



ENVICTUS INTERNATIONAL HOLDINGS LIMITED

(Company Registration No. 200313131Z)

**Condensed Interim Financial Statements
For the Six Months and Full Year Ended 30 September 2021**

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The Group	Note	6 Months Ended			12 Months Ended		
		30.09.2021 RM'000	30.09.2020 RM'000	Change %	30.09.2021 RM'000	30.09.2020 RM'000	Change %
Revenue	4	186,556	173,831	7.3	382,122	399,599	(4.4)
Cost of sales		(112,151)	(104,891)	6.9	(230,250)	(239,160)	(3.7)
Gross profit		74,405	68,940	7.9	151,872	160,439	(5.3)
Other income		12,971	2,926	>100	15,791	5,559	>100
Operating expenses							
Administrative expenses		(17,719)	(18,401)	(3.7)	(35,329)	(38,174)	(7.5)
Selling and marketing expenses		(66,145)	(60,586)	9.2	(129,686)	(130,386)	(0.5)
Warehouse and distribution expenses		(10,494)	(10,424)	0.7	(20,782)	(22,767)	(8.7)
Research and development expenses		(576)	(342)	68.4	(1,165)	(641)	81.7
Other operating expenses		(4,576)	(37,377)	(87.8)	(6,927)	(39,925)	(82.6)
		(99,510)	(127,130)	(21.7)	(193,889)	(231,893)	(16.4)
Loss before interest and tax		(12,134)	(55,264)	(78.0)	(26,226)	(65,895)	(60.2)
Finance costs		(11,203)	(11,463)	(2.3)	(21,120)	(21,174)	(0.3)
Loss before taxation	5	(23,337)	(66,727)	(65.0)	(47,346)	(87,069)	(45.6)
Tax expense	7	(505)	(612)	(17.5)	(1,055)	(1,473)	(28.4)
Loss from continuing operations, net of tax		(23,842)	(67,339)	(64.6)	(48,401)	(88,542)	(45.3)
Loss from discontinued operations, net of tax		-	(7,474)	N/A	-	(12,397)	N/A
Loss for the financial period/year, net of tax		(23,842)	(74,813)	(68.1)	(48,401)	(100,939)	(52.0)

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	6 Months Ended			12 Months Ended		
	30.09.2021 RM'000	30.09.2020 RM'000	Change %	30.09.2021 RM'000	30.09.2020 RM'000	Change %
Loss for the financial period/year	(23,842)	(74,813)	(68.1)	(48,401)	(100,939)	(52.0)
Other comprehensive income:						
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>						
Exchange differences on translating foreign operations (net)						
- Continuing operations	(632)	2,268	>100	1,236	2,572	(51.9)
- Discontinued operations	-	1,978	N/A	-	2,397	N/A
	(632)	4,246	>100	1,236	4,969	(75.1)
<i>Items that will not be reclassified to profit or loss in subsequent periods (net of tax)</i>						
Fair value changes on investments (net)	(222)	1,417	>100	(212)	1,357	>100
Total other comprehensive income for the period	(854)	5,663	>100	1,024	6,326	(83.8)
Total comprehensive income for the period	(24,696)	(69,150)	(64.3)	(47,377)	(94,613)	(49.9)
Loss attributable to:						
Owners of the Company						
- Loss from continuing operations, net of tax	(23,842)	(67,339)	(64.6)	(48,401)	(88,542)	(45.3)
- Loss from discontinued operations, net of tax	-	(7,474)	N/A	-	(12,397)	N/A
	(23,842)	(74,813)	(68.1)	(48,401)	(100,939)	(52.0)
Total comprehensive income attributable to:						
Owners of the Company						
- Loss from continuing operations, net of tax	(24,696)	(63,654)	(61.2)	(47,377)	(84,613)	(44.0)
- Loss from discontinued operations, net of tax	-	(5,496)	N/A	-	(10,000)	N/A
	(24,696)	(69,150)	(64.3)	(47,377)	(94,613)	(49.9)
Loss per share for loss for the period attributable to the owners of the Company during the period/year (RM sen):						
Basic and diluted (Note 8)						
- Continuing operations	(9.65)	(27.25)	(64.6)	(19.59)	(35.83)	(45.3)
- Discontinued operations	-	(3.02)	N/A	-	(5.02)	N/A

