



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

UNAUDITED THIRD QUARTER RESULTS FOR THE PERIOD ENDED 30 JUNE 2016

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

	Third Quarter Ended			Nine Months Ended		
	30.06.16	30.06.15	Change	30.06.16	30.06.15	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	94,142	79,222	18.8	270,052	244,913	10.3
Cost of goods sold	(64,976)	(59,170)	9.8	(189,455)	(180,606)	4.9
Gross profit	29,166	20,052	45.5	80,597	64,307	25.3
Other operating income	5,904	7,510	(21.4)	19,596	19,027	3.0
Operating expenses						
Administrative expenses	(10,466)	(7,789)	34.4	(28,310)	(22,774)	24.3
Selling and marketing expenses	(16,940)	(11,677)	45.1	(44,387)	(33,425)	32.8
Warehouse and distribution expenses	(6,662)	(6,035)	10.4	(18,643)	(18,319)	1.8
Research and development expenses	(422)	(291)	45.0	(1,160)	(968)	19.8
Other operating expenses	(1,926)	(1,228)	56.8	(4,610)	(52)	>100
	(36,416)	(27,020)	34.8	(97,110)	(75,538)	28.6
(Loss)/Profit before interest and tax	(1,346)	542	>100	3,083	7,796	(60.5)
Finance costs	(1,061)	(397)	>100	(2,891)	(1,113)	>100
(Loss)/Profit before income tax	(2,407)	145	>100	192	6,683	(97.1)
Income tax (expense)/credit	(243)	892	>100	869	1,166	(25.5)
(Loss)/Profit for the period	(2,650)	1,037	>100	1,061	7,849	(86.5)

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

	Third Quarter Ended			Nine Months Ended		
	30.06.16	30.06.15	Change	30.06.16	30.06.15	Change
	RM'000	RM'000	%	RM'000	RM'000	%
(Loss)/Profit for the period	(2,650)	1,037	>100	1,061	7,849	(86.5)
Other comprehensive income/(loss)						
<i>Items that may be reclassified subsequently to profit or loss :</i>						
Exchange differences on translating foreign operations	2,139	5,096	(58.0)	(9,608)	9,850	>100
Fair value loss on available-for-sale assets	(14,894)	-	100	(14,919)	(95)	>100
Other comprehensive (loss)/income	(12,755)	5,096	>100	(24,527)	9,755	>100
Total comprehensive (loss)/income for the period	(15,405)	6,133	>100	(23,466)	17,604	>100
(Loss)/Profit attributable to:						
Owners of the Company	(2,446)	1,609	>100	1,807	9,121	(80.2)
Non-controlling interests	(204)	(572)	(64.3)	(746)	(1,272)	(41.4)
	(2,650)	1,037	>100	1,061	7,849	(86.5)
Total comprehensive (loss)/income attributable to:						
Owners of the Company	(14,829)	6,705	>100	(22,201)	18,876	>100
Non-controlling interests	(576)	(572)	(0.7)	(1,265)	(1,272)	(0.6)
	(15,405)	6,133	>100	(23,466)	17,604	>100

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

	Third Quarter Ended			Nine Months Ended		
	30.06.2016	30.06.2015	Change	30.06.2016	30.06.2015	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Allowance for doubtful receivables	210	49	>100	521	368	41.6
Allowance for doubtful receivables no longer required, now written back	(220)	(43)	>100	(289)	(175)	65.1
Allowance for write down of inventories	-	45	(100)	-	139	(100)
Amortisation of intangible assets	134	87	54.0	408	264	54.5
Depreciation of property, plant and equipment	4,264	3,039	40.3	11,842	8,998	31.6
Dividend income	(779)	(1,084)	(28.1)	(2,517)	(2,444)	3.0
Fair value loss/(gain) on held-for-trading investments, net	1,863	1,177	58.3	3,088	(2,421)	>100
Foreign currency exchange gain, net	(3,802)	(1,982)	91.8	(3,588)	(6,635)	(45.9)
Gain on disposal of held-for-trading investments	(41)	(383)	(89.3)	(891)	(636)	40.1
Loss/(Gain) on disposal of property, plant and equipment	32	(1,682)	>100	(8,776)	(1,767)	>100
Finance costs	1,061	397	>100	2,891	1,113	>100
Interest income	(444)	(128)	>100	(1,178)	(1,078)	9.3
Property, plant and equipment written off	24	-	100	1,183	-	100

