mega Mall and IOI City Mall. As part of its plans, Envictus has secured seven additional sites within the Klang Valley which are anticipated to be launched during FY2015.

The increase in petrol prices which started from October 2014 in Malaysia has raised our cost base. However, with the growth in the number of outlets, we have gained greater negotiation leverage in securing from our suppliers and higher discounts on purchases.

With the upcoming implementation of the GST, effective on 01 April 2015, a general price hike is anticipated to lead to raw materials and packaging cost impacts. However, management will continue to review and monitor the prices with a possibility of passing on partially or fully the additional costs to customers while maintaining the business competitiveness.

Based on historical trends, higher sales are expected from November till December, in conjunction with the year-end school holidays and the Christmas and New Year festivities.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended).

No.

(b) (i) Amount per share (RM sen)

Not applicable.

(ii) Previous corresponding period (RM sen)

0.2 Singapore cents per share (RM0.0052 per share based on exchange rate of RM2.5938 = S\$1.00).

(c) Whether the dividend is before tax, net of tax or tax exempt.

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommended for the year ended 30 September 2014.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Not applicable as no IPT mandate has been obtained.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 14 **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

SEGMENTAL RESULTS

For the year ended 30 September 2014

2014	Dairies	Trading and Frozen Food	Nutrition	Others	Unallocated	Total
	RM '000	RM' 000	RM '000	RM '000	RM '000	RM '000
Revenue						
External revenue						
- continuing operations	-	215,687	51,990	39,112	-	306,789
- discontinued operations	524,402	14,366	-	2,123	-	540,891
Total revenue	524,402	230,053	51,990	41,235	-	847,680
Results						
Segment results from continuing operations	-	(17,536)	(20,465)	(29,120)	(15,440)	(82,561)
Interest income	-	112	19	7	1,301	1,439
Finance costs	-	(4,609)	(834)	(1,820)	(1,025)	(8,288)
Gain on disposal of relevant intellectual property	-	-	-	-	34,248	34,248
(Loss)/Profit before tax	-	(22,033)	(21,280)	(30,933)	19,084	(55,162)
Income tax	-	(2,651)	(1,731)	(7,041)	(5,768)	(17,191)
(Loss)/Profit from continuing operations, net of tax	-	(24,684)	(23,011)	(37,974)	13,316	(72,353)
Profit/(Loss) from discontinued operations, net of tax	513,228	(1,424)	-	97,478	739	610,021
Profit/(Loss) after tax	513,228	(26,108)	(23,011)	59,504	14,055	537,668
Segment assets	-	131,985	41,056	51,759	194,438	419,238
Unallocated assets	-	496	3,260	397	257	4,410
Total assets	-	132,481	44,316	52,156	194,695	423,648
Segment liabilities	-	29,287	12,381	22,587	7,224	71,479
Unallocated liabilities	-	1,761	61	1,878	4,643	8,343
Total liabilities	-	31,048	12,442	24,465	11,867	79,822

SEGMENTAL RESULTS
For the year ended 30 September 2014 (continued)

Other information	Dairies	Trading and Frozen Food	Nutrition	Others	Unallocated	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Capital expenditure	-	6,666	783	8,179	1,125	16,753
Depreciation and amortisation	-	6,757	3,036	4,050	77	13,920
Allowance for doubtful receivables	-	387	151	752	-	1,290
Property, plant and equipment written off	-	91	-	-	-	91

The following table presents financial information regarding geographical segments:

2014	Malaysia	Africa	Asean	Others	Group
	RM '000	RM '000	RM '000	RM '000	RM '000
Total revenue from external customers					
- continuing operations	240,332	-	5,718	60,739	306,789
- discontinued operations	257,751	73,541	191,263	18,336	540,891
	498,083	73,541	196,981	79,075	847,680
Segment assets	368,525	-	17,080	33,633	419,238
Capital expenditure	15,796	-	174	783	16,753
Depreciation and amortisation	9,956	-	928	3,036	13,920
Allowance for doubtful receivables	387	-	752	151	1,290
Property, plant and equipment written off	91	-	-	-	91