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 30.9.2021 RM'000	As at 30.9.2020 RM'000	As at 30.9.2021 RM'000	As at 30.9.2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	420,416	531,263	-	-
Deposits for purchase of property, plant and equipment		-	53	-	-
Investment property	12	20,441	22,400	-	-
Investments in subsidiaries		-	-	217,785	238,331
Financial assets at fair value through other comprehensive income ("FVOCI")	13	8,946	9,038	8,631	8,726
Deferred tax assets		308	308	-	-
Intangible assets	14	23,845	24,227	-	-
Total non-current assets		473,956	587,289	226,416	247,057
Current assets					
Inventories		40,474	42,530	-	-
Trade and other receivables		40,724	44,060	147,831	127,254
Tax recoverable		1,010	339	-	-
Fixed deposits		615	615	-	-
Cash and bank balances		16,650	24,064	341	776
		99,473	111,608	148,172	128,030
Non-current assets classified as held for sale	15	83,942	-	-	-
Total current assets		183,415	111,608	148,172	128,030
Total assets		657,371	698,897	374,588	375,087
LIABILITIES					
Current liabilities					
Trade and other payables		88,481	84,506	19,710	31,175
Amount due to directors		9,718	-	9,718	-
Bank borrowings	16	131,846	49,718	-	-
Lease liabilities		25,096	28,663	-	-
Current income tax payable		52	159	-	-
Total current liabilities		255,193	163,046	29,428	31,175
Non-current liabilities					
Bank borrowings	16	126,556	197,599	-	-
Lease liabilities		106,252	121,834	-	-
Provision for restoration costs		3,900	3,671	-	-
Financial guarantee contracts		-	-	1,425	5,794
Deferred tax liabilities		3,915	3,815	-	-
Total non-current liabilities		240,623	326,919	1,425	5,794
Total liabilities		495,816	489,965	30,853	36,969
NET ASSETS		161,555	208,932	343,735	338,118
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	17	177,865	177,865	177,865	177,865
Treasury shares	17	(183)	(183)	(183)	(183)
Accumulated (losses)/profits		(19,239)	29,162	143,314	142,165
Foreign currency translation reserve		29,324	27,763	46,623	41,615
Fair value reserve		(23,818)	(23,281)	(23,884)	(23,344)
Other reserve		(2,394)	(2,394)	-	-
Total equity		161,555	208,932	343,735	338,118

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Group	Share capital	Treasury shares	Foreign currency translation reserve	Fair value reserve	Other reserves	Accumulated profits/(losses)	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2020	177,865	(183)	27,763	(23,281)	(2,394)	29,162	208,932
Loss for the financial year	-	-	-	-	-	(48,401)	(48,401)
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	1,561	(325)	-	-	1,236
Net fair value loss on financial assets at FVOCI	-	-	-	(212)	-	-	(212)
Total other comprehensive income	-	-	1,561	(537)	-	-	1,024
Total comprehensive income	-	-	1,561	(537)	-	(48,401)	(47,377)
At 30 September 2021	177,865	(183)	29,324	(23,818)	(2,394)	(19,239)	161,555
At 1 October 2019	177,865	(183)	22,775	(24,619)	(17,085)	144,792	303,545
Loss for the financial year	-	-	-	-	-	(100,939)	(100,939)
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	4,988	(19)	-	-	4,969
Net fair value loss on financial assets at FVOCI	-	-	-	1,357	-	-	1,357
Total other comprehensive income	-	-	4,988	1,338	-	-	6,326
Total comprehensive income	-	-	4,988	1,338	-	(100,939)	(94,613)
Liquidation of subsidiaries	-	-	-	-	14,691	(14,691)	-
At 30 September 2020	177,865	(183)	27,763	(23,281)	(2,394)	29,162	208,932

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

The Company	Share capital	Treasury shares	Foreign currency translation reserve	Fair value reserve	Accumulated profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2020	177,865	(183)	41,615	(23,344)	142,165	338,118
Profit for the financial year	-	-	-	-	1,149	1,149
Other comprehensive income:						
Exchange differences on translating foreign operations	-	-	5,008	(325)	-	4,683
Net fair value loss on financial assets at FVOCI	-	-	-	(215)	-	(215)
Total other comprehensive income	-	-	5,008	(540)	-	4,468
Total comprehensive income	-	-	5,008	(540)	1,149	5,617
At 30 September 2021	177,865	(183)	46,623	(23,884)	143,314	343,735
At 1 October 2019	177,865	(183)	41,084	(24,529)	181,844	376,081
Loss for the financial year	-	-	-	-	(39,679)	(39,679)
Other comprehensive Income:						
Exchange differences on translating foreign operations	-	-	531	(19)	-	512
Net fair value loss on financial assets at FVOCI	-	-	-	1,204	-	1,204
Total other comprehensive income	-	-	531	1,185	-	1,716
Total comprehensive income	-	-	531	1,185	(39,679)	(37,963)
At 30 September 2020	177,865	(183)	41,615	(23,344)	142,165	338,118

