



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

RESPONSE TO QUESTIONS RECEIVED FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) PRIOR TO THE COMPANY'S ANNUAL GENERAL MEETING

The Board of Directors (the “**Board**” or “**Directors**”) of Envictus International Holdings Limited (“the **Company**” and together with its subsidiaries, the “**Group**”) refers to the questions received from the Securities Investors Association (Singapore) (“SIAS”) ahead of the Company’s Annual General Meeting to be held, in a wholly physical format, at Orchid Ballroom, Basement 1, Holiday Inn Singapore Orchard City Centre, 11 Cavenagh Road, Singapore 229616 on 23 January 2026 at 10.00 a.m. and provides the responses below :-

Q1. In July 2025, Bursa-listed Paramount Corporation Berhad, through Venice Concepts, acquired a 28% stake in the company at 45 cents per share from JAG Capital Holdings. According to Paramount’s presentation to shareholders and media reports, this represents a strategic acquisition for Paramount. The new substantial shareholder has publicly indicated its intention to support the expansion of Texas Chicken outlets in Malaysia to 200 and to turn around the loss-making San Francisco Coffee business.

Subsequently, Mr Chew Sun Teong was appointed as non-executive non-independent director on 18 November 2025, with Mr Benjamin Teo Jong Hian appointed as his alternate director on the same date.

(i) What strategic input has Paramount provided to the board and management since becoming a substantial shareholder, particularly in relation to growth priorities, capital allocation and operational turnaround initiatives?

Company’s Response:

Paramount has shared perspectives based on its long-term investment and operating experience in Malaysia, particularly in relation to the businesses which Paramount operates such as property development, hotel and F&B restaurants. These perspectives will provide insights to the Board and the management in their review of the Group’s expansion plans, design and build concepts of stores as well as performance improvement initiatives.

(ii) How has the board refined or updated the group’s medium-term strategy?

Company’s Response:

The Board continues to review and refine the Group’s medium-term priorities, with a clearer focus on core brands and key markets, and increased emphasis on execution, cost management and returns on capital. Expansion is being pursued in a more selective and phased manner, alongside ongoing efforts to strengthen operating performance and cash flow.

(iii) Has the board identified any specific operational or commercial synergies with Paramount, and is active collaboration being pursued to realise these opportunities?

Company’s Response:

Envictus will tap on Paramount’s wide networking in the property industry and its knowledge on construction for purpose of sites selection and development of stores. Currently, Texas Chicken’s outlet in Utropolis Glenmarie is a tenant of a property owned by the Paramount Group. Our subsidiary, Pok Brothers Sdn Bhd, is supplying food items to Mercure Glenmarie Kuala Lumpur Hotel, a hotel owned by Paramount. The Management remains open to

exploring potential collaborations where these are commercially sound and aligned with the Group's strategy.

Q2. Would management provide shareholders greater clarity on the following operational and financial matters? Specifically:

- (i) **Texas Chicken: With plans to open a further 17 outlets in the coming year, including the group's first three outlets in Sabah, total store count is expected to reach 118. What criteria does management use to determine the pace of expansion, and how does the board ensure that growth does not strain the group's balance sheet, liquidity, or operating cash flows? On the operational front, will the group be installing Self-Ordering Kiosks (SOKs) in all its outlets and what is the timeline for the full-scale deployment of SOKs? In addition, how is the group leveraging predictive analytics and AI within these kiosks to optimise cross-selling and upselling, and what impact has this had on the average transaction value and margins?**

Company's Response :

The Group takes a disciplined approach to expanding Texas Chicken. The pace of new store openings is guided by site-level economics, expected returns, local demand and our ability to staff and operate stores effectively, rather than a fixed numerical target. All expansion plans are assessed within the Group's overall capital and cash flow position, with clear oversight from the Board to ensure that liquidity and operating cash flows remain healthy.

Self-Ordering Kiosks are being rolled out progressively, starting with higher-traffic outlets where they deliver the most operational benefit. The rollout will be phased to manage capital expenditure and to incorporate learnings along the way. The kiosks help improve order accuracy, speed of service and labour efficiency, and data from customer ordering behaviour is used to refine menu displays and promotions. While this has supported modest improvements in average ticket size, the primary objective remains operational efficiency and customer experience.