1(b) (i) Statements of Financial Position

	Group		Company	
	As at 30.06.16 RM'000	As at 30.09.15 RM'000	As at 30.06.16 RM'000	As at 30.09.15 RM'000
Non-current assets				
Property, plant and equipment	211,952	99,252	2	15
Deposits for purchase of property, plant and equipment	-	36,359	-	-
Investment in subsidiaries	-	-	13,475	2,988
Available-for-sale financial assets	16,826	165	16,641	-
Deferred tax assets	2,425	964	-	-
Intangible assets	30,726	15,090	13	63
	261,929	151,830	30,131	3,066
Current assets				
Inventories	41,812	37,637	-	-
Trade and other receivables	65,517	59,594	274,820	230,122
Tax recoverable	1,310	776	344	-
Held-for-trading investments	64,670	115,629	64,670	115,629
Fixed deposits	13,316	255	-	-
Cash and bank balances	29,561	96,471	1,675	48,209
	216,186	310,362	341,509	393,960
Non-current assets classified as held for sale	-	4,366	-	-
	216,186	314,728	341,509	393,960
Current liabilities				
Trade and other payables	45,039	34,653	145,609	162,900
Bank borrowings	41,809	42,343	868	-
Finance lease payables	4,457	3,554	-	-
Current income tax payable	221	892	-	827
	91,526	81,442	146,477	163,727
Net current assets	124,660	233,286	195,032	230,233
Non-current liabilities				
Bank borrowings	26,797	4,275	-	-
Finance lease payables	11,437	10,045	-	-
Financial guarantee contracts	-	-	1,645	1,897
Deferred tax liabilities	2,122	3,402	-	-
Provision for restoration costs	808	-	-	-
	41,164	17,722	1,645	1,897
Net assets	345,425	367,394	223,518	231,402
Capital and reserves				
Share capital	111,406	111,406	111,406	111,406
Treasury shares	(183)	(183)	(183)	(183)
Foreign currency translation reserve	31,130	40,219	41,736	51,404
Fair value reserve	(15,586)	(667)	(14,939)	-
Share options reserve	9,507	9,507	9,507	9,507
Other reserves	(2,168)	(2,168)	-	-
Accumulated profits	217,226	215,419	75,991	59,268
Equity attributable to the owners of the Company	351,332	373,533	223,518	231,402
Non-controlling interests	(5,907)	(6,139)	-	-
Total equity	345,425	367,394	223,518	231,402

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

	Secured	
	As at 30.06.2016 RM'000	As at 30.09.2015 RM'000
Amount payable within one year		
Bank borrowings	41,809	42,343
Finance lease payables	4,457	3,554
	<u>46,266</u>	<u>45,897</u>
Amount payable after one year		
Bank borrowings	26,797	4,275
Finance lease payables	11,437	10,045
	<u>38,234</u>	<u>14,320</u>
Total	<u>84,500</u>	<u>60,217</u>

The Group's bank borrowings as at 30 June 2016 are secured against the following:

- ⇒ Registered general security agreement over all present and future assets of Nutrition Division;
- ⇒ Pledge of Horleys trademark;
- ⇒ Pledge of inventories and fixed deposits of Nutrition Division;
- ⇒ Pledge of land and buildings;
- ⇒ Pledge of shares of a subsidiary;
- ⇒ Debenture comprising fixed and floating charge over all future and present assets of a subsidiary; and
- ⇒ Company's Corporate Guarantees, except for a secured term loan of RM138,000 (30 September 2015 : RM182,000).

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

1(c) Consolidated Statement of Cash Flows

	Third Quarter Ended		Nine Months Ended	
	30.06.16	30.06.15	30.06.16	30.06.15
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
(Loss)/Profit before income tax	(2,407)	145	192	6,683
Adjustments for:				
Allowance for doubtful receivables	210	49	521	368
Allowance for doubtful receivables no longer required, now written back	(220)	(43)	(289)	(175)
Allowance for write down of inventories	-	45	-	139
Amortisation of intangible assets	134	87	408	264
Depreciation of property, plant and equipment	4,264	3,039	11,842	8,998
Dividend income	(779)	(1,084)	(2,517)	(2,444)
Fair value loss/(gain) on held-for-trading Investment, net	1,863	1,177	3,088	(2,421)
Finance costs	1,061	397	2,891	1,113
Foreign currency exchange (gain)/loss, net	(2,601)	541	(2,320)	(1,140)
Loss/(Gain) on disposal of property, plant and equipment	32	(1,682)	(8,776)	(1,767)
Gain on disposal of held-for-trading investments	(41)	(383)	(891)	(636)
Interest income	(444)	(128)	(1,178)	(1,078)
Property, plant and equipment written off	24	-	1,183	-
Operating profit before working capital changes	1,096	2,160	4,154	7,904
Working capital changes:				
Inventories	(4,818)	(559)	(3,529)	(1,334)
Trade and other receivables	4,792	(2,465)	(3,629)	(11,008)
Trade and other payables	2,941	(9,208)	4,828	(25,783)
Cash generated from/(used in) operations	4,011	(10,072)	1,824	(30,221)
Interest paid	(402)	(131)	(1,099)	(385)
Income tax paid, net	(2,246)	(2,660)	(3,388)	(7,141)
Net cash generated from/(used) in operating activities	1,363	(12,863)	(2,663)	(37,747)
Cash flows from investing activities				
Acquisition of held-for-trading investments	-	(45,126)	(1,059)	(204,626)
Acquisition of subsidiaries, net of cash acquired (Note 1(c)(i))	-	-	(17,456)	-
Acquisition of available-for-sale financial asset	-	-	(32,123)	-
Interest received	444	128	1,178	1,078
Dividend received	779	1,084	2,517	2,444
Deposit paid for acquisition of land	-	(830)	-	(12,344)
Proceeds from disposal of property, plant and equipment	90	1,698	13,493	1,972
Proceeds from held-for-trading investments	3,364	24,532	45,936	101,058
Adjustment amount of sale proceeds from disposal of subsidiaries	-	-	-	57,417
Purchase of intangible assets	(180)	(127)	(860)	(576)
Purchase of property, plant and equipment	(3,618)	(2,309)	(76,859)	(9,982)
Net cash generated from/(used in) investing activities	879	(20,950)	(65,233)	(63,559)