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	12 months ended 30.9.2021 RM'000	12 months ended 30.9.2020 RM'000
Operating activities		
Loss before income tax from continuing operations	(47,346)	(87,069)
Loss before income tax from discontinued operations	-	(12,365)
Loss before income tax, total	<u>(47,346)</u>	<u>(99,434)</u>
Adjustments for:		
Loss allowance on receivables, net	360	637
Amortisation of intangible assets	465	456
Depreciation of property, plant and equipment	50,338	50,399
Depreciation of investment property	451	482
Finance costs	21,120	21,177
Foreign currency exchange loss, net	1,086	2,098
Loss/(Gain) on disposal of property, plant and equipment, net	317	(159)
Gain on disposal of assets classified as held for sale	-	(173)
Impairment loss of property, plant and equipment and deposit for purchase of property, plant and equipment	3,448	36,489
Impairment loss of intangible assets	205	-
Intangible assets written off	-	5
Interest income	(89)	(237)
Inventories written off	-	39
Net loss on disposal of Nutrition business and intangible assets	-	2,232
Net loss on liquidation of subsidiaries	-	2,207
Property, plant and equipment written off	2,615	4,990
Rent concession	(5,246)	(2,533)
Reversal of impairment of property, plant and equipment	(8,240)	-
Write back of allowance for write-down of inventories	-	(226)
Operating profit before working capital changes	19,484	18,449
Working capital changes:		
Inventories	2,056	3,404
Trade and other receivables	3,004	7,780
Trade and other payables	12,257	(3,436)
Cash generated from operations	<u>36,801</u>	<u>26,197</u>
Interest paid	(897)	(1,577)
Income tax paid, net	<u>(1,665)</u>	<u>(1,452)</u>
Net cash generated from operating activities	34,239	23,168
Investing activities		
Liquidation of subsidiaries, net of cash liquidated	-	(35)
Interest received	89	237
Deposit from disposal of assets classified as held for sale	840	-
Proceeds from disposal of property, plant and equipment	1,426	476
Proceeds from disposal of assets classified as held for sale	-	8,629
Proceeds from disposal of Nutrition business and intangible assets	-	1,044
Purchase of intangible assets	(274)	(387)
Purchase of property, plant and equipment	<u>(23,832)</u>	<u>(49,685)</u>
Net cash used in investing activities	(21,751)	(39,721)

D. CONDENSED INTERIM CONSOLIDATED STATEMENT CASH FLOWS (CONT'D)

	The Group	
	12 months ended 30.9.2021 RM'000	12 months ended 30.09.2020 RM'000
Financing activities		
Net changes in respect of fixed deposits pledged to bank	-	552
Interest paid	(20,622)	(19,600)
Advances from directors	9,718	-
Repayment of lease obligations	(20,097)	(22,591)
Drawdown of bank borrowings	73,951	144,384
Repayment of bank borrowings	(63,143)	(84,794)
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(20,193)	17,951
	<hr/>	<hr/>
Net change in cash and cash equivalents	(7,705)	1,398
Cash and cash equivalents at the beginning of the financial year	24,064	22,671
Effect of exchange rate changes	14	(5)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	16,373	24,064
	<hr/>	<hr/>
Cash and cash equivalents comprise the following:		
Cash and bank balances	16,650	24,064
Bank overdrafts	(277)	-
	<hr/>	<hr/>
	16,373	24,064
	<hr/>	<hr/>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Envictus International Holdings Limited (the "Company") is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the 12 months ended 30 September 2021 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are investment holding company and providing management services to its subsidiaries.

The principal activities of the Group are:

- a) Operating of fast food restaurant and specialty coffee chains;
- b) Wholesalers of foodstuff and frozen food;
- c) Manufacturing and distribution of bakery and butchery products; and
- d) Manufacturing and distribution of condensed and evaporated milk.

2. Basis of preparation

The condensed interim financial statements for the six months and full financial year ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 September 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Ringgit Malaysia ("RM") which is the functional currency and the presentation currency of the significant components in Malaysia and all values presented are rounded to the nearest thousand ("RM'000") as indicated.

