



ENVICTUS INTERNATIONAL HOLDINGS LIMITED

(Company Registration No: 200313131Z)

UNAUDITED FULL YEAR RESULTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 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

	2016 RM'000	2015 RM'000	Change %
Revenue	362,674	327,357	10.8
Cost of goods sold	(252,476)	(239,122)	5.6
Gross profit	110,198	88,235	24.9
Other operating income	24,922	21,940	13.6
Operating expenses			
Administrative expenses	(37,753)	(30,925)	22.1
Selling and marketing expenses	(61,589)	(43,339)	42.1
Warehouse and distribution expenses	(24,881)	(24,537)	1.4
Research and development expenses	(1,433)	(1,236)	15.9
Other operating expenses	(1,750)	(4,687)	(62.7)
	(127,406)	(104,724)	21.7
Profit before interest and tax	7,714	5,451	41.5
Finance costs	(4,202)	(1,784)	>100
Profit before income tax	3,512	3,667	(4.2)
Income tax expense	(2,056)	(7,229)	(71.6)
Profit/(loss) for the year	1,456	(3,562)	>100

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

	2016 RM'000	2015 RM'000	Change %
Profit/(loss) for the year	1,456	(3,562)	>100
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations	(9,316)	27,250	>100
Fair value loss on available-for-sale assets	(15,060)	(120)	>100
Other comprehensive income	(24,376)	27,130	>100
Total comprehensive income for the financial year	(22,920)	23,568	>100
Profit/(loss) attributable to :			
Owners of the Company	2,863	(363)	>100
Non-controlling interests	(1,407)	(3,199)	(56.0)
	1,456	(3,562)	>100
Total comprehensive income attributable to:			
Owners of the Company	(20,625)	26,767	>100
Non-controlling interests	(2,295)	(3,199)	(28.3)
	(22,920)	23,568	>100

1(a) (ii) Profit before income tax is arrived at after charging/(crediting) the following :

	2016 RM'000	2015 RM'000	Change %
Allowance for doubtful receivables	449	300	49.7
Allowance for doubtful receivables, no longer required, now written back	(435)	(294)	48.0
Allowance for write down of inventories	285	350	(18.6)
Amortisation of intangible assets	546	362	50.8
Depreciation of property, plant and equipment	15,990	12,244	30.6
Depreciation of investment property	431	-	100
Dividend income	(3,375)	(3,411)	(1.1)
Fair value (gain)/loss on held-for-trading investments, net	(217)	4,634	>100
Foreign currency exchange gain, net	(5,697)	(9,416)	(39.5)
Gain on disposal of held-for-trading investments	(802)	(1,767)	(54.6)
(Gain)/loss on disposal of property, plant and equipment	(156)	1,828	>100
Gain on disposal of assets held for sale	(9,559)	-	100
Finance costs	4,202	1,784	>100
Interest income	(1,587)	(1,177)	34.8
Inventories written off	173	-	100
Property, plant and equipment written off	1,466	27	>100
Write back of impairment on property, plant and equipment	(13)	(3,598)	(99.6)