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

	Third Quarter Ended		Nine Months Ended	
	30.06.16	30.06.15	30.06.16	30.06.15
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Increase in fixed deposits pledged to banks	-	-	-	(252)
Interest paid	(659)	(266)	(1,792)	(728)
Repayment of finance lease obligations	(1,141)	(765)	(3,205)	(2,165)
Proceeds from bank borrowings	17,262	25,648	88,551	35,019
Repayment of bank borrowings	(20,710)	(1,001)	(67,319)	(1,013)
Net cash (used in)/generated from financing activities	(5,248)	23,616	16,235	30,861
Net change in cash and cash equivalents	(3,006)	(10,197)	(51,661)	(70,445)
Cash and cash equivalents at the beginning of the financial period	43,001	88,608	96,471	144,047
Effect of exchange rate changes	2,002	5,918	(2,813)	10,727
Cash and cash equivalents at the end of the financial period	41,997	84,329	41,997	84,329
Cash and cash equivalents comprise the following:				
Cash and bank balances	29,561	84,329	29,561	84,329
Unpledged fixed deposits	13,058	-	13,058	-
Bank overdraft	(622)	-	(622)	-
	41,997	84,329	41,997	84,329

1(c)(i) Note to Consolidated Statement of Cash Flows

On 28 March 2016, the Group completed its acquisition of 85% equity interest in Lyndarahim Ventures Sdn Bhd ("Lyndarahim"), and its wholly owned subsidiary San Francisco Coffee Sdn Bhd for a purchase consideration of approximately RM19.1 million.

The fair value of the identifiable assets and liabilities of Lyndarahim Group as at the acquisition date were as follow:

	Fair value recognized on acquisition RM'000	Carrying amount on acquisition RM'000
Net identifiable assets and liabilities:		
Property, plant and equipment	6,479	6,479
Intangible assets	4,451	1,151
Inventories	576	576
Trade and other receivables	2,462	2,462
Cash and bank balances	1,244	1,244
Trade and other payables	(5,159)	(5,159)
Bank borrowings	(72)	(72)
Total identifiable net assets	9,981	6,681
Non-controlling interest measured at the non-controlling interest's proportionate share of Lyndarahim's net identifiable assets	(1,497)	
Goodwill arising from acquisition*	10,649	
Total purchase consideration	19,133	
Less: Cash and bank balances acquired	(1,244)	
Less: Retention sum	(433)	
Net cash outflow from acquisition	17,456	

* Goodwill arising from the acquisition has been determined on a provisional basis.

1(d) (i) Statements of Changes in Equity for the Nine Months ended 30 June 2016 and 30 June 2015

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 October 2015	111,406	(183)	40,219	(667)	9,507	(2,168)	215,419	373,533	(6,139)	367,394
Profit/(Loss) for the period	-	-	-	-	-	-	1,807	1,807	(746)	1,061
Other comprehensive loss :										
Exchange differences on translating foreign operations	-	-	(9,089)	-	-	-	-	(9,089)	(519)	(9,608)
Available-for-sale financial assets	-	-	-	(14,919)	-	-	-	(14,919)	-	(14,919)
Total other comprehensive loss	-	-	(9,089)	(14,919)	-	-	-	(24,008)	(519)	(24,527)
Total comprehensive (loss)/income for the financial period	-	-	(9,089)	(14,919)	-	-	1,807	(22,201)	(1,265)	(23,466)
Acquisition on investment in subsidiaries	-	-	-	-	-	-	-	-	1,497	1,497
Balance at 30 June 2016	111,406	(183)	31,130	(15,586)	9,507	(2,168)	217,226	351,332	(5,907)	345,425
Balance at 1 October 2014	111,406	(183)	12,969	(547)	9,507	(2,168)	215,782	346,766	(2,940)	343,826
Profit/(Loss) for the period	-	-	-	-	-	-	9,121	9,121	(1,272)	7,849
Other comprehensive Income/(loss):										
Exchange differences on translating foreign operations	-	-	9,850	-	-	-	-	9,850	-	9,850
Available-for-sale financial assets	-	-	-	(95)	-	-	-	(95)	-	(95)
Total other comprehensive income/(loss)	-	-	9,850	(95)	-	-	-	9,755	-	9,755
Total comprehensive income/(loss) for the financial period	-	-	9,850	(95)	-	-	9,121	18,876	(1,272)	17,604
Balance at 30 June 2015	111,406	(183)	22,819	(642)	9,507	(2,168)	224,903	365,642	(4,212)	361,430

1(d) (i) Statements of Changes in Equity for the Third Quarter ended 30 June 2016 and 30 June 2015

