



PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of Envictus International Holdings Limited (the “**Company**”) wishes to announce that the Company is undertaking a renounceable non-underwritten rights issue (the “**Rights cum Warrants Issue**”) of up to 113,534,799 new ordinary shares of the Company (the “**Rights Shares**”) at an issue price of S\$0.16 for each Rights Share (the “**Issue Price**”) with up to 113,534,799 free detachable warrants (the “**Warrants**”), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the “**Warrant Share**”) at an exercise price of S\$0.16 for each Warrant Share, on the basis of four (4) Rights Shares (as defined below) for every five (5) existing ordinary shares in the capital of the Company (“**Shares**”) held by Entitled Shareholders (as defined below) as at a books closure date to be determined (the “**Books Closure Date**”), with one (1) Warrant for every one (1) Rights Share subscribed by the shareholders of the Company (“**Shareholders**”), fractional entitlements to be disregarded.

The Company will be seeking approval from the Shareholders for, amongst others, the allotment and issue of the Rights Shares, the Warrants and the Warrant Shares at an extraordinary general meeting of the Company (the “**EGM**”) to be convened.

2. DETAILS OF RIGHTS CUM WARRANTS ISSUE

2.1 Terms of Rights cum Warrants Issue

The Company is offering up to 113,534,799 Rights Shares at the Issue Price of S\$0.16 per Rights Share, and up to 113,534,799 Warrants, with each Warrant carrying the right to subscribe for one (1) Warrant Share at the Exercise Price of S\$0.16 per Warrant Share, on the basis of four (4) Rights Shares for every five (5) Shares held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, and one (1) Warrant for every one (1) Rights Share subscribed.

Entitled Shareholders will be at liberty to accept (in full or in part), decline, or otherwise renounce or trade (during the provisional allotment trading period prescribed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”)) their provisional allotment of Rights Shares with Warrants and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.

Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at the Entitled Shareholders’ provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares with Warrants which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares with Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

It is hereby disclosed and confirmed that, in the allotment of excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and the Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the board of the Company, will rank last in priority for rounding of odd lots and allotment of excess Rights Shares with Warrants. The Company will also not make any allotment and issue of any Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The Rights Shares are payable in full upon acceptance and application by Entitled Shareholders. The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares. For this purpose, a “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2.2 Terms of Warrants

The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on the Official List of the SGX-ST under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on the Official List of the SGX-ST, which is subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.

Subject to the terms and conditions governing the Warrants to be set out in an instrument by way of a deed poll (the “**Deed Poll**”), each Warrant will carry the right to subscribe for one (1) Warrant Share at the Exercise Price at any time during the period commencing on the date falling twelve (12) months from the date of issue of the Warrants and expiring on the day immediately preceding the fourth (4th) anniversary of the date of issue of the Warrants (the “**Exercise Period**”), unless such date is a date on which the register of members of the Company is closed or is not a day on which the SGX-ST is open for securities trading (“**Market Day**”), in which case the Exercise Period shall end on the Market Day prior to the closure of the register of members or the immediate preceding Market Day, as the case may be, but excluding such period(s) as during which the register of warrant holders may be closed pursuant to the terms and conditions of the Warrants as set out in the Deed Poll. The Warrants that remain unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose. The Company will make an announcement of the expiry of the Exercise Period, and take reasonable steps to send a notice of expiry to all holders of the Warrants, at least one (1) month before the expiry date.

The Exercise Price and the number of Warrants to be held by each holder of Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company.

The Warrant Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Warrant Shares.

2.3 Size of Rights cum Warrants Issue

As at the date of this announcement, the issued share capital of the Company (excluding treasury shares) comprises 141,918,499 Shares (the “**Existing Share Capital**”). As at date of the announcement, there are no outstanding convertible securities issued by the Company.

Based on the Existing Share Capital and assuming that all of the Entitled Shareholders subscribe and pay for their pro rata entitlements of Rights Shares with Warrants (the “**Maximum Subscription Scenario**”), the Company will issue 113,534,799 Rights Shares and 113,534,799 Warrants under the Rights cum Warrants Issue.

Based on the Existing Share Capital and assuming that only the Undertaking Shareholders subscribe and pay for their pro rata entitlements of Rights Shares with Warrants in full pursuant to the Irrevocable Undertakings (as defined below) and no other Entitled Shareholder subscribes for the Rights Shares with Warrants (the “**Minimum Subscription Scenario**”), the Company will issue 31,566,148 Rights Shares and 31,566,148 Warrants under the Rights cum Warrants Issue.