1(b) (i) Statements of Financial Position

	Group		Company	
	As at 30.09.16 RM'000	As at 30.09.15 RM'000	As at 30.09.16 RM'000	As at 30.09.15 RM'000
Non-current assets				
Property, plant and equipment	195,930	99,252	1	15
Investment property	23,702	-	-	-
Investments in subsidiaries	-	-	13,627	2,988
Available-for-sale financial assets	17,041	165	16,829	-
Deferred tax assets	1,067	964	-	-
Intangible assets	30,667	15,090	7	63
Deposits for purchase of property, plant and equipment	-	36,359	-	-
	268,407	151,830	30,464	3,066
Current assets				
Inventories	43,723	37,637	-	-
Trade and other receivables	56,669	59,594	290,687	230,122
Tax recoverable	2,291	776	1,127	-
Held-for-trading investments	57,278	115,629	57,278	115,629
Fixed deposits	13,821	255	-	-
Cash and bank balances	45,561	96,471	4,633	48,209
	219,343	310,362	353,725	393,960
Non-current assets classified as held for sale	-	4,366	-	-
	219,343	314,728	353,725	393,960
Current liabilities				
Trade and other payables	46,054	34,653	148,214	162,900
Bank borrowings	48,525	42,343	3,919	-
Finance lease payables	5,672	3,554	-	-
Current income tax payable	425	892	425	827
	100,676	81,442	152,558	163,727
Net current assets	118,667	233,286	201,167	230,233
Non-current liabilities				
Provision for restoration costs	864	-	-	-
Bank borrowings	26,409	4,275	-	-
Finance lease payables	15,049	10,045	-	-
Financial guarantee contracts	-	-	1,606	1,897
Deferred tax liabilities	2,553	3,402	-	-
	44,875	17,722	1,606	1,897
Net assets	342,199	367,394	230,025	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	31,791	40,219	44,458	51,404
Fair value reserve	(15,727)	(667)	(15,107)	-
Share options reserve	9,507	9,507	9,507	9,507
Other reserves	(4,562)	(2,168)	-	-
Accumulated profits	218,282	215,419	79,944	59,268
Equity attributable to the owners of the Company	350,514	373,533	230,025	231,402
Non-controlling interests	(8,315)	(6,139)	-	-
Total equity	342,199	367,394	230,025	231,402

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

	Secured	
	As at	As at
	30.09.2016	30.09.2015
	RM'000	RM'000
Amount payable within one year		
Bank borrowings	48,525	42,343
Finance lease payables	5,672	3,554
	<u>54,197</u>	<u>45,897</u>
Amount payable after one year		
Bank borrowings	26,409	4,275
Finance lease payables	15,049	10,045
	<u>41,458</u>	<u>14,320</u>
Total	<u>95,655</u>	<u>60,217</u>

The Group's bank borrowings as at 30 September 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;
- ⇒ Pledge of available-for-sale financial assets; and
- ⇒ Company's Corporate Guarantees, except for a secured term loan of RM131,000 (2015 : RM158,000).

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

	2016 RM'000	2015 RM'000
Operating activities		
Profit before income tax	3,512	3,667
Adjustments for:		
Allowance for doubtful receivables	449	300
Allowance for doubtful receivables no longer required, now written back	(435)	(294)
Allowance for write down of inventories	285	350
Amortisation of intangible assets	546	362
Depreciation of property, plant and equipment	15,990	12,244
Depreciation of investment property	431	-
Dividend income	(3,375)	(3,411)
Fair value (gain)/loss on held-for-trading investments, net	(217)	4,634
Foreign currency exchange gain, net	(5,153)	(1,944)
Gain on disposal of held-for-trading investments	(802)	(1,767)
(Gain)/loss on disposal of property, plant and equipment	(156)	1,828
Gain on disposal of assets held for sale	(9,559)	-
Finance costs	4,202	1,784
Interest income	(1,587)	(1,177)
Inventories written off	173	-
Property, plant and equipment written off	1,466	27
Write back of impairment on property, plant and equipment	(13)	(3,598)
Operating profit before working capital changes	5,757	13,005
Working capital changes:		
Inventories	(5,629)	2,177
Trade and other receivables	5,737	(10,105)
Trade and other payables	5,868	(12,302)
Cash generated from/(used in) operations	11,733	(7,225)
Interest paid	(1,514)	(721)
Income tax paid, net	(5,332)	(8,436)
Net cash generated from/(used in) operating activities	4,887	(16,382)
Investing activities		
Acquisition of held-for-trading investments	(1,059)	(261,097)
Acquisition of available-for-sale financial assets	(32,123)	-
Acquisition of subsidiaries, net of cash acquired (Note 1(c)(i))	(17,456)	-
Acquisition of non-controlling interests (Note 1(c)(i))	(3,772)	-
Adjustment amount of sale proceeds from disposal of subsidiaries	-	57,417
Deposits paid for purchase of property, plant and equipment	-	(36,359)
Dividends received	3,375	3,411
Interest received	1,587	1,177
Proceeds from disposal of held-for-trading investments	57,242	158,803
Proceeds from disposal of property, plant and equipment	563	2,912
Proceeds from disposal of assets held for sale	14,426	-
Purchase of intangible assets	(938)	(908)
Purchase of investment property	(24,133)	-
Purchase of property, plant and equipment	(58,359)	(8,152)
Net cash used in investing activities	(60,647)	(82,796)