The preparation of condensed financial statements in compliance with SFRS(I) requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Going concern assumption

The Group recorded a net loss and net cash generated from operating activities of RM48,401,000 (2020: RM100,939,000) and RM34,239,000 (2020: RM23,168,000), respectively for the financial year ended 30 September 2021. The Group's net current liabilities and capital commitment contracted but not provided for as at 30 September 2021 were RM71,778,000 (2020: RM51,438,000) and RM6,457,000 (2020: RM9,334,000) respectively.

The Directors of the Company are of the opinion that no material uncertainty exists and the going concern basis is appropriate in the preparation of the financial statements based on the following:

- a) The Directors of the Company have carried out a detailed review of the 12 months cash flow forecast from the financial year end of the Group and are satisfied that the Group has adequate unutilised credit facilities and securing new credit facilities to fund its working capital, capital commitments and financial obligations;
- b) The management is also actively engaging with its bankers, trade and other creditors to extend or restructure the existing credit terms;
- c) On 31 March 2021, the Group has entered into the conditional option sale and purchase agreement (SPA) with Aryzta for the proposed sale of Pulau Indah leasehold land ("Property") and Assets erected thereon at the Land for a total consideration of RM88.0 million within 2 to 5 years from the date of SPA.

2. Basis of preparation (Cont'd)

Going concern assumption (Cont'd)

The Directors of the Company are of the opinion that no material uncertainty exists and the going concern basis is appropriate in the preparation of the financial statements based on the following: (Cont'd)

On 8 October 2021, Aryzta has issued a Letter of Intent relating to its intention to bring forward the potential purchase of the Property and Assets ahead of the option granted under the option SPA. The management is currently in discussion with Aryzta to finalise the completion of the above Proposed Disposals. The Group intends to use the net sale proceeds from the Proposed Disposals for the repayment of bank borrowings and creditors of the frozen bakery business; and

- d) More detailed actions which are taken by the management to monitor the liquidity position are disclosed in the Note E2 (page 24) under the "Review on Statements of Financial Position".

2.1 New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

The accounting policies adopted and methods of computation applied are consistent with those previously applied under SFRS(I)s except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 October 2020.

The application of these amendments to standards and interpretations does not have a material effect on the financial statements. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Group's accounting policies, management is of the opinion that any instances of application of judgements are not expected to have significant effect on the amounts recognised in the financial statements.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments:

- a) Food Services Division – Texas Chicken restaurants and San Francisco Coffee chains;
- b) Trading and Frozen Food Division;
- c) Food Processing Division comprising of:
 - bakery;
 - butchery; and
- d) Dairies Division – manufacturing and distribution of condensed and evaporated milk.

4.1 Reportable segments
Six months ended 30 September 2021

The Group	Food Services	Trading and Frozen Food	Food Processing	Dairies	Unallocated	Total
1 April 2021 to 30 September 2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Continuing operations:						
Total revenue	111,715	52,277	11,338	25,889	4,848	206,067
Intersegment revenue	(7)	(8,665)	(456)	(5,565)	(4,818)	(19,511)
Revenue from external customers	111,708	43,612	10,882	20,324	30	186,556
Segment results	(2,237)	(916)	237	(5,142)	(4,127)	(12,185)
Interest income	19	30	1	-	1	51
Finance costs	(6,426)	(430)	(2,951)	(960)	(436)	(11,203)
Loss before tax	(8,644)	(1,316)	(2,713)	(6,102)	(4,562)	(23,337)
Income tax	1	(356)	(1)	-	(149)	(505)
Loss from continuing operations	(8,643)	(1,672)	(2,714)	(6,102)	(4,711)	(23,842)
Segment assets	225,288	101,882	129,562	92,667	107,972	657,371
Segment liabilities	211,329	37,795	135,581	73,355	37,756	495,816
Other information						
Additions to property, plant and equipment	5,020	45	1,818	2,508	690	10,081
Additions to intangible assets	124	-	1	-	-	125
Depreciation and amortisation	16,605	2,119	2,673	2,101	1,297	24,795
Loss allowance on receivables, net	-	(89)	262	(30)	(2)	141
Impairment of property, plant and equipment	3,448	-	-	-	-	3,448
Impairment of intangible assets	205	-	-	-	-	205
Property, plant and equipment written off*	1,405	1	56	-	-	1,462
(Gain)/Loss on disposal of property, plant and equipment	(9)	(17)	210	-	-	184
Reversal of impairment of property, plant and equipment	-	-	(8,240)	-	-	(8,240)