2.4 Issue Price and Exercise Price

The Issue Price of S\$0.16 per Rights Share and Exercise Price of S\$0.16 per Warrant Share represent a discount of approximately 56.76% to the last traded price of S\$0.37 for Shares traded on the SGX-ST on 14 June 2018, being the full market day immediately preceding this announcement on which Shares were traded on the SGX-ST.

2.5 Underwriting

In view of the Irrevocable Undertakings (as defined below) and taking into consideration the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Company has decided to proceed with the Rights cum Warrants Issue on a non-underwritten basis.

3. **IRREVOCABLE UNDERTAKINGS**

As of the date of this announcement, Dato’ Kamal Y P Tan holds 19,700,214 Shares, representing approximately 13.88% of the issued share capital of the Company, while Dato’ Jaya J B Tan holds 19,757,472 Shares, representing approximately 13.92% of the issued share capital of the Company. Dato’ Kamal Y P Tan and Dato’ Jaya J B Tan (the “**Undertaking Shareholders**”) together hold an aggregate of 39,457,686 Shares, representing approximately 27.80% of the issued share capital of the Company. The Undertaking Shareholders are directors and controlling shareholders of the Company.

To demonstrate their support for the Rights cum Warrants and to demonstrate their commitment to the Company, the Undertaking Shareholders have provided irrevocable undertakings dated 18 June 2018 to the Company (the “**Irrevocable Undertakings**”) that, amongst others:

- (a) they will subscribe and pay for all their entitlement of an aggregate of 31,566,148 Rights Shares by the closing date of the Rights cum Warrants Issue (the “**Closing Date**”);

- (b) will not sell, transfer or otherwise deal with any of the 39,457,686 Shares that they own or control as at the date of the Irrevocable Undertakings, during the period between the date of the Irrevocable Undertakings and the date of issue of the Rights Shares; and
- (c) they will vote in favour of the Rights cum Warrants Issue at the EGM (other than in respect of the Whitewash Resolution (as defined below)).

The Irrevocable Undertakings are subject to and conditional upon:

- (a) the Whitewash Waiver (as defined below) being granted by the Securities Industry Council (“**SIC**”) and such approval not having been withdrawn or revoked on or prior to the Closing Date;
- (b) the receipt of in-principle approval from the SGX-ST and such approval not having been withdrawn or revoked on or prior to the Closing Date for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the Warrant Shares on the Official List of the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (c) the Rights cum Warrants Issue and the issue of the Rights Shares with Warrants and the Warrant Shares being approved by Shareholders at the EGM;
- (d) the Whitewash Resolution (as defined below) being approved by independent shareholders (being Shareholders other than the Undertaking Shareholders and parties acting in concert with them) (the “**Independent Shareholders**”) at the EGM;
- (e) the lodgement of the OIS and all other accompanying documents (if applicable) in connection with the Rights cum Warrants Issue with the Monetary Authority of Singapore (“**MAS**”); and
- (f) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights cum Warrants Issue and to give effect to the Rights cum Warrants Issue being obtained and not having been revoked or amended before the Closing Date.

The Undertaking Shareholders will also furnish a confirmation of their financial resources from a financial institution to the Company pursuant to the Irrevocable Undertakings.

4. WHITEWASH WAIVER

4.1 Rule 14 of the Code

Under Rule 14.1 of the Singapore Code on Take-overs and Mergers (“**Code**”), except with the consent of the SIC, where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or

- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares (“**Mandatory Offer**”). In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend a Mandatory Offer.

The Undertaking Shareholders together hold an aggregate of 39,457,686 Shares, representing approximately 27.80% of the issued share capital of the Company. For the purposes of the Code, the Undertaking Shareholders are deemed concert parties.

The Rights Shares that may be issued to the Undertaking Shareholders pursuant to the Irrevocable Undertakings may result in the Undertaking Shareholders and the parties acting in concert with them incurring an obligation to make a Mandatory Offer, unless Independent Shareholders approve at an EGM to be convened a resolution to waive their rights to receive a Mandatory Offer from the Undertaking Shareholders and the parties acting in concert with them (the “**Whitewash Resolution**”).