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

	2016 RM'000	2015 RM'000
Financing activities		
Net changes in fixed deposits pledged to banks	-	(252)
Interest paid	(2,688)	(1,063)
Repayment of finance lease obligations	(4,476)	(2,972)
Repayment of bank borrowings	(85,000)	(14,650)
Drawdown of bank borrowings	112,152	54,575
Net cash generated from financing activities	19,988	35,638
Net change in cash and cash equivalents	(35,772)	(63,540)
Cash and cash equivalents at the beginning of financial year	96,471	144,047
Effect of exchange rate changes	(2,376)	15,964
Cash and cash equivalents at the end of financial year	58,323	96,471
Cash and cash equivalents comprise the following:		
Cash and bank balances	45,561	96,471
Fixed deposits	13,551	-
Bank overdraft	(789)	-
	58,323	96,471

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	6,392	6,392
Intangible assets	4,538	1,238
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.

On 19 August 2016, the Group acquired the remaining 15% equity interest in Lyndarahim Group from a minority shareholder for a purchase consideration of approximately RM3.8 million.

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 October 2015	111,406	(183)	40,219	(667)	9,507	(2,168)	215,419	373,533	(6,139)	367,394
Profit/(Loss) for the year	-	-	-	-	-	-	2,863	2,863	(1,407)	1,456
Other comprehensive income:										
Exchange differences on translating foreign operations	-	-	(8,428)	-	-	-	-	(8,428)	(888)	(9,316)
Available-for-sale financial assets	-	-	-	(15,060)	-	-	-	(15,060)	-	(15,060)
Total other comprehensive income	-	-	(8,428)	(15,060)	-	-	-	(23,488)	(888)	(24,376)
Total comprehensive income for the financial year	-	-	(8,428)	(15,060)	-	-	2,863	(20,625)	(2,295)	(22,920)
Changes in ownership interests in subsidiaries:										
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	1,497	1,497
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	(2,394)	-	(2,394)	(1,378)	(3,772)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(2,394)	-	(2,394)	119	(2,275)
Balance at 30 September 2016	111,406	(183)	31,791	(15,727)	9,507	(4,562)	218,282	350,514	(8,315)	342,199
Balance at 1 October 2014	111,406	(183)	12,969	(547)	9,507	(2,168)	215,782	346,766	(2,940)	343,826
Loss for the year	-	-	-	-	-	-	(363)	(363)	(3,199)	(3,562)
Other comprehensive income:										
Exchange differences on translating foreign operations	-	-	27,250	-	-	-	-	27,250	-	27,250
Available-for-sale financial assets	-	-	-	(120)	-	-	-	(120)	-	(120)
Total other comprehensive income	-	-	27,250	(120)	-	-	-	27,130	-	27,130
Total comprehensive income for the financial year	-	-	27,250	(120)	-	-	(363)	26,767	(3,199)	23,568
Balance at 30 September 2015	111,406	(183)	40,219	(667)	9,507	(2,168)	215,419	373,533	(6,139)	367,394

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

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 year	-	-	-	-	-	20,676	20,676
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	(6,946)	-	-	-	(6,946)
Available-for-sale financial assets	-	-	-	(15,107)	-	-	(15,107)
Total other comprehensive income	-	-	(6,946)	(15,107)	-	-	(22,053)
Total comprehensive income for the financial year	-	-	(6,946)	(15,107)	-	20,676	(1,377)
Balance at 30 September 2016	111,406	(183)	44,458	(15,107)	9,507	79,944	230,025
Balance at 1 October 2014	111,406	(183)	9,707	-	9,507	71,432	201,869
Loss for the year	-	-	-	-	-	(12,164)	(12,164)
Other comprehensive income :							
Exchange differences on translating foreign operations	-	-	41,697	-	-	-	41,697
Total other comprehensive income	-	-	41,697	-	-	-	41,697
Total comprehensive income for the financial year	-	-	41,697	-	-	(12,164)	29,533
Balance at 30 September 2015	111,406	(183)	51,404	-	9,507	59,268	231,402