- (ii) **San Francisco Coffee: A relatively new competitor in Malaysia (Competitor Z) established in 2019, has scaled to over 700 outlets in Malaysia and is now the largest coffee chain operator. What structural or execution gaps does the board believe have prevented San Francisco Coffee from achieving similar scale and economics? Who has direct P&L accountability for the San Francisco Coffee business, and what specific operational and cost levers are being pulled to achieve a credible turnaround over the next 18 to 24 months?**

Company's Response :

San Francisco Coffee operates in a very competitive market, and some newer players have scaled rapidly using leaner store formats and lower cost structures.

The emergence of Cafe Z has disrupted the market, affecting legacy brands, including the Group and Starbucks. In response, the Board has discussed the development of a value-focused platform to enhance competitiveness, alongside ongoing initiatives to improve customer service and product quality. In addition, price consolidation and rationalisation measures are currently being implemented to enable the Group to compete more effectively in the evolving market landscape.

There is clear P&L accountability within the management team for the San Francisco Coffee business, with active oversight from senior management and the Board.

The focus over the next 18 to 24 months is on rationalising weaker outlets, optimising store formats, tightening labour and rental costs, improving procurement efficiency, revising menu and pricing discipline and expansion of new stores.

The Board believes these actions are necessary to restore profitability and build a more sustainable business.

- (iii) **Unallocated losses: Can the board clarify the specific reasons for the RM(14.79) million unallocated loss in FY2025?**

	FY2025 RM'000	FY2024 RM'000
(A) BUSINESS SEGMENTS		
REVENUE		
Food Services	460,082	426,718
Trading and Frozen Food	139,830	130,850
Dairies	144,717	129,186
	744,629	686,754
PROFIT/(LOSS) BEFORE TAX		
Food Services	46,160	41,730
Trading and Frozen Food	11,150	9,569
Dairies	4,550	2,405
Food Processing	-	(147)
Unallocated	(14,792)	1,634
	47,068	55,191

Company's Response:

The RM14.79 million unallocated loss in FY2025 mainly relates to corporate-level expenses that are not attributable to any specific business segment. These include head office and group management costs, professional and advisory fees, compliance and governance-related expenses, and finance costs that are centrally managed at the Group level.

As these costs support the overall operations and strategic oversight of the Group, they are reported as unallocated in the segmental results. These costs are included in the Group's consolidated results but are not allocated to any operating segment in accordance with SFRS(I)8, as they relate to corporate-level activities supporting the entire Group.

Q3. The board currently comprises six directors, with two additional alternate directors. As disclosed in the annual report, the board is cognisant that it does not comply with Provision 2.2 of the Code of Corporate Governance 2018, which requires a majority of independent directors when the chairman is not independent.

The board has justified this deviation by citing its current composition, the industry experience of long-tenured directors, and robust governance processes while stating that it remains committed to eventual compliance with Provision 2.2.

Name	Age	Date of first appointment	Date of last re-election/ re-appointment	Designation
Dato' Jaya J B Tan	78	23.12.2003	21.01.2025	Executive Chairman and Group Chief Executive Officer
Chew Sun Teong	59	18.11.2025	-	Non-Executive Non-Independent Director
Teo Chee Seng	71	03.08.2004	26.01.2024	Non-Executive Non-Independent Director
Teo Siew Geok	66	21.01.2025	-	Independent Director
Yap Wai Ming	63	21.01.2025	-	Independent Director
Ng Siew Hoong	55	21.01.2025	-	Independent Director
Tan San Ming	42	01.08.2023	-	Alternate Director to Dato' Jaya J B Tan and Chief Operating Officer
Benjamin Teo Jong Hian	36	18.11.2025	-	Alternate Director to Mr Chew Sun Teong

- (i) **For the benefit of shareholders, can the board, in particular the nominating committee (NC), provide a clear and time-bound plan for achieving compliance with Provision 2.2?**

Company's Response :

The NC has highlighted and discussed this matter with the Board at its NC meetings as part of its regular review of Board composition. The NC has established a roadmap to address the deviation, with the objective of achieving compliance by no later than the end of FY2026, through the appointment of additional independent director.