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 31 March 2016	111,406	(183)	28,619	(692)	9,507	(2,168)	219,672	366,161	(5,311)	360,850
Loss for the period	-	-	-	-	-	-	(2,446)	(2,446)	(204)	(2,650)
Other comprehensive (loss)/income :										
Exchange differences on translating foreign operations	-	-	2,511	-	-	-	-	2,511	(372)	2,139
Available- for- sale financial assets	-	-	-	(14,894)	-	-	-	(14,894)	-	(14,894)
Total other comprehensive income/(loss)	-	-	2,511	(14,894)	-	-	-	(12,383)	(372)	(12,755)
Total comprehensive income/ (loss) for the financial period	-	-	2,511	(14,894)	-	-	(2,446)	(14,829)	(576)	(15,405)
Acquisition on investment in subsidiaries	-	-	-	-	-	-	-	-	(20)	(20)
Balance at 30 June 2016	111,406	(183)	31,130	(15,586)	9,507	(2,168)	217,226	351,332	(5,907)	345,425
Balance at 31 March 2015	111,406	(183)	17,723	(642)	9,507	(2,168)	223,294	358,937	(3,640)	355,297
Profit/(Loss) for the period	-	-	-	-	-	-	1,609	1,609	(572)	1,037
Other comprehensive income :										
Exchange differences on translating foreign operations	-	-	5,096	-	-	-	-	5,096	-	5,096
Total other comprehensive income	-	-	5,096	-	-	-	-	5,096	-	5,096
Total comprehensive income/(loss) for the financial period	-	-	5,096	-	-	-	1,609	6,705	(572)	6,133
Balance at 30 June 2015	111,406	(183)	22,819	(642)	9,507	(2,168)	224,903	365,642	(4,212)	361,430

1(d) (i) Statements of Changes in Equity for the Nine Months ended 30 June 2016 and 30 June 2015

Company	Share capital	Treasury shares	Foreign currency translation reserve	Fair value reserve	Share options reserve	Accumulated profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 October 2015	111,406	(183)	51,404	-	9,507	59,268	231,402
Profit for the period	-	-	-	-	-	16,723	16,723
Other comprehensive loss :							
Exchange differences on translating foreign operations	-	-	(9,668)	-	-	-	(9,668)
Available- for- sale financial assets	-	-	-	(14,939)	-	-	(14,939)
Total other comprehensive loss	-	-	(9,668)	(14,939)	-	-	(24,607)
Total comprehensive (loss)/income for the financial period	-	-	(9,668)	(14,939)	-	16,723	(7,884)
Balance at 30 June 2016	111,406	(183)	41,736	(14,939)	9,507	75,991	223,518
Balance at 1 October 2014	111,406	(183)	9,707	-	9,507	71,432	201,869
Loss for the period	-	-	-	-	-	(10,717)	(10,717)
Other comprehensive income :							
Exchange differences on translating foreign operations	-	-	17,153	-	-	-	17,153
Total other comprehensive income	-	-	17,153	-	-	-	17,153
Total comprehensive income/(loss) for the financial period	-	-	17,153	-	-	(10,717)	6,436
Balance at 30 June 2015	111,406	(183)	26,860	-	9,507	60,715	208,305

1(d) (i) Statements of Changes in Equity for the Third Quarter ended 30 June 2016 and 30 June 2015

Company	Share capital	Treasury shares	Foreign currency translation reserve	Fair value reserve	Share options reserve	Accumulated profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 31 March 2016	111,406	(183)	35,441	-	9,507	79,817	235,988
Loss for the period	-	-	-	-	-	(3,826)	(3,826)
Other comprehensive income/(loss) :							
Exchange differences on translating foreign operations	-	-	6,295	-	-	-	6,295
Available- for- sale financial assets	-	-	-	(14,939)	-	-	(14,939)
Total other comprehensive Income/(loss)	-	-	6,295	(14,939)	-	-	(8,644)
Total comprehensive income/ (loss) for the financial period	-	-	6,295	(14,939)	-	(3,826)	(12,470)
Balance at 30 June 2016	111,406	(183)	41,736	(14,939)	9,507	75,991	223,518
Balance at 31 March 2015	111,406	(183)	19,589	-	9,507	58,474	198,793
Profit for the period	-	-	-	-	-	2,241	2,241
Other comprehensive income :							
Exchange differences on translating foreign operations	-	-	7,271	-	-	-	7,271
Total other comprehensive income	-	-	7,271	-	-	-	7,271
Total comprehensive income/(loss) for the financial period	-	-	7,271	-	-	2,241	9,512
Balance at 30 June 2015	111,406	(183)	26,860	-	9,507	60,715	208,305

- 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
---------------	------------------	--------------------	--------

After share consolidation

Issued and fully paid-up ordinary shares as at
31 March 2016 and 30 June 2016

126,385,289	46,526	111,406
-------------	--------	---------

Treasury Shares	Number of treasury shares	COMPANY S\$'000	RM'000
-----------------	---------------------------	--------------------	--------

After share consolidation

Balance as at 30 June 2016

(242,000)	(76)	(183)
-----------	------	-------

On 12 February 2016, the Company completed its share consolidation exercise with every five (5) existing shares consolidated to constitute one (1) consolidated share.