4.1 Reportable segments (Cont'd)

Six months ended 30 September 2020

The Group 1 April 2020 to 30 September 2020	Food Services RM'000	Trading and Frozen Food RM'000	Food Processing RM'000	Nutrition RM'000	Dairies RM'000	Unallocated RM'000	Total RM'000
Revenue							
Continuing operations:							
Total revenue	96,653	60,543	6,283	-	18,518	1,825	183,822
Intersegment revenue	(54)	(7,585)	(534)	-	(18)	(1,800)	(9,991)
Revenue from external customers	96,599	52,958	5,749	-	18,500	25	173,831
Discontinued operations:							
Total revenue	54	-	-	(25)	-	-	29
Intersegment revenue	-	-	-	-	-	-	-
Revenue from external customers	54	-	-	(25)	-	-	29
Results							
Segment results	(5,939)	2,655	(44,444)	-	(1,761)	(5,847)	(55,336)
Interest income	29	33	1	-	8	1	72
Finance costs	(5,087)	(669)	(4,270)	-	(1,012)	(425)	(11,463)
(Loss)/Profit before tax	(10,997)	2,019	(48,713)	-	(2,765)	(6,271)	(66,727)
Income tax	(58)	(893)	461	-	-	(122)	(612)
(Loss)/Profit from continuing operations	(11,055)	1,126	(48,252)	-	(2,765)	(6,393)	(67,339)
Loss from discontinued operations	(4,108)	-	-	(3,366)	-	-	(7,474)
(Loss)/Profit for the financial year	(15,163)	1,126	(48,252)	(3,366)	(2,765)	(6,393)	(74,813)
Segment assets	247,397	109,827	137,255	-	88,932	115,486	698,897
Segment liabilities	219,580	39,552	137,288	-	63,040	30,505	489,965
Other information							
Additions to property, plant and equipment	15,084	541	4,518	-	26,933	14	47,090
Additions to intangible assets	191	-	-	-	1	-	192
Depreciation and amortisation	17,008	2,240	4,694	-	207	1,416	25,565
Loss allowance on receivables, net	-	(23)	92	(17)	7	27	86
Property, plant and equipment written off*	3,437	27	149	5	-	-	3,618
Impairment of property, plant and equipment and deposit of property, plant and equipment	961	-	35,528	-	-	-	36,489
(Gain)/Loss on disposal of property, plant and equipment, net	40	(129)	25	-	-	-	(64)
Net loss on disposal of Nutrition business and intangible assets	-	-	-	32	-	-	32
(Gain)/Loss on liquidation of subsidiaries	(403)	-	-	2,610	-	-	2,207

4.1 Reportable segments (Cont'd)

Full year ended 30 September 2021

The Group 1 October 2020 to 30 September 2021	Food Services RM'000	Trading and Frozen Food RM'000	Food Processing RM'000	Dairies RM'000	Unallocated RM'000	Total RM'000
Revenue	218,863	116,488	20,323	49,625	6,606	411,905
Total revenue						
Intersegment revenue	(31)	(16,466)	(1,080)	(5,697)	(6,509)	(29,783)
Revenue from external customers	218,832	100,022	19,243	43,928	97	382,122
Results						
Segment results	(3,001)	2,220	(7,260)	(7,792)	(10,482)	(26,315)
Interest income	27	58	3	-	1	89
Finance costs	(12,086)	(913)	(4,709)	(2,557)	(855)	(21,120)
(Loss)/Profit before tax	(15,060)	1,365	(11,966)	(10,349)	(11,336)	(47,346)
Income tax	(10)	(855)	(27)	-	(163)	(1,055)
(Loss)/Profit for the financial year	(15,070)	510	(11,993)	(10,349)	(11,499)	(48,401)
Segment assets	225,288	101,882	129,562	92,667	107,972	657,371
Segment liabilities	211,329	37,795	135,581	73,355	37,756	495,816
Other information						
Additions to property, plant and equipment	24,392	703	2,021	5,578	693	33,387
Additions to intangible assets	268	-	1	5	-	274
Depreciation and amortisation	33,830	4,296	7,794	2,671	2,663	51,254
Impairment of property, plant and equipment	3,448	-	-	-	-	3,448
Impairment of intangible assets	205	-	-	-	-	205
Loss allowance on receivables, net	-	32	250	88	(10)	360
Property, plant and equipment written off*	2,558	1	56	-	-	2,615
(Gain)/Loss on property, plant and equipment	(9)	(17)	343	-	-	317
Reversal of impairment of property, plant and equipment	-	-	(8,240)	-	-	(8,240)