- 1(d) (ii) 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
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After share consolidation

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

126,385,289	46,526	111,406
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Treasury Shares	Number of treasury shares	COMPANY S\$'000	RM'000
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After share consolidation

Balance as at 30 September 2016

(242,000)	(76)	(183)
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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
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Issued and fully paid-up ordinary shares as at
30 June 2015 and 30 September 2015

631,926,528	46,526	111,406
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Treasury Shares	Number of treasury shares	COMPANY S\$'000	RM'000
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Balance as at 30 September 2015

(1,210,000)	(76)	(183)
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	As at 30.09.2016 After share consolidation	As at 30.09.2015 Before share consolidation
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The number of shares that may be
issued on exercise of share
options outstanding at the end
of the year

2,408,600	12,173,000
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- 1(d) (iii) 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 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) (iv) 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 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.

	Group	
	2016	2015
Net profit/(loss) attributable to owners of the Company for the financial year (RM '000)	2,863	(363)
Weighted average number of ordinary shares		
- Basic	126,143,289	126,143,289
- Fully diluted	126,143,289	126,143,289
Earnings per share (RM sen)		
- Basic	2.27	(0.29)
- Fully diluted	2.27	(0.29)

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

- 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 30.09.2016 RM	As at 30.09.2015 RM	As at 30.09.2016 RM	As at 30.09.2015 RM

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

2.71 2.91 1.82 1.83

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

- 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

For financial year ended 30 September 2016 ("FYE 2016"), the Group recorded revenue of RM362.7 million, a growth of RM35.3 million or 10.8% compared to the preceding year of RM327.4 million. The increase in the Group's topline was mainly contributed by the better performance from the Food Services, Trading and Frozen Food, and Food Processing Divisions.

Food Services Division registered a robust growth in topline by 81.5% from RM44.4 million to RM80.6 million. This was mainly driven by Texas Chicken which continues to achieve a strong increase in revenue from RM44.4 million to RM70.2 million, representing an increase of RM25.8 million or 58.1% as a result of the opening of additional ten 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 28 outlets has also contributed an additional RM10.4 million revenue to the Division.

Trading and Frozen Food Division recorded a marginal growth in revenue of RM1.3 million or 0.8%, from RM169.3 million to RM170.6 million mainly due to improved sales in its retail and proprietary sectors.

Food Processing Division has achieved overall marginal growth in sales by RM0.4 million or 0.5%, from RM74.7 million to RM75.1 million. This was primarily driven by better performance of Contract Packing for Dairy and Juice based drinks business which has contributed significant sales growth of RM7.1 million due to greater sales volume and improved sales mix. However, the Division was impacted by the slower growth in its bakery business, a drop of RM3.5 million or 8.0% on the back of a weak economy, lower consumer spending and stiff competition. The beverages business has also recorded a reduction in revenue of RM3.2 million due to lower export and local sales resulting from the continued slower China economy and ongoing price wars amongst the local competitors.

The growth in sales of Nutrition Division was unfavourably impacted by stronger competition in the Australian route channel due to the multitude of American brands that flooded into the market, initially supported by the weaker USD/AUD FX rate over 2015 compounded by the online trading competitors which also took advantage of cheaper US brands.

The Group gross profit margin improved from 27.0% to 30.4% year-on-year on the back of price increases in certain products, lower food costs due to higher rebates and better stock management from Food Services Division.

Other income of RM24.9 million comprises mainly from a gain on disposal of land and building in Indonesia of RM9.6 million, RM5.7 million foreign exchange gain and income arising from held-for-trading investments of RM5.0 million.

Operating expenses increased for the year from RM104.7 million to RM127.4 million, an increase of RM22.7 million or 21.7%. This was principally due to higher selling and marketing expenses and administrative expenses, which increased by RM18.3 million or 42.1% and RM6.8 million or 22.1% respectively mainly due to the costs associated with opening of new Texas Chicken restaurant outlets and inclusion of operating costs of the newly acquired San Francisco Coffee business. Other operating expenses represent mainly the RM1.2 million write off of the renovation and equipment as a result of relocation of restaurant outlets and office. The comparative figures of other operating expenses include RM4.6 million fair value loss on held-for-trading investments.