SEGMENTAL RESULTS
For the year ended 30 September 2013

2013 (Restated)	Dairies	Trading and Frozen Food	Nutrition	Others	Unallocated	Total
	RM '000	RM' 000	RM '000	RM '000	RM '000	RM '000
Revenue						
External revenue						
- continuing operations	-	198,471	56,646	41,778	-	296,895
- discontinued operations	660,945	20,397	-	3,539	-	684,881
Total revenue	660,945	218,868	56,646	45,317	-	981,776
Results						
Segment results from continuing operations	-	10,025	(3,626)	(27,539)	(13,596)	(34,736)
Interest income	-	94	27	5	186	312
Finance costs	-	(6,250)	(968)	(3,157)	(696)	(11,071)
Profit/(Loss) before tax	-	3,869	(4,567)	(30,691)	(14,106)	(45,495)
Income tax	-	(2,372)	2,647	(1,022)	(1,146)	(1,893)
Profit/(Loss) from continuing operations, net of tax	-	1,497	(1,920)	(31,713)	(15,252)	(47,388)
Profit/(Loss) from discontinuing operations, net of tax	47,669	(675)	-	4,386	1,108	52,488
Profit/(Loss) after tax	47,669	822	(1,920)	(27,327)	(14,144)	5,100
Segment assets	-	154,506	55,571	45,918	25,387	281,382
Unallocated assets	-	1,920	5,421	6,831	4	14,176
Total assets	-	156,426	60,992	52,749	25,391	295,558
Segment liabilities	-	16,193	29,866	32,532	9,360	87,951
Unallocated liabilities	-	1,688	20	1,873	62	3,643
Total liabilities	-	17,881	29,886	34,405	9,422	91,594

Other information (Restated)	Dairies	Trading and Frozen Food	Nutrition	Others	Unallocated	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Capital expenditure	-	12,481	2,342	9,208	14	24,045
Depreciation and amortisation	-	5,760	2,774	2,911	40	11,485
Allowance for doubtful receivables	-	516	2	1,317	-	1,835
Inventories written off	-	222	-	354	-	576

SEGMENTAL RESULTS
For the year ended 30 September 2013 (continued)

The following table presents financial information regarding geographical segments:

2013 (Restated)	Malaysia RM '000	Africa RM '000	Asean RM '000	Others RM '000	Group RM '000
Total revenue from external customers					
- continuing operations	207,118	-	23,703	66,074	296,895
- discontinued operations	389,360	72,603	195,216	27,702	684,881
	596,478	72,603	218,919	93,776	981,776
Segment assets	181,800	-	51,250	48,332	281,382
Capital expenditure	21,627	-	76	2,342	24,045
Depreciation and amortisation	7,352	-	1,360	2,773	11,485
Allowance for doubtful receivables	516	-	1,317	2	1,835
Inventories written off	576	-	-	-	576

Note : The assets and liabilities for FY2013 reflect the continuing operations so as to be comparative with the current year.

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Review of performance by business segments

The dairies and packaging businesses were disposed on 30 June 2014 and as such its earnings and the gain on disposal of subsidiaries are presented as discontinued operations in the segmental report. The continuing businesses comprise of the trading and frozen food, nutrition, restaurant, beverages and the noodles businesses. The noodles manufacturing business has ceased operations on 19 September 2014.

Following the disposal of the dairies and packaging businesses, the Trading and Frozen Food Division has become the core business of the Group, contributing 70.3% of the revenue, followed by the Nutrition Division of 16.9% and the balance of 12.8% by the Others Division, comprising of beverage, noodles and the restaurant businesses.

Trading and Frozen Food Division

The Trading and Frozen Food Division comprises frozen food trading, butchery and bakery sub-divisions.

The Division's continuing operations registered a revenue growth of 8.7% contributed principally by the increase in proprietary sales as a result of new customers obtained during the year coupled by more restaurants opening. Retail sales of its principal products have also increased as more advertising and promotion activities were undertaken. The supply of its cold cuts to smaller chains of retail outlets besides supplying to the big chains of supermarkets also contributed to the increase in revenue.

The frozen food trading operations posted a profit before tax of RM9.6 million as compared to RM7.0 million in the previous year. However, this commendable result was impacted by the operating losses incurred by the bakery sub – division of RM6.3 million. The losses were further compounded by the provisions for impairment on the plant and machinery, goodwill, patent and trademarks of the bakery business amounting to RM29.7 million due to the adverse operating conditions and results of the specific operating units.