4.1 Reportable segments (Cont'd)

Full year ended 30 September 2020

The Group 1 October 2019 to 30 September 2020	Food Services RM'000	Trading and Frozen Food RM'000	Food Processing RM'000	Nutrition RM'000	Dairies RM'000	Unallocated RM'000	Total RM'000
Revenue							
Continuing operations:							
Total revenue	216,939	143,436	19,340	-	38,621	4,307	422,643
Intersegment revenue	(128)	(17,178)	(1,504)	-	(77)	(4,157)	(23,044)
Revenue from external customers	216,811	126,258	17,836	-	38,544	150	399,599
Discontinued operations:							
Total revenue	4,008	-	-	8,173	-	-	12,181
Intersegment revenue	(427)	-	-	-	-	-	(427)
Revenue from external customers	3,581	-	-	8,173	-	-	11,754
Results							
Segment results	(8,668)	8,046	(50,619)	-	(3,195)	(11,674)	(66,110)
Interest income	96	87	6	-	24	2	215
Finance costs	(10,244)	(1,503)	(7,305)	-	(1,126)	(996)	(21,174)
(Loss)/Profit before tax	(18,816)	6,630	(57,918)	-	(4,297)	(12,668)	(87,069)
Income tax	(174)	(1,618)	462	-	-	(143)	(1,473)
(Loss)/Profit from continuing operations	(18,990)	5,012	(57,456)	-	(4,297)	(12,811)	(88,542)
Loss from discontinued operations	(6,056)	-	-	(6,341)	-	-	(12,397)
(Loss)/Profit for the financial year	(25,046)	5,012	(57,456)	(6,341)	(4,297)	(12,811)	(100,939)
Segment assets	247,397	109,827	137,255	-	88,932	115,486	698,897
Segment liabilities	219,580	39,552	137,288	-	63,040	30,505	489,965
Other information							
Additions to property, plant and equipment	51,705	650	51,315	-	29,117	47	132,834
Additions to intangible assets	382	-	1	-	4	-	387
Depreciation and amortisation	35,701	4,318	8,086	-	387	2,845	51,337
Loss allowance on receivables, net	-	216	373	(9)	57	-	637
Property, plant and equipment written off	4,276	28	393	293	-	-	4,990
Impairment of property, plant and equipment, and deposits for purchase of property, plant and equipment	961	-	35,528	-	-	-	36,489
(Gain)/Loss on disposal of property, plant and equipment, net	(55)	(129)	25	-	-	-	(159)
Gain on disposal of assets held for sale	(173)	-	-	-	-	-	(173)
Net loss on disposal of Nutrition business and intangible assets	-	-	-	2,232	-	-	2,232
(Gain)/Loss on liquidation of subsidiaries	(403)	-	-	2,610	-	-	2,207

4.2 Geographical segments
Geographical segments for 6 months:

1 April 2021 to 30 September 2021	Malaysia RM'000	China RM'000	Asean RM'000	New Zealand RM'000	Middle East RM'000	Africa RM'000	Total RM'000
Total revenue from external customers							
Continuing operations	182,303	1,524	2,146	-	-	583	186,556
Segment non-current assets	464,702	-	-	-	-	-	464,702

1 April 2020 to 30 September 2020	Malaysia RM'000	China RM'000	Asean RM'000	New Zealand RM'000	Middle East RM'000	Africa RM'000	Total RM'000
Total revenue from external customers							
Continuing operations	170,943	463	1,194	-	735	496	173,831
Discontinued operations	54	-	-	(25)	-	-	29
Segment non-current assets	577,943	-	-	-	-	-	577,943

Geographical segments for 12 months:

1 October 2020 to 30 September 2021	Malaysia RM'000	China RM'000	Asean RM'000	New Zealand RM'000	Middle East RM'000	Africa RM'000	Total RM'000
Total revenue from external customers							
Continuing operations	371,701	2,573	4,081	-	-	3,767	382,122
Segment non-current assets	464,702	-	-	-	-	-	464,702

1 October 2019 to 30 September 2020	Malaysia RM'000	China RM'000	Asean RM'000	New Zealand RM'000	Middle East RM'000	Africa RM'000	Total RM'000
Total revenue from external customers							
Continuing operations	393,281	1,324	2,582	-	1,754	658	399,599
Discontinued operations	3,581	-	-	8,173	-	-	11,754
Segment non-current assets	577,943	-	-	-	-	-	577,943