Finance costs increased by RM2.4 million or more than 100%, from RM1.8 million to RM4.2 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.

The Group's effective tax rate was at 58.5% mainly 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 adjustment for over-provision of tax by certain subsidiaries. The higher tax expense in the previous year was mainly due to reversal of deferred tax assets by New Zealand subsidiaries.

Overall, the Group registered a profit after tax of RM1.5 million as compared to the loss after tax of RM3.6 million reported in the previous financial year.

Review on Statements of Financial Position

Under non-current assets, the increase of RM120.4 million in property, plant and equipment, and investment property (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. The Group's investment in available-for-sale financial assets registered a fair value loss of RM15.1 million. Intangible assets 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 RM116.6 million.

Inventories have increased by RM6.1 million resulting from higher stock holding in line with the increase in sales and expansion of restaurant business. Trade and other receivables declined by RM2.9 million as a result of higher collections and shorter credit term given to customers. The net proceeds of RM57.2 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, acquisition of investments and placement of fixed deposits. These have resulted the overall current assets decreased by RM95.4 million.

The Group's current liabilities increased by RM19.2 million mainly due to higher purchases of RM7.0 million, payables from a newly acquired subsidiary of RM4.4 million, additional financing of RM6.2 million for the acquisition of subsidiaries and working capital, and additional RM2.1 million hire purchase facilities to finance new restaurant outlets.

The Group's non-current liabilities increased by RM27.2 million largely due to additional financing for the acquisition of corporate office building and acquisition of subsidiaries.

Review on Consolidated Statement of Cash Flows

The Group registered a net decrease in cash and cash equivalents of RM35.8 million for the current year ended 30 September 2016.

Net cash generated from operating activities amounted to RM4.9 million which was derived from cash generated from operations of RM5.8 million, collection from receivables of RM5.7 million and increase in payables of RM5.9 million, and partially utilised for funding of inventories of RM5.6 million.

For the investing activities, the Group utilised RM137.8 million mainly for the purchase of property, plant and equipment, and investment property, investment in an available-for-sale financial assets and acquisition of subsidiaries. Cash amounting to RM77.2 million were largely raised from sale of held-for-trading investments and assets held for sale. These resulted in net cash utilised of RM60.6 million in the investing activities.

Net cash generated from financing activities of RM20.0 million arose from the drawdown of bank borrowings of RM112.2 million to partially fund the corporate office building, acquisition of subsidiaries and working capital. This amount was reduced by RM92.2 million utilised for settlement on trade line facilities, repayment of hire purchase creditors, term loans and interest paid.

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

The US Dollar continues to be volatile, strengthening against the Malaysian Ringgit by about 3% as compared to the last quarter. To mitigate cost pressure, prices of certain products were increased. However, the increased is constrained by competition and the limit imposed by the Anti-Profitteering Act imposed during the implementation of the GST in last April 2015. Operating costs have increased due to high fuel price and high recruitment fee for foreign workers. Consumers' spending have been muted even though the GST has been implemented for more than a year due to the current global economy slowdown and concerns over the Malaysian economy due to higher costs of imported products, wages, low commodity prices and availability of foreign workers. Revenue could also be impacted by closure of some retail outlets and restaurants and tightening of credit controls. To counteract the effect, more promotions are held to stimulate sales with support from principals of agency products in the form of advertising and promotion funds.

The prices of imported beef, lamb and mutton from Australia and New Zealand continue to increase due to shortage of animals and reduction of slaughtering during the winter season. Brazilian beef prices have also increased significantly negating the cost advantage it had previously. Price for lamb shoulder has also been increasing due to strong demand from China.

The Division expects the next quarter to generate improved revenue due to the coming holidays and festive seasons. In addition, the Division will resume importing turkey from the United States as it was unable to do so in the previous corresponding quarter due to bird flu.

b) Food Services Division

Price of fries has increased slightly since November due to the depreciating Ringgit against the US Dollar. For bone-in-chicken price remains unchanged. However, 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 volume grows in tandem with the increasing number of outlets. The Division also constantly source for new suppliers to complement its growing business to ensure the lowest prices are obtained.