4.2 SIC Application

The Company will be submitting an application to the SIC to seek a waiver of the obligations of the Undertaking Shareholders and their concert parties to make a Mandatory Offer arising from the subscription by the Undertaking Shareholders and their concert parties of the Rights Shares with Warrants and Warrant Shares pursuant to the exercise of the Warrants under the Rights cum Warrants Issue (the “**Whitewash Waiver**”).

The Company will appoint an independent financial adviser to advise the Directors who are considered independent for the purposes of making the recommendation to the Independent Shareholders in relation to the Whitewash Resolution. Further details of the Whitewash Waiver being sought, and the advice of the independent financial adviser, will be set out in the Circular (as defined below).

5. **POTENTIAL TRANSFER OF CONTROLLING INTEREST**

As the subscription by Mr. Khor Sin Kok of his pro rata entitlements of Rights Shares may result in his aggregate voting rights crossing 15% in the entire enlarged share capital of the Company, Shareholders’ approval will be sought at the EGM pursuant to Rule 803 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) in view of the potential transfer of a controlling interest in the Company to Mr. Khor Sin Kok (the “**Potential Transfer of Controlling Interest**”).

6. **RATIONALE FOR THE RIGHTS CUM WARRANTS ISSUE**

The Company is undertaking the Rights cum Warrants Issue to strengthen the financial position and capital base of the Company and its subsidiaries (the “**Group**”). The Rights cum Warrants Issue will also provide the Shareholders with an opportunity to further participate in the equity of the Company. The net proceeds arising from the allotment and issuance of the Rights Shares (without taking into account the proceeds from the exercise of the Warrants) will be used towards repayment of bank borrowings, working capital and to fund the expansion

of the Group's existing businesses, which include among others, the construction of a factory in Pulau Indah for the manufacturing of condensed milk and the expansion of the Texas Chicken business in Indonesia and San Francisco coffee outlets in Malaysia.

7. USE OF PROCEEDS

Assuming none of the Warrants that are issued pursuant to the Rights cum Warrants Issue are exercised:

- (a) in the event of the Maximum Subscription Scenario, the Rights cum Warrants Issue will raise approximately \$18.17 million, after deducting estimated expenses of approximately \$0.25 million, will amount to approximately \$17.92 million; and
- (b) in the event of the Minimum Subscription Scenario, the Rights cum Warrants Issue will raise approximately \$5.05 million, after deducting estimated expenses of approximately \$0.25 million, will amount to approximately \$4.80 million.

The Company intends to use the net proceeds arising from the allotment and issuance of the Rights Shares (without taking into account the proceeds from the exercise of the Warrants and in the following order of priority) as set out below:

Use of Proceeds	Percentage of Net Proceeds (%)
Repayment of bank borrowings	37.0%
Working capital	31.5%
Expansion of existing businesses	31.5%
Total	100.0%

The additional proceeds arising from the exercise of all of the Warrants in the Maximum Subscription Scenario is approximately \$18.17 million. As and when the Warrants are exercised, the proceeds arising therefrom may, at the discretion of the Directors, be applied towards expanding the business of the Group, financing new business ventures through acquisitions and/or strategic investments and working capital.

Pending the deployment of the net proceeds raised from the Rights cum Warrants Issue, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities, as the Directors may deem appropriate in the interests of the Company.

As and when there is any significant disbursement of the proceeds raised from the Rights cum Warrants Issue, the Company will make the necessary announcements on SGXNET and subsequently provide a status report on the use of such proceeds in its annual report. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with details on how the proceeds have been applied in the announcements and the annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reason(s) for such deviation.

8. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS CUM WARRANTS ISSUE

8.1 The Rights cum Warrants Issue is proposed to all the “**Entitled Shareholders**”, comprising Entitled Depositors and Entitled Scripholders (both as defined below).

8.2 Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (the “**Depositors**”) will be provisionally allotted Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be “**Entitled Depositors**”, Depositors must have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore, must provide CDP, at 9 North Buona Vista Drive, #1-19/20 The Metropolis, Singapore 138588, with addresses in Singapore not later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants.

8.3 Entitled Scripholders

Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (the “**Scripholders**”) will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Company’s share registrar, Boardroom Corporate & Advisory Services Private Limited (the “**Share Registrar**”) in order to be registered to determine the Scripholders’ provisional allotments of Rights Shares with Warrants.

To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date or if they have registered addresses outside Singapore, must provide the Share Registrar, at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 with addresses in Singapore not later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants.