4.3 A breakdown of sales and net loss after taxation are as follows:

	Financial year ended 30.9.2021 RM'000	The Group Financial year ended 30.9.2020 RM'000	Increase/ (Decrease) %
(a) Sales reported for the first half year			
- Continuing operations	195,566	225,768	(13.4)
- Discontinued operations	-	11,725	N/A
(b) Operating loss after tax before deducting non-controlling interests reported for the first half year			
- Continuing operations	(24,559)	(21,203)	15.8
- Discontinued operations	-	(4,923)	N/A
	(24,559)	(26,126)	(6.0)
(c) Sales reported for second half year			
- Continuing operations	186,556	173,831	7.3
- Discontinued operations	-	29	N/A
(d) Operating loss after tax before deducting non-controlling interests reported for second half year			
- Continuing operations	(23,842)	(67,339)	(64.6)
- Discontinued operations	-	(7,474)	N/A
	(23,842)	(74,813)	(68.1)

5. Loss before taxation

	Continuing Operations		The Group Discontinued Operations		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
6 Months Ended 30 September						
Loss/(Write back of) allowance on receivables, net	141	103	-	(17)	141	86
Amortisation of intangible assets	233	227	-	-	233	227
Depreciation of property, plant and equipment	24,337	26,171	-	(1,074)	24,337	25,097
Depreciation of investment property	225	241	-	-	225	241
Rental expenses	3,695	3,281	-	1,570	3,695	4,851
Rent concession	(2,991)	(2,533)	-	-	(2,991)	(2,533)
Payroll subsidies	(2,324)	(724)	-	-	(2,324)	(724)
Finance costs	11,203	11,462	-	(74)	11,203	11,388
Foreign currency exchange (gain)/loss, net	(740)	1,431	-	(164)	(740)	1,267
Impairment of property, plant and equipment and deposits for purchase property, plant and equipment	3,448	35,528	-	961	3,448	36,489
Impairment of intangible assets	205	-	-	-	205	-
Net loss on liquidation of subsidiaries	-	-	-	2,207	-	2,207
Property, plant and equipment written off	1,462	1,455	-	2,163	1,462	3,618
Reversal of impairment of property, plant and equipment	(8,240)	-	-	-	(8,240)	-
12 Months Ended 30 September						
Loss/(Write back of) allowance on receivables, net	360	646	-	(9)	360	637
Amortisation of intangible assets	465	456	-	-	465	456
Depreciation of property, plant and equipment	50,338	50,084	-	315	50,338	50,399
Depreciation of investment properties	451	482	-	-	451	482
Rental expenses	7,231	6,949	-	1,690	7,231	8,639
Rent concession	(5,246)	(2,533)	-	-	(5,246)	(2,533)
Payroll subsidies	(3,388)	(724)	-	-	(3,388)	(724)
Finance costs	21,120	21,174	-	3	21,120	21,177
Foreign currency exchange loss/(gain), net	1,031	2,586	-	(230)	1,031	2,356
Impairment of property, plant and equipment and deposits for purchase of property, plant and equipment	3,448	35,528	-	961	3,448	36,489
Impairment of intangible assets	205	-	-	-	205	-
Net loss on disposal of Nutrition business and intangible assets	-	-	-	2,232	-	2,232
Net loss on liquidation of subsidiaries	-	-	-	2,207	-	2,207
Property, plant and equipment written off	2,615	2,532	-	2,458	2,615	4,990
Reversal of impairment of property, plant and equipment	(8,240)	-	-	-	(8,240)	-

6. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the Group entered into the following transactions with related parties at rates and terms agreed between the parties.

	The Group			
	6 Months Ended		12 Months Ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Insurance premium paid to a related party	478	719	1,644	1,759
Purchase of goods from a related party	433	372	801	698
Purchase and service of motor vehicles from related parties	7	399	188	535
Rental income	89	89	178	178
Consultancy services	105	99	207	210
Advisory fee paid to a director	240	-	437	238

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

Six Months Ended 30 September	The Group					
	Continuing Operations		Discontinued operations		Total	
	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current income tax expense						
- Current year	271	811	-	(45)	271	766
- Under provision in prior year	97	257	-	-	97	257
- Withholding tax	36	17	-	-	36	17
	404	1,085	-	(45)	404	1,040
Deferred income tax expense relating to origination and reversal of temporary differences						
- Current year	(4)	(227)	-	-	(4)	(227)
- Under/(Over) provision in prior year	105	(246)	-	-	105	(246)
	101	(473)	-	-	101	(473)
	505	612	-	(45)	505	567