Consumers' sentiment is lower following the implementation of the GST which has triggered increase in prices of goods and services compounded with the increase in toll charges, reduction in rebate for electricity charges and increase in fuel price. All these factors have resulted in a slower retail market with consumers tightening on spending. Despite these factors, Texas Chicken is able to sustain healthy sales due to market acceptance of its brand, products quality, value and services.

Texas Chicken brand continues to grow strength from strength as evidenced from the encouraging support during the openings of new outlets during the year In Klang Valley. Texas Chicken has during the financial year ended opened ten outlets and in November it has opened a new outlet in Seremban south of Klang Valley and it expects to open another three before end of December 2016, bringing a total of 32 outlets. The top line continues to grow from strength to strength on the back of the success of the operations executions, marketing strategy and limited time offers together with the growing number of outlets. Because of the continuing strength of Texas Chicken, it has been attracting offers from malls and shoplots in the Klang Valley and outstation. This has enable Texas Chicken to improve the site selections and rental terms.

The Group has recently completed the acquisition of San Francisco Coffee (SFC) on 28 March 2016. Although there are no major changes in raw material prices, management is constantly focused on improving the quality and efficiency of supply chain. The acquisition has enabled SFC to improve their margin and enhance their product offerings through sharing of resources and R&D assistance from its related companies.

Management has embarked on a rebranding exercise which will introduce new design for their stores as well as menu offerings to compete effectively in the coffee market. These initiatives are expected to be launched by Q2 FY2017.

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 increasing in recent months. The worldwide over-supply situation has eased. Prices for dairy products are beginning to lift after a long period of low prices brought about by over supply and weak demand. 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 prices for whey proteins have been stable if not falling for several quarters and it remains to be seen whether prices will also lift for whey proteins in line with the overall recovery for dairy. This period of soft pricing for whey proteins together has continued to deliver some improvement in cost of goods sold in the recent quarter. The company 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 company'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 currently stabilized the position with 32% market share of New Zealand key accounts. The aggressive promotional programme being activated by key competitor, Vitaco, is the primary reason for the loss of share.

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 US dollar 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 have been launched in the last quarter FY2016. A plant based protein powder offering reflecting international trend in this direction is to be launched in Q1 FY2017.

The company 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 has been launched throughout Australia and New Zealand in the emerging and growing chilled supermarket segment. The company can report that selected ranging has been achieved throughout the New Zealand supermarket trade with initial off-take being very encouraging and leading to additional ranging. Presentations will also be made to the Australian supermarket groups in Q1 and Q2 FY2017.

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 price has been negated by flour millers who have totally withdrawn rebate effective February 2016 and the current weak Ringgit which impacted the import cost from US and Australia. The weakening Ringgit has also resulted in the increased costs of sugar, yeast, and other ingredients. 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 lifting of subsidy for cooking oil. 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 which will provide the Division a competitive edge in the market. A major supply chain contract has been signed and new business lead been under development with a local major grocer and a restaurant group. The Division also has plan to penetrate overseas market to improve revenue and reduced its reliance in an overcrowded local market.

(ii) Butchery

The weakening of the Ringgit together with the strong demand from various countries has resulted in an increase in all imported meat prices. Even prices of Brazilian meat, which are cheaper previously, have increased significantly. Other than negotiating with major customers for price increase, costs reduction measures have been undertaken to mitigate the impact on the increased costs.

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 the Division cannot compete in. To counteract the impact, the division has introduced more products into the market, with focus on the retail pack of 100gm which is still very strong in the local market. It has also embarked on promotions and roadshows to promote its products and has now penetrated into the new markets in Sabah and Sarawak.

The operations of Gourmessa are currently affected by the limited capacity of its present facilities. The Group have recently purchased several pieces of land at 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 companies in the 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 has been increased.

In the next three to six months, prices of its raw material i.e. sugar, soya bean and other packaging materials will increase due to the weakening 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 but is expected to increase in the second quarter of FY2017. However, 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. Farmgate price is still at a low NZD4.75/KG.

