



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

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## THE PROPOSED DISPOSAL OF 3 LOTS OF LAND LOCATED AT PULAU INDAH, SELANGOR

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The Board of Directors (the “**Board**”) of Envictus International Holdings Limited (“the **Company**” and together with its subsidiaries, the “**Group**”) refers to its earlier announcement dated 26 January 2022 in relation to the Proposed Disposal (the “**Disposal Announcement**”).

*All capitalised terms in the announcement shall, unless otherwise defined herein, have the same meaning ascribed to them in the Disposal Announcement.*

### 1. Waiver Application

The Company had on 27 January 2022 submitted an application to the SGX-ST to seek a waiver from the requirement under Rule 1014(2) of the Listing Manual to obtain shareholders’ approval for the Proposed Disposal.

As disclosed in the Disposal Announcement, the absolute relative figure computed pursuant to Rule 1006(b) of the Listing Manual in respect of the Proposed Disposal is a negative figure exceeding 20%. Rule 1007(1) of the Listing Manual provides that if any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the Listing Manual may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10.1, or if not so provided, at the discretion of the SGX-ST, in which case, issuers should consult the SGX-ST. The Proposed Disposal does not fall within the applicable circumstances in Practice Note 10.1 as the absolute relative figure computed on the basis of Rule 1006(b) in respect of the Proposed Disposal exceeds 20%, and therefore the requirement under shareholders’ approval under Rule 1014 would apply to the Proposed Disposal.

Additionally, the relative figure computed pursuant to Rule 1006(c) of the Listing Manual in respect of the Proposed Disposal exceeds 20%. The Proposed Disposal therefore constitutes a “major transaction” under Chapter 10 of the Listing Manual and is subject to the approval of the shareholders.

### 2. Waiver Application and Outcome of Waiver Application

The SGX-ST had on 30 May 2022 informed that the Company that based on the Company’s submissions and representations to the SGX-ST, the SGX-ST has no objection to the Company’s application for a waiver from having to obtain the approval of the Company’s shareholders in a general meeting under Rule 1014(2) of the Listing Manual in respect of the Proposed Disposal (the “**Waiver**”), subject to the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met.

The Waiver will not be effective if any of the Waiver conditions have not been fulfilled.

As at the date of this announcement, the Company is not in contravention of any laws and regulations governing the Company and the constitution of the Company arising from the Waiver. The Company is required to make an immediate disclosure via SGXNET if such contravention arises.

### 3. Reasons for Waiver

The Company had sought the Waiver for the reasons set out below:

- (a) The Proposed Disposal does not represent a disposal of a substantial part of the Group's business. Instead, the Proposed Disposal of the Land involves the proposed disposal of a non-core asset that is not likely to affect the nature of the principal business of the Group.
- (b) The Proposed Disposal involves the sale of 3 plots of land which are currently vacant and are not being utilized by Vendor or the other companies in the Group for any business segment of the Group. As the Land is not being used for any of the Group's business activities, it is a non-core asset that is not critical to the principal business activities and is not used for the principal business activities of the Group.
- (c) The Land is also not an asset that is part of the Group's existing principal business as it contributes to only 12.56% of the Group's total net assets (based on the latest announced consolidated results of the Group as at 30 September 2021) which falls below the 20% threshold.
- (d) The relative figure for Rule 1006(b) of the Listing Manual is a negative figure because the Group reported a net loss before tax of RM47,346,000 for the financial year ended 30 September 2021. As such, the Company considers that the relative figure calculated pursuant to Rule 1006(b) of the Listing Manual is not meaningful and should be disregarded.
- (e) The Proposed Disposal is part of the Group's streamlining efforts which involves the disposal of non-core assets of the Group. The Proposed Disposal is a monetization of non-core asset and represents a good opportunity to dispose of and realise the capital appreciation of the Land which is currently vacant land that is not being used by the Group. The offer made by the Purchaser was also the only available offer for the Land and was close to the most recent transacted prices for vacant land in Pulau Indah.
- (f) The Proposed Disposal will result in a gain on disposal. The amount of gain from the Proposed Disposal (after taking into account estimated incidental costs and real property gains tax) is estimated to be RM12,947,000.
- (g) The dispensation of a shareholders' meeting in respect of the Proposed Disposal will not prejudice shareholders of the Company. The Purchaser is not an interested person as defined under Chapter 9 of the Listing Manual. None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, other than in their capacity as a director and/or shareholder of the Company.
- (h) The dispensation of a shareholders' meeting will also allow the Vendor to expedite the completion of the Proposed Disposal. The obtaining of shareholders' approval is the Condition Precedent that is likely to take the longest time to obtain due to the time taken to prepare a circular, obtain clearance from the SGX-ST for the circular and issue the notice for the shareholders' meeting, a process which may take up to a few months. The Vendor will not be able to receive the Balance Sum from the Purchaser until the Conditions Precedent are satisfied. As such, any delay in the satisfaction of the Conditions Precedent will result in the Group not being able to receive the Balance Sum which is crucial in order to meet for the financial needs of the Group.
- (i) The Board is of the opinion that there has been or will be no material change in the risk profile of the Company arising from the Proposed Disposal, based on the reasons described in paragraphs 3(a) to (g) above.

The Company had also conveyed to the SGX-ST that the Waiver should be granted for the following reasons:

- (i) The Land is a non-core asset of the Group. Firstly, it is not critical and is ancillary to the principal business activity of the Group. The 3 plots of Land to be sold pursuant to the Proposed Disposal is currently vacant and idle and is not utilized by the business and operations of the Group and is not generating any income for the Group. Given that it is not used as part of any of the Group's operating businesses, it is therefore not a critical asset and is entirely ancillary to the principal business activities of the Group. Secondly, the Land is not an existing principal business taking into account the guidance set out under Paragraph 2.4 of Practice Note 10.1 of the SGX-ST Listing Manual. The net profit before tax on the disposal of Land contributes 30.0% of the Group's loss based on audited consolidated results of the Group as at 30 September 2021. While this figure exceeds the 20% threshold under Paragraph 2.4 of Practice Note 10.1, this figure is not a meaningful reflection of the Land asset's contribution to the Group's existing principal business as the asset is idle vacant land which is not generating any income for the Group. The Land contributes to only 12.56% of the Group's total net assets based on audited consolidated results of the Group as at 30 September 2021 which falls below the 20% threshold under Paragraph 2.4 of Practice Note 10.1.
- (ii) The Company had received voting undertakings from shareholders of the Company holding 73.57% shares in the Company to vote in favor of the Proposed Disposal.

#### **4. Satisfaction of Waiver Conditions**

With this announcement, the Waiver conditions have been satisfied. Accordingly, the Company will not be convening an EGM to seek Shareholders' approval for the Proposed Disposal.

#### **5. Further Announcements**

Further announcement(s) will be made as appropriate when the Proposed Disposal is completed.

By Order of the Board  
ENVICTUS INTERNATIONAL HOLDINGS LIMITED

DATO' JAYA J B TAN  
Executive Chairman

30 May 2022