Share Capital	Number of shares	COMPANY S\$'000	RM'000
---------------	------------------	--------------------	--------

Issued and fully paid-up ordinary shares as at
31 March 2015 and 30 June 2015

631,926,528	46,526	111,406
-------------	--------	---------

Treasury Shares	Number of treasury shares	COMPANY S\$'000	RM'000
-----------------	---------------------------	--------------------	--------

Balance as at 30 June 2015

(1,210,000)	(76)	(183)
-------------	------	-------

	As at 30.06.2016 After share consolidation	As at 30.06.2015 Before share consolidation
--	--	---

The number of shares that may be
issued on exercise of share
options outstanding at the end
of the period

2,408,600	12,173,000
-----------	------------

- 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 June 2016, after the effect of share consolidation, the total number of issued shares less treasury shares of the Company was 126,143,289 shares (30 September 2015: 630,716,528 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 June 2016.

- 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 2015. In addition, the Group also adopted various revisions to the Singapore Financial Reporting Standards ("FRS") which became effective beginning 1 October 2015.

- 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.**

	Third Quarter Ended		Nine Months Ended	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Net profit attributable to owners of the Company for the financial period (RM '000)	(2,446)	1,609	1,807	9,121
Weighted average number of ordinary shares				
- Basic	126,143,289	126,143,289	126,143,289	126,143,289
- Fully diluted	126,143,289	126,143,289	126,143,289	126,143,289
Earnings per share (RM sen)				
- Basic	(1.94)	1.28	1.43	7.23
- Fully diluted	(1.94)	1.28	1.43	7.23

Comparative basic and diluted earnings per share have been adjusted to reflect the effect of Share Consolidation during the current financial period.

- 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	As at	As at	As at
	30.06.2016	30.09.2015	30.06.2016	30.09.2015
	RM	RM	RM	RM

Net asset value per ordinary share based on issued share capital at the end of the financial period

2.74 2.91 1.77 1.83

Comparative net asset value per ordinary share have been adjusted to reflect the effect of Share Consolidation during the current financial period.

- 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's core business segments are as follows:

- a) Trading and Frozen Food Division;
- b) Food Services Division – Texas Chicken and San Francisco Coffee;
- c) Nutrition Division; and
- d) Food Processing Division comprising of:
 - Bakery;
 - Butchery;
 - Beverages; and
 - Contract Packing for Dairy and Juice based drinks.

Performance Review

Review on Consolidated Statement of Comprehensive Income

Third Quarter Ended 30 June 2016

The Group recorded a revenue of RM94.1 million for the third quarter ended 30 June 2016 ("Q3FY2016"), an increase of RM14.9 million or 18.8% as compared to RM79.2 million in the corresponding financial period ended 30 June 2015 ("Q3FY2015"). The increase in the Group's topline was largely attributable to better performance from the Food Services, Food Processing; and Trading and Frozen Food Divisions.

Food Services Division registered a robust growth in topline by 96.6%, from RM11.7 million to RM23.0 million. This was mainly driven by Texas Chicken which continues to achieve a strong increase in revenue from RM11.7 million to RM17.9 million, representing an increase of RM6.2 million or 53.0% as a result of the opening of additional twelve new restaurant outlets and improved sales performance attributed to market acceptance of its products quality, value and brand recognition. The newly acquired San Francisco Coffee business with 29 outlets has also contributed an additional RM5.0 million revenue to the Division.

Food Processing Division has achieved overall better sales performance of RM19.6 million as compared to RM17.3 million, an improvement of RM2.3 million or 13.3%. This was primarily driven by better performance of Contract Packing for Dairy and Juice based drinks business which has contributed significant sales growth of RM4.1 million due to greater sales volume and improved sales mix. However, the Division was impacted by the slower growth in its bakery business which recorded lower sales of RM1.4 million owing to the weaker consumers' sentiment and market demand was also low during this recent heat wave which has reduced outdoor activities. The beverages business has also recorded a reduction in revenue of RM0.4 million due to lower export and local sales resulting from the continued slower China economy and ongoing price wars amongst the local competitors.

Trading and Frozen Food Division also recorded an increase of RM1.5 million or 3.6%, from RM41.6 million to RM43.1 million mainly due to improved sales in its retail and proprietary sectors. However, Nutrition Division recorded a slight reduction in revenue of RM0.2 million as it continues to be affected by stronger competition as stronger Australian dollar made it easier for American brands to flood into Australia market.

The gross profit margin improved from 25.3% to 31.0% quarter-on-quarter. The improvement was mainly attributable to higher margin from Food Services Division due to price increases in certain products and better management of food costs.

Other income of RM5.9 million comprises mainly the foreign exchange gain of RM3.8 million and income arising from held-for-trading investments of RM0.9 million.

Operating expenses increased for the quarter from RM27.0 million to RM36.4 million, an increase of RM9.4 million or 34.8%. This was principally due to higher selling and marketing expenses and administrative expenses, which increased by RM5.3 million or 45.1% and RM2.7 million or 34.4% respectively mainly due to additional staff costs, rental of outlets, royalty fees and utility charges incurred for the expansion of restaurant business and the newly acquired business. In addition, other operating expenses comprise largely the RM1.9 million fair value loss on held-for-trading investments.

Finance costs increased by RM0.7 million or more than 100%, from RM0.4 million to RM1.1 million mainly from the drawdown of borrowings to finance the acquisition of corporate office building and new business, additional trade line and hire purchase facilities for the new restaurant outlets.