Demand for PET Aseptic products continues to grow within Australia and New Zealand. 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 and real coffee 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 year ended 30 September 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.

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 2016

2016	Trading and Frozen Food RM'000	Food Services RM'000	Nutrition RM'000	Food Processing RM'000	Unallocated RM'000	Total RM'000
Revenue						
External revenue	170,577	80,647	36,348	75,102	-	362,674
Results						
Segment results	6,595	(1,444)	1,133	(8,962)	8,805	6,127
Interest income	363	51	-	62	1,111	1,587
Finance costs	(1,429)	(911)	-	(497)	(1,365)	(4,202)
Profit/(Loss) before tax	5,529	(2,304)	1,133	(9,397)	8,551	3,512
Income tax	(2,599)	-	62	(795)	1,276	(2,056)
Profit/(Loss) from operations, net of tax	2,930	(2,304)	1,195	(10,192)	9,827	1,456
Segment assets	117,565	57,527	22,161	132,202	158,295	487,750
Segment liabilities	42,478	28,106	4,970	28,478	41,519	145,551
Other information						
Capital expenditure	5,193	15,929	664	62,093	47,433	131,312
Depreciation and amortisation	2,368	6,409	2,313	4,548	1,329	16,967
Allowance for doubtful receivables	382	-	-	67	-	449
Property, plant and equipment written off	41	1,423	-	2	-	1,466
Write back of impairment of property, plant and equipment	-	-	-	13	-	13

The following table presents financial information regarding geographical segments:

2016	Malaysia RM'000	China RM'000	Asean RM'000	New Zealand RM'000	Australia RM'000	Others RM'000	Group RM'000
Total revenue from external customers	304,495	6,465	937	38,535	11,230	1,012	362,674
Segment non-current assets	224,607	-	-	25,692	-	-	250,299

SEGMENTAL RESULTS

For the year ended 30 September 2015

2015	Trading and Frozen Food RM'000	Food Services RM'000	Nutrition RM'000	Food Processing RM'000	Unallocated RM'000	Total RM'000
Revenue						
External revenue	169,272	44,413	38,661	74,660	351	327,357
Results						
Segment results	1,843	(2,872)	1,095	(8,984)	13,192	4,274
Interest income	49	6	31	15	1,076	1,177
Finance costs	(747)	(396)	-	(637)	(4)	(1,784)
Profit/(Loss) before tax	1,145	(3,262)	1,126	(9,606)	14,264	3,667
Income tax	(3,058)	-	568	(3,407)	(1,332)	(7,229)
(Loss)/Profit from operations, net of tax	(1,913)	(3,262)	1,694	(13,013)	12,932	(3,562)
Segment assets	115,726	34,748	21,525	83,899	210,660	466,558
Segment liabilities	44,556	17,006	2,882	22,004	12,716	99,164
Other information						
Capital expenditure	1,899	12,824	114	2,068	3	16,908
Depreciation and amortisation	2,175	3,605	28	6,049	749	12,606
Allowance for doubtful receivables	280	-	-	20	-	300
Property, plant and equipment written off	24	-	-	-	3	27
Write back of impairment of property, plant and equipment	-	-	-	-	3,598	3,598

The following table presents financial information regarding geographical segments:

2015	Malaysia RM'000	China RM'000	Asean RM'000	New Zealand RM'000	Australia RM'000	Others RM'000	Group RM'000
Total revenue from external customers	271,380	9,080	1,038	27,472	17,678	709	327,357
Segment non-current assets	124,288	-	-	26,413	-	-	150,701

- 15 **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 Group's businesses comprise of the trading and frozen food, food services, nutrition and food processing divisions. The Trading and Frozen Food Division contributed 47.0% of the revenue, followed by the Food Services, Food Processing and Nutrition Divisions of 22.2%, 20.8% and 10.0%, respectively. Overall, the Group made a profit before tax of RM3.5 million.

Trading and Frozen Food Division

The Trading and Frozen Food Division registered a marginal growth of 0.8% from RM169.3 million to RM170.6 million due to improved sales in its retail and proprietary sectors. The Division posted a profit before tax of RM5.5 million as compared to RM1.1 million was due mainly to lower advertising and promotion expense, recovery of bad debts, higher interest income, and favourable foreign currency gain in the current financial year.