In the interim, the Board considers that its current composition, together with established governance processes, enables effective oversight and independent judgement. The Non-Executive Directors (NEDs) contribute additional independent perspectives, providing objective challenge to management's assumptions and decisions, and complementing the oversight role of the independent directors. Their participation in Board discussions and engagement with management ensures that robust governance standards are maintained while the Company progresses toward full compliance with Provision 2.2.

- (ii) **Has the NC also considered appointing an independent chairman with a demonstrated track record of sustained value creation in the food industry to lead the board?**

Company's Response :

The Board is of the view that the current Chairman continues to provide strong leadership, deep institutional knowledge, and strategic continuity, which are critical to the Group's long-term development. Accordingly, the NC intends to achieve alignment with Provision 2.2 through the progressive appointment of additional independent directors, rather than by changing the chairmanship structure.

This approach preserves leadership stability while strengthening independent oversight and enhancing the diversity of perspectives at the Board level. The NC will continue to review the Board's composition and independence as part of its regular governance and succession planning processes.

The company appointed Mr Ng Siew Hoong and Mr Yap Wai Ming as independent directors on 21 January 2025. Both are legal professionals with no disclosed experience in food and beverage, quick service restaurants, or large-scale operations. On the same day, the long-tenured independent director, Mr Teo Chee Seng, who has served for more than 22 years and is also legally trained, was redesignated as a non-executive non-independent director.

- (iii) **Has the NC reviewed the current competency matrix of the board and identified any gaps in skills or competencies that need to be addressed in future director appointments? How does the board ensure that a predominantly legal trained independent director cohort² can effectively challenge management on operational execution, industry benchmarks, and commercial strategy of the group's businesses in Malaysia?**

Company's Response :

The NC has reviewed the current competency matrix of the board. While several independent directors possess legal and governance training, the Board notes that their professional backgrounds are distinct and complementary, and they do not contribute in a uniform manner. Collectively, these differentiated skill sets enable the independent directors to provide robust and effective challenge to management from multiple perspectives.

To further strengthen oversight, the Board supplements its collective expertise through regular briefings by management, site visits, and engagement with external advisers, ensuring directors are well-positioned to challenge management on operational execution, benchmarking, and strategic matters.

The NC recognises the value of operational, industry, and commercial experience and will continue to prioritise these competencies in future director appointments, particularly to enhance the Board's understanding of the Group's operations in Malaysia and to maintain effective challenge of management across all business areas.

Separately, Practice Guidance 4 to the Code of Corporate Governance 2018 states that alternate directors should be appointed only in exceptional circumstances.

- (iv) **Can the board explain what exceptional circumstances justified the appointment of alternate directors in this case, and how it ensures that such appointments do not undermine board independence or circumvent board composition requirements? In this context, how does the board assess the appropriateness of an alternate director attending all board meetings in FY2025?**

Company's Response :

The appointment of alternate directors was made to ensure continuity and effectiveness of Board deliberations, taking into account directors' availability and operational requirements at the relevant time.

While the principal directors attend Board meetings, the alternate directors provide additional perspectives, support effective discussion on complex matters, and help ensure continuity in the event of multiple directors being unavailable. The NC reviews the continued necessity of alternate director appointments periodically and will rationalise such arrangements where they are no longer required.

In assessing the appropriateness of such arrangements, the NC considers several factors: whether the alternate directors possess sufficient skills and knowledge to contribute meaningfully to Board discussions; whether they have any conflicts of interest that could compromise independent judgement; whether their participation complements, rather than replaces, the principal director's input; and whether their presence supports effective deliberation without undermining Board composition requirements or governance standards.

Through these assessments, the Board ensures that alternate directors provide effective support while maintaining independence, oversight integrity, and adherence to Board composition principles.

By Order of the Board
ENVICTUS INTERNATIONAL HOLDINGS LIMITED

DATO' JAYA J B TAN
Executive Chairman and
Group Chief Executive Officer

16 January 2026