



ENVICTUS INTERNATIONAL HOLDINGS LIMITED

(Company Registration No: 200313131Z)

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE UNAUDITED HALF YEAR RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

The Board of Directors (“Board”) of Envictus International Holdings Limited (the “**Company**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 17 June 2022 in relation to the Company’s unaudited half year results for the financial period ended 31 March 2022 which was announced on 13 May 2022.

Question (1)

In respect of the Group’s Inventories of RM 34,518,000, please provide information on the Group’s inventory turnover days.

Company’s response to Question (1)

Group’s inventories turnover days as at 31 March 2022:

Division	Turnover days
Food Services	30
Trading and Frozen Food	56
Food Processing	21
Dairies	21

Question (2)

In respect of the Group’s trade and other receivables of RM47,263,000, please disclose:-

- (i) A breakdown of the Group’s receivables;
- (ii) Aging of the Group’s trade receivables;
- (iii) Details of the Group’s underlying transactions of its other receivables and the terms of the transactions;
- (iv) What were the actions taken to recover the trade and other receivables;
- (v) The Board’s assessment of the recoverability of the remaining trade and other receivables.

Company’s response to Question (2):

- (i) Breakdown of the Group’s receivables as at 31 March 2022:

	RM’000
Trade receivables	24,927
Other receivables	22,336
Total	47,263

(ii) Aging of the Group's trade receivables as at 31 March 2022:

	RM'000
Current	15,805
Past due 1 day to 3 months	8,997
Past due over 3 to 6 months	125
Total	24,927

(iii) Details of the Group's underlying transactions of its other receivables and the terms of the transactions:

	RM'000
Deposits for rental, utilities and others	11,517
Advance payments to suppliers (Note 1)	5,666
Retention sum for real property gain tax on the disposal of land	1,420
Other prepayments (Note 2)	1,850
Others	1,883
Total	22,336

Note 1: Advance payments made to foreign suppliers of RM5,666,000 upon purchase orders confirmed. However, the goods have not been received yet due to custom clearance process.

Note 2: Other prepayments of RM1,850,000 were mainly comprised prepayment made for insurance, rental, utilities and other operating expenses.

(iv) The Group plans to recover the overdue trade receivables through the following actions:

- (a) Contacting the customers regularly to follow up on the payment;
- (b) Negotiating a repayment plan with customers for the overdue debts;
- (c) Reducing the sales order / blocking order for the overdue customers; and
- (d) Lastly, seeking legal advice on possible recourse action to recover the debts.

(v) The Group will only continue to transact with these overdue customers after management has performed satisfactory credit evaluation of their financial conditions and obtain sufficient collateral where appropriate to reduce the risk of financial loss from defaults.

The Group measure the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables, excluding trade receivables determined to be credit impaired, are determined based on historical credit loss rate and historical payment pattern, adjusted for current conditions and forecast of future economic conditions that may affect the ability of the customer to settle the trade receivables at the reporting date.

Question (3):

Please disclose a breakdown of the Group's trade and other payables amounting to RM74,020,000. For other payables, please disclose the aging and nature of these other payables and whether the counterparties are related parties.

Company's response to Question (3):

(i) Breakdown of trade and other payables as at 31 March 2022:

	RM'000
Trade payables	22,325
Other payables	51,695
Total	74,020

(ii) Aging and nature of other payables:

	Current	Past due				Total
		1 day to 3 months	Over 3 to 6 months	Over 6 to 12 months	Over 12 months	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Contractors for new outlets	4,773	2,601	392	-	4,200	11,966
Contractors for factories	-	-	-	3,307	-	3,307
Rental and utilities	4,334	-	1,959	-	-	6,293
Repair and maintenance	1,243	332	427	-	-	2,002
Deposit received from sale of land	3,533	-	-	-	-	3,533
Accruals for purchases	8,279	-	-	-	-	8,279
Accruals for sales and service tax	2,386	-	-	-	-	2,386
Accruals for advertising and promotion	2,532	-	459	-	-	2,991
Accruals for royalty fee	1,625	-	-	-	-	1,625
Accruals for staff costs	1,756	-	-	-	-	1,756
Other operating expenses	4,840	1,395	526	487	309	7,557
Total	35,301	4,328	3,763	3,794	4,509	51,695

By Order of the Board

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

DATO' JAYA J B TAN
Executive Chairman

20 June 2022