Segmental assets increased by 1.6% from RM115.7 million to RM117.6 million mainly from increase in inventories as a result of higher level of stock holding. Segmental liabilities decreased from RM44.6 million to RM42.5 million or 4.7% primarily due to settlement to creditors.

Food Services Division

The Food Services Division comprises of Texas Chicken and San Francisco Coffee businesses. The Division posted a robust growth in topline by 81.5% from RM44.4 million to RM80.6 million mainly driven by Texas Chicken which continues to achieve a strong increase in revenue from RM44.4 million to RM70.2 million, representing an increase of RM25.8 million or 58.1% as a result of the opening ten 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 28 outlets has also contributed an additional RM10.4 million revenue to the Division. As a result, the loss before tax was reduced to RM2.3 million as compared to RM3.3 million in the previous financial year.

The increase in property, plant and equipment following the opening ten new outlets during the financial year contributed mainly to the increase in the segmental assets from RM34.7 million to RM57.5 million or 65.7%. Segmental liabilities increased by 65.3% from RM17.0 million to RM28.1 million principally due to the additional hire purchase facilities to finance the purchase of property, plant and equipment and payables from a newly acquired subsidiaries.

Nutrition Division

The sports nutrition and dietary supplements business saw a decrease in revenue by RM2.4 million or 6.2% from RM38.7 million to RM36.3 million 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 NZ route channel remained under pressure during the financial year from online trading competitors also taking advantage of cheaper US brands. The other main area of impact is in the NZ retail channel which saw strong promotional competition, however in Q4 there was a much improved uplift in sales performance on the back of the new Covet nut milks that have been launched into the NZ market in August 2016. The Division recorded a profit before tax of RM1.1 million which was similar to the previous financial year.

Segmental assets had increased by 3.3% from RM21.5 million to RM22.2 million principally attributable to the increase inventories due to higher stock holding. Segmental liabilities increased from RM2.9 million to RM5.0 million largely from increase in payables.

Food Processing Division

The Group's Food Processing Division comprises of the bakery, butchery, beverages and contract packing businesses. The Division has achieved overall marginal growth in sales by RM0.4 million or 0.5% from RM74.7 million to RM75.1 million. This was primarily driven by better performance of Contract Packing for Dairy and Juice based drinks business which has contributed significant sales growth of RM7.1 million due to greater sales volume and improved sales mix. However, the Division was impacted by the slower growth in its bakery business, a reduction of RM3.5 million or 8.0% on the back of a weak economy, lower consumer spending and stiff competition. The beverages business has also recorded a reduction in revenue of RM3.2 million due to lower export and local sales resulting from the continued slower China economy and ongoing price wars amongst the local competitors.

Overall the Division incurred a loss before tax of RM9.4 million as compared to RM9.6 million in the previous financial year.

Segmental assets moved up by 57.6% from RM83.9 million to RM132.2 million largely due to acquisition of land in Pulau Indah while segmental liabilities increased by 29.5% from RM22.0 million to RM28.5 million mainly due to the increase in payables and additional trade line facilities taken during the financial year.

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

	Group		
	30.09.16 RM'000	30.09.15 RM'000	Change %
(a) Sales reported for first half year	175,910	165,691	6.2
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	3,711	6,812	(45.5)
(c) Sales reported for second half year	186,764	161,666	15.5
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(2,255)	(10,374)	(78.3)

17 A breakdown of the total annual dividend in (dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

18 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	64	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	35	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.	Head of Bakery and Head of Café with effect from 6 April 2016	Re-designated from Chief Operating Officer (Bakery Division) to Head of Bakery and Head of Café on 6 April 2016. She has been assigned with additional responsibilities to oversee the management, operations and strategic planning of the café business under San Francisco Coffee Sdn Bhd, acquired by the Group during the FY.

19 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).

BY ORDER OF THE BOARD
ENVICTUS INTERNATIONAL HOLDINGS LIMITED

Dato' Kamal Y P Tan
Group CEO

28 November 2016