Despite the Group's reported losses, it is still subject to income tax expense of RM0.2 million arising from the additional tax charge as a result of increase in profit generated by certain subsidiaries and the non-availability of group relief for losses incurred by certain subsidiaries. This was offset against the tax losses recognized as deferred tax assets by certain subsidiaries.

Nine Months Ended 30 June 2016

For the nine months period under review, the Group continues to register higher revenue of RM270.1 million as compared to the previous corresponding period of RM244.9 million, an increase of RM25.2 million or 10.3%. This was mainly driven by the better performance from the Food Services Division and Trading and Frozen Food Division, which contributed RM25.2 million and RM4.2 million, respectively. However, these increases were partially impacted by lower sales from Nutrition and Food Processing Divisions of RM2.0 million and RM1.9 million, respectively.

Gross profit margin improved to 29.8% from 26.3% in the previous corresponding period on the back of higher margin derived from Food Services Division due to price increase in certain products and better food costs management.

Other income of RM19.6 million comprises mainly the gain on disposal of land and building in Indonesia of RM8.7 million, income arising from held-for-trading investments of RM3.9 million and foreign exchange gain of RM3.6 million.

Overall, operating expenses recorded an increase of RM21.6 million or 28.6%, from RM75.5 million to RM97.1 million. This was principally due to higher selling and marketing expenses; and administrative expenses, which increased by RM11.0 million or 32.8% and RM5.5 million or 24.3%, respectively as a result of additional staff costs, rental of outlets, royalty fees and utility charges incurred for the expansion of restaurant business and the newly acquired business. Other operating expenses of RM4.6 million comprise mainly the RM3.1 million fair value loss on held-for-trading investments and a RM1.2 million write off of renovation and equipment as a result of relocation of restaurant outlets and office.

Finance costs increased by RM1.8 million or more than 100% mainly from the drawdown of borrowing to finance the acquisition of corporate office building and new business, additional trade line facilities and hire purchase facilities for the new restaurant outlets.

The Group recorded income tax credit of RM0.9 million mainly due to the recognition of tax losses as deferred tax assets by certain subsidiaries coupled with over-provision of income tax in prior year. This was offset against the additional tax charge as a result of increase in profit generated by certain subsidiaries and the non-availability of group relief for losses incurred by certain subsidiaries.

Overall, the Group registered a profit after tax of RM1.1 million as compared to RM7.9 million reported in the previous corresponding period.

Review on Statements of Financial Position

Under non-current assets, the increase of RM112.7 million in property, plant and equipment (net of depreciation charges) was mainly attributed to the acquisition of land and building of RM102.5 million (inclusive of deposits paid of RM36.4 million) and the set up costs of the new restaurant outlets. Additionally, the Group's investment in available-for-sale financial assets registered a fair value loss of RM14.9 million which was taken to other comprehensive income statement. Intangible assets has increased by RM15.6 million largely due to recognition of goodwill and brand arising from acquisition of subsidiaries amounting to RM15.1 million. These have resulted in the overall increase in non-current assets by RM110.1 million.

Trade and other receivables increased by RM5.9 million principally due to deposits and prepayments made of RM3.7 million for setting up the new restaurant outlets and new corporate office, and RM2.4 million receivables from a newly acquired subsidiary. The net proceeds of RM51.0 million from the disposal of held-for-trading investments together with part of cash and bank balances were utilised for the acquisition of land and building, set up costs for new outlets, funding of inventories, investments and placement of fixed deposits. These have resulted the overall current assets decreased by RM98.5 million.

The Group's current liabilities increased by RM10.1 million mainly due to higher purchases of RM4.9 million, payables from a newly acquired subsidiaries of RM4.4 million and additional hire purchase facilities of RM0.9 million to finance new restaurant outlets.

The Group's non-current liabilities increased by RM23.4 million largely due to additional financing for the acquisition of corporate building and acquisition of subsidiaries.

Review on Consolidated Statement of Cash Flows

Third Quarter Ended 30 June 2016

The Group registered a net decrease in cash and cash equivalents of RM3.0 million for the current quarter ended 30 June 2016.

Net cash generated from operating activities amounting to RM1.4 million were derived from collection from receivables of RM4.8 million, increase in payables of RM2.9 million and operating profit from operations of RM1.1 million. These were partially offset against the funding of inventories of RM4.8 million, tax paid of RM2.2 million and interest paid of RM0.4 million.

For the investing activities, cash amounting to RM4.7 million were raised from sale of held-for-trading investments, dividend income and interest received, which were offset against the fund utilised for purchase of property, plant and equipment and intangible assets of RM3.8 million. These resulted in net cash generated of RM0.9 million in the investing activities.

Net cash utilised in financing activities of RM5.2 million arose from net settlement on borrowings of RM3.4 million, repayment of hire purchase creditors of RM1.1 million and interest paid of RM0.7 million.

Nine Months Ended 30 June 2016

The Group registered a net decrease in cash and cash equivalents of RM51.7 million for the current period ended 30 June 2016.

Net cash used in operating activities amounting to RM2.7 million were mainly for the funding of receivables and inventories of RM3.6 million and RM3.5 million respectively, income tax paid of RM3.4 million and interest paid of RM1.1 million, which were offset by increase in payables of RM4.8 million and operating profit from operations of RM4.1 million.