Segmental assets reduced by 14.6% from RM154.5 million to RM132.0 million principally due to the impairment on the plant and machinery, goodwill, patents and trademarks acquired from the bakery sub-division of RM29.7 million which was partially negated by the increase in its cash and cash equivalents of RM8.0 million. Segmental liabilities increased by 80.9% from RM16.2 million to RM29.3 million principally due to the classification of the trade line facility utilised under the syndication borrowing in the name of a previously related company which is payable by December 2014 of RM14.4 million which was previously classified as an intercompany balance and eliminated.

Nutrition Division

The sports nutrition and dietary supplements business saw a drop in revenue by 8.1% from RM56.6 million in FY2013 to RM52.0 million in FY2014 mainly due to the extremely competitive market faced in Australia and the production issues encountered by the beverage plant in Hawkes Bay. This has resulted in the losses increasing from RM1.9 million in FY2013 to RM23.0 million in FY2014 coupled with the impairment of goodwill amounting to RM8.9 million based on management's review and assessment of the current operating results of the division.

Segmental assets fell by 26.1% from RM55.6 million to RM41.1 million principally due to the impairment of goodwill while the repayment of bank borrowings resulted in the reduction of segmental liabilities by 58.5% from RM29.9 million to RM12.4 million.

Others Division

The Group's Others Division comprises of the beverage, noodles and restaurant businesses. The restaurant business had opened an additional six outlets during the financial year bringing the total outlets to twelve as at 30 September 2014. The noodles manufacturing business has ceased operations on 19 September 2014.

Revenue was down by 6.5% from RM41.8 million in FY2013 to RM39.1 million in FY2014. The restaurant business recorded an increase in revenue of RM14.7 million but this was partially negated by the reduction in revenue from the noodles business of RM18.3 million. The operational losses recorded in the current financial year were RM30.9 million as compared to RM30.7 million in the previous year. The impairment of plant and machinery and trademarks of the noodles manufacturing business which had ceased operations amounted to RM6.1 million. The one-off exceptional gain from the disposal of the packaging business of RM93.8 million resulted in the overall higher profit net of tax in FY2014 of RM59.5 million.

Segmental assets moved up by 12.9% from RM45.9 million to RM51.8 million principally due to the capital expenditure incurred on the additional six outlets while segmental liabilities reduced by 30.5% from RM 32.5 million to RM22.6 million mainly due to the settlement of the borrowings.

17 A breakdown of sales and net profit after taxation (before deducting non – controlling interests) are as follows:

	Continuing Operations		Discontinued Operations		Group		
	30.09.14 RM '000	30.09.13 RM '000	30.06.14 RM '000	30.09.13 RM '000	30.09.14 RM '000	30.09.13 RM '000	Change %
(a) Sales reported for first half year	149,862	153,914	352,689	338,689	502,551	492,603	2.0
(b) Operating (loss)/ profit after tax before deducting non – controlling interests reported for first half year	(3,364)	(3,456)	12,519	15,793	9,155	12,337	(25.8)
(c) Sales reported for second half year	156,927	142,981	188,202	346,192	345,129	489,173	(29.4)
(d) Operating (loss)/profit after tax before deducting non – controlling interests reported for second half year	(68,989)	(43,932)	597,502	36,695	528,513	(7,237)	>100

18 A breakdown of the total annual dividend in (dollar value) for the issuer's latest full year and its previous full year as follows:

	30.09.14	30.09.13
	S\$ ' 000	S\$ '000
Special/Interim dividend	189,215	1,836
Final dividend	-	1,227
Total for the full-year in S\$	<u>189,215</u>	<u>3,063</u>

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Dato' Kamal Y P Tan	62	Brother of Dato' Jaya J B Tan, Chairman and substantial shareholder of the Company.	Group Chief Executive Officer ("Group CEO") with effect from 20 January 2009	Not applicable.
Tan San May	33	Daughter of Dato' Kamal Y P Tan, Group CEO and substantial shareholder of the Company. Niece of Dato' Jaya J B Tan, Director and substantial shareholder of the Company.	Chief Operating Officer (Bakery Division) with effect from 1 March 2011.	Not applicable.

BY ORDER OF THE BOARD
 ENVICTUS INTERNATIONAL HOLDINGS LIMITED
(formerly known as Etika International Holdings Limited)

Dato' Kamal Y P Tan
 Group CEO

28 November 2014