8.4 CPF Investment Scheme

Persons who bought their Shares previously using their Central Provident Fund account savings (“**CPF Funds**”) may use the same for the payment of the Issue Price to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants, subject to the applicable rules and regulations of the Central Provident Fund. Such persons who wish to accept their provisional allotments of Rights Shares with Warrants will need to instruct their respective approved banks where they hold their CPF investment accounts, to accept their provisional allotment of Rights Shares with Warrants and (if applicable) apply for the excess Rights Shares with Warrants on their behalf in accordance with the Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market.

8.5 Foreign Shareholders

For practicable reasons and to avoid any violation of securities legislation applicable in countries other than Singapore, the Rights Shares with Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) market days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). As such, no provisional allotments of the Rights Shares with Warrants will be made to Foreign Shareholders, and no purported acceptance thereof and application therefor by Foreign Shareholders will be valid.

If it is practicable to do so, arrangements may be made, at the discretion of the Company, for provisional allotments of Rights Shares with Warrants which would otherwise be provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares with Warrants commence.

8.6 Scaling Down

Depending on the level of subscription for the Rights Shares and the Warrants, the Company will, if necessary, scale down the subscription and/or the excess applications by any Shareholder (if such Shareholder chooses to subscribe for its pro-rata Rights with Warrants entitled Shares and/or excess Rights Shares with Warrants entitlement) to:

- (i) ensure that such Shareholder will not hold a controlling interest in the Company, which is prohibited by Rule 803 of the Listing Manual of the SGX-ST unless prior specific approval is obtained from Shareholders in a general meeting; or
- (ii) avoid placing such Shareholder and parties acting in concert with him in the position of incurring a Mandatory Offer under the Code, as a result of other Shareholders not taking up their Rights Shares with Warrants entitlements fully.

9. **APPROVALS**

9.1 The Rights cum Warrants Issue is subject to, *inter alia*,

- (a) the Whitewash Waiver having been granted by the SIC and not having been withdrawn or revoked as at the date of completion of the Rights cum Warrants Issue;
- (b) the approval of the Shareholders for the Rights cum Warrants Issue being obtained at the EGM to be convened;
- (c) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the Warrant Shares on the Official List of the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the completion of the Rights cum Warrants Issue) and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (d) the Whitewash Resolution being approved by the Independent Shareholders;
- (e) the Potential Transfer of Controlling Interest being approved by the Shareholders at the EGM to be convened;

- (f) the lodgement of the Offer Information Statement and all other accompanying documents (if applicable) in connection with the Rights cum Warrants Issue with MAS; and
 - (g) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights cum Warrants Issue and to give effect to the Rights cum Warrants Issue being obtained and not having been revoked or amended before the completion of the Rights cum Warrants Issue.
- 9.2 The Company will be making an application to the SGX-ST for the permission to deal in and for the listing and quotation of the Rights Shares, the Warrants and the Warrant Shares on the SGX-ST. An appropriate announcement on the outcome of such application will be made in due course.
- 9.3 The Circular to Shareholders containing, *inter alia*, the notice of the EGM in relation to the Rights cum Warrants Issue will be despatched to Shareholders in due course. The Offer Information Statement will be lodged with MAS and despatched to Entitled Shareholders in due course following the EGM if the Rights cum Warrants Issue is approved at the EGM.

10. OFFER INFORMATION STATEMENT

The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Directors may in their absolute discretion deem fit. The final terms and conditions of the Rights cum Warrants Issue will be contained in the offer information statement (the “**Offer Information Statement**”) to be lodged with MAS and despatched by the Company to Entitled Shareholders in due course if the Rights cum Warrants Issue is approved at the EGM.

11. CIRCULAR AND EGM

The Company intends to convene the EGM to seek Shareholders’ approval for the Rights cum Warrants Issue. A circular setting out, *inter alia*, the details of, and other relevant information pertaining to the Rights cum Warrants Issue (the “**Circular**”), together with the notice of EGM, will be dispatched to the Shareholders in due course

12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above in this announcement, none of the Directors and substantial Shareholders has any interests, direct or indirect, in the Rights cum Warrants Issue, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

13. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights cum Warrants Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information

has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

14. FURTHER ANNOUNCEMENTS

Further announcements will be made by the Company in relation to the Rights cum Warrants Issue as and when appropriate.

BY ORDER OF THE BOARD
ENVICTUS INTERNATIONAL HOLDINGS LIMITED

DATO' KAMAL Y P TAN
Group Chief Executive Officer

18 June 2018