For the investing activities, the Group utilised RM128.3 million for the purchase of property, plant and equipment, investment in an available-for-sale financial asset, acquisition of subsidiaries, purchase of held-for-trading investments and intangible assets. Cash amounting to RM63.1 million were raised from sale of held-for-trading investments and property, plant and equipment, dividend income and interest received. These resulted in net cash utilised of RM65.2 million in the investing activities.

Net cash generated from financing activities of RM16.2 million arose from the bank borrowings of RM31.3 million for partially funding of corporate office building and acquisition of subsidiaries, which was reduced by net settlement on trade line facilities of RM5.0 million, repayment of hire purchase creditors, bank borrowings and interest paid of RM10.1 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.**

a) Trading and Frozen Food Division

In the current quarter, the Ringgit which has strengthened against the US Dollars has taken some pressure off from the cost of imported food costs. Consequently, some competitors have begun to reduce prices of certain products which the Division has to follow suit in order to protect market share. The lowering of these prices has not impacted the overall revenue as more promotional activities and roadshows were carried on other products. Consumers have been cautious in their spending even though GST has been implemented for more than a year due to the current global economy slowdown and concerns over the Malaysian economy due to global economy slowdown, higher wages, low commodity prices and availability of foreign workers.

The prices of imported beef from Australia and New Zealand have stabilized during the current quarter. However, all meat prices are expected to increase in the next quarter due primarily to severe drought experienced by Australia and compounded by the winter season whereby slaughtering will be reduced significantly. Although Brazilian beef is much cheaper, the Division continues to import from Australia and New Zealand due to faster delivery as compared to Brazil which may take up to three months for shipment and preference of customers. Price for lamb shoulder has been increasing in June when China started buying lamb shoulder. For agency products, the principals continue to support with advertising and promotion funding.

b) Food Services Division

There were no changes in price for fries since the expiry of the contracted price in December 2015. For bone-in-chicken, higher rebates have been obtained from suppliers due to achievement of higher volume. Overall, Texas Chicken should be able to negotiate for better prices of most food costs as it will be in a better bargaining position as the number of outlets keeps growing. The Division is also constantly sourcing for new suppliers to complement its growing business and to ensure the best possible prices are obtained.

Consumers' sentiment is lower following the implementation of GST which has triggered increase in prices of goods and services and the increase in toll charges and reduction in rebate for electricity charges. The retail market has been slower with consumers tightening on spending. Despite these factors, Texas Chicken continues to enjoy healthy sales due to market acceptance of its brand, products quality and value.

Texas Chicken brand has started to gain strength in the Klang Valley as evidenced from the encouraging support received from consumers during the current quarter openings of outlets in Taman Sri Serdang, Courtyard SS15, Utropolis Glenmarie and the latest in Taman Puchong Jaya on 27 June 2016 bringing in total 28 stores to date. For the next quarter, Texas is expected to open another two more outlets. The top line continues to grow from strength to strength on the back of the success of the operations executions, crunchy deals and limited time offers together with the growing number of outlets.

The Group has recently completed the acquisition of San Francisco Coffee on 28 March 2016. Although there are no major changes in raw material prices, management is constantly sourcing for alternative suppliers in order to lower costs. Food menu prices are most competitive while drink prices are at par with competitors. Management has embarked on a rebranding exercise and will also redesign the existing stores and revise its food menu in order to compete effectively in the coffee market.

c) Nutrition Division

Dairy ingredients in the form of milk powders and highly specialised whey proteins form a significant component of the division's costs.

International prices for milk powder have been mixed in recent months. The worldwide over-supply situation is beginning to ease. Prices for specialised whey proteins purchased for the manufacture of Horleys products do not always directly follow the price trends for Whole and Skim milk. The recent period was delivered reduced costs of whey proteins in line with the overall weak demand for dairy ingredients. This has delivered some improvement in cost of sales for the recent two quarters. The Division predominantly draws their specialised protein ingredients exclusively from Fonterra Cooperative, New Zealand's pre-eminent dairy product supplier. All remaining raw materials and packaging requirements are actively tendered via the Division's contracted powder products manufacturer on an open book costing basis.

The Division markets their range of sports nutrition and weight management products under the Horleys brand. The Horleys brand had been losing market share in the key New Zealand supermarket channel for a period but has stabilized the position over the last year with 32% to 35% market share of New Zealand key accounts.

In the traditional channel for sales of sports and weight management supplements being gyms, health food and supplement shop channel Horleys have for some period lost market share. This has been primarily due to more competitively priced US brands as well as significant increase in dealing by Australian and New Zealand brands as they fight desperately to retain some market share. The continued strengthening of the USD is slowly beginning to impact the US brands however there has been little significant change in market share or trade buying interest at this stage. Horleys is slowly stabilizing sales and has significantly reduced the 'cost to serve' customers reflecting the changing retail environment with an increasing proportion of sales being via the web purchases.

Focus is currently on developing products within the sports and nutrition range with a natural positioning. An exciting new range of bars have recently been developed with a natural/protein claim profile which will be launched in the fourth quarter FY2016. Work is also underway developing a plant based protein powder offering reflecting international trend in this direction.

The Division is also in the process of diversifying the product offering from a sole dependence on sports nutrition and weight management products. A new range of UHT long life non-dairy beverages (PET bottles), almond, macadamia and coconut milks will be launched throughout Australia and New Zealand in the emerging and growing chilled supermarket segment. The Division can report that ranging has been achieved throughout the New Zealand supermarket trade with first manufacture scheduled in July and product on shelf at the end of August 2016. Presentations will also be made to the Australian supermarket groups in the next quarter FY2016.

d) Food Processing Division

(i) Bakery

Wheat, which forms a material portion of raw material cost, is on a continuous downtrend due to weak global demand especially from China. However, the advantage of the reduction in wheat cost has been negated by flour millers who have totally withdrawn rebate effective February 2016. Other suppliers like sugar, yeast, and other ingredients have also increased prices due to the rising cost resulting from weakening of the Ringgit. In addition, the Malaysian government has put a cap price on industrial diesel, thus preventing the price from falling further when sold to the industrial users.

Due to lack of stimulus from the market arising from the low global fuel price, consumer spending remains weak following the implementation of the GST coupled with increase in toll charges and reduction in rebate on electricity charges and economic slowdown. Most grocers and retailers have temporarily delayed any expansion plan and undertaken reduced promotional activities.

In order to counteract the intense competition among bakeries, management has embarked on some branding activities like revamping a new logo, new packaging and engagement of customers in social media. To control costs, measures have been undertaken to improve process efficiencies and controlling wastages and returns. In addition, the division has implemented price increase for certain of its existing products to mitigate the escalating costs of raw materials and labour. As labour shortage is currently being experienced by the industry, the bakery business will focus on the production of frozen dough will provide the Division a competitive edge in the market.

(ii) Butchery

The Ringgit has recently strengthened against the US Dollar which has resulted in improvement in production margins. Cost saving has also been achieved by the switching to the cheaper Brazilian beef for most customers. In addition, negotiation for a slight increase in price with a major customer has been completed and has been implemented in June 2016.

Consumers' sentiment has been affected by global slowdown and its impact on our Malaysian economy resulting in slowdown in the business. Retail customers are switching to lower quality meat which Gourmessa cannot compete in. To counteract the impact, the division is now focusing on the retail pack of 100gm which is still very strong in the local market and has now penetrated into the Sabah and Sarawak market.

The operations of Gourmessa are currently affected by the limited capacity of its present facilities. The Group have recently purchased several pieces of land in the Selangor Halal Hub Pulau Indah("SHHP") and intends to relocate the butchery existing facilities to SHHP whereby bigger production facilities will be built to cater for increased demand. Other than the benefit of having bigger production facilities, Gourmessa's brand will be enhanced by being located in a Halal Park and can also potentially be eligible for special tax incentives for companies located in the Selangor Halal Hub.

(iii) Beverages

Export sales were affected by the slower growth in China. To mitigate the impact, the Division will focus on other export market including entering into OEM partnership with Asean countries.

In the local market, there is currently a price war amongst competitors. To remain competitive and maintain volume, discounts, incentives and other promotion activities are provided to the retailers. In addition, two new products will be launched in the next quarter with better profit margins. To support growth, manpower increase is being planned.

In the next three to six months, prices of its raw material i.e. sugar, soya bean and other packaging materials would remain unchanged due to the strengthening of the Ringgit against the US Dollar. Empty tin cans are not affected as the current contracted price only expires at the end of 2016. Subsequently any increase in raw material prices will impact all manufacturers in the industry.

(iv) Contract Packing for Dairy and Juice Based Drinks

Farm Milk forms a significant component of the division's costs. International prices for milk powder have come off their high around the end of year 2013 providing some pricing relief in recent quarters. Overall world demand for milk products remains muted reflecting the current world economic outlook. Farmgate price is still at a low NZD4.25/KG.

Demand for PET Aseptic products continues to grow within Australia and New Zealand and the global market. There are no major PET Aseptic manufacturers with any significant capacity in the region to compete with EDNZ at this time.

EDNZ's unique advantage remains as dairy and non-dairy Aseptic co-packing in PET Bottles plus direct access to New Zealand Fresh Farm milk. These factors together with co-pack price increases are contributing to improved margins for new and existing customers. The company continues to enjoy strong demand for supply of high value added Aseptic PET bottled products.

The Division continues to focus on new product offerings to meet the increase in consumer demand for aseptically bottled beverages. The current focus is nut based dairy free alternative milk beverages such as coconut, almond, and macadamia. Drinking yoghurt is under development.

- 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)**
Not applicable.
- (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 period ended 30 June 2016.
- 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.
- 14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**
The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).
- 15 Negative assurance confirmation on third quarter financial results pursuant to Rule 705(5) of the Listing Manual.**
We, Dato' Kamal Y P Tan (Group CEO) and Dato' Jaya J B Tan (Chairman), being two directors of the Company, do hereby confirm on behalf of the board of directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the third quarter ended 30 June 2016 to be false or misleading in any material respect. A statement signed by us is on record.

BY ORDER OF THE BOARD
ENVICTUS INTERNATIONAL HOLDINGS LIMITED

Dato' Kamal Y P Tan
Group CEO

12 August 2016