Full Year Ended 30 September	The Group					
	Continuing Operations		Discontinued operations		Total	
	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current income tax expense						
- Current year	770	1,652	-	-	770	1,652
- Under provision in prior year	128	257	-	-	128	257
- Withholding tax	56	37	-	-	56	37
	954	1,946	-	-	954	1,946
Deferred income tax expense relating to origination and reversal of temporary differences						
- Current year	(4)	(227)	-	-	(4)	(227)
- Under/(Over) provision in prior year	105	(246)	-	32	105	(214)
	101	(473)	-	32	101	(441)
	1,055	1,473	-	32	1,055	1,505

8. Loss per share

Basic loss per share is calculated by dividing the Group's loss after income tax attributable to the equity holders of the Company by the number of ordinary shares in issue during the financial period/year.

	The Group			
	6 Months Ended		12 Months Ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
<u>Continuing operations</u>				
Net loss attributable to owners of the Company for the financial period/year (RM '000)	(23,842)	(67,339)	(48,401)	(88,542)
Number of ordinary shares	247,114,403	247,114,403	247,114,403	247,114,403
Basic/diluted loss per share (RM sen)	(9.65)	(27.25)	(19.59)	(35.83)
<u>Discontinued operations</u>				
Net loss attributable to owners of the Company for the financial period/year (RM '000)	-	(7,474)	-	(12,397)
Number of ordinary shares	247,114,403	247,114,403	247,114,403	247,114,403
Basic/diluted loss per share (RM sen)	-	(3.02)	-	(5.02)

Diluted loss per share is the same as the basic loss per share as at the end of the current and previous financial period/year because the potential ordinary shares which are the warrants are anti-dilutive.

9. Net asset value per share

	Group		Company	
	As at	As at	As at	As at
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM	RM	RM	RM
Net asset value per ordinary share based on issued share capital at the end of the financial year	0.65	0.85	1.39	1.37

10. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2021 and 30 September 2020:

	Note	Group		Company	
		As at	As at	As at	As at
		30.9.2021	30.9.2020	30.9.2021	30.9.2020
		RM'000	RM'000	RM'000	RM'000
Financial assets					
Trade and other receivables*		36,313	38,302	147,750	127,174
Fixed deposits		615	615	-	-
Cash and bank balances		16,650	24,064	341	776
Financial assets at amortised costs		53,578	62,981	148,091	127,950
Financial assets at fair value through other comprehensive income (FVOCI)	13	8,946	9,038	8,631	8,726
Total financial assets		62,524	72,019	156,722	136,676

* Excludes GST receivables, prepayments and advances to suppliers.

Other receivables for the Company include amount due from subsidiaries.

10. Financial assets and financial liabilities (Cont'd)

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2021 and 30 September 2020: (Cont'd)

Note	Group		Company	
	As at 30.9.2021 RM'000	As at 30.9.2020 RM'000	As at 30.9.2021 RM'000	As at 30.9.2020 RM'000
Financial liabilities				
	87,776	83,516	19,710	31,175
Trade and other payables**				
Amount due to directors	9,718	-	9,718	-
Bank borrowings	258,402	247,317	-	-
16				
Lease liabilities	131,348	150,497	-	-
Financial liabilities at amortised costs	487,244	481,330	29,428	31,175
Financial guarantee contracts	-	-	1,425	5,794
Total financial liabilities	487,244	481,330	30,853	36,969

** Excludes GST and SST payables, contract liabilities and provision for employee benefits.

Other payables for the Company include amount due to subsidiaries.

11. Property, plant and equipment

During the year ended 30 September 2021, the Group acquired and disposed of assets amounting to RM33,387,000 (30 September 2020: RM132,834,000) and RM1,743,000 (30 September 2020: RM317,000) respectively.

12. Investment property

Group	2021 RM'000	2020 RM'000
Cost		
At the beginning of the financial year	24,771	24,771
Reclassification to property, plant and equipment	(1,668)	-
At the end of the financial year	23,103	24,771
Accumulated depreciation		
At the beginning of the financial year	2,371	1,889
Reclassification to property, plant and equipment	(160)	-
Depreciation for the financial year	451	482
At the end of the financial year	2,662	2,371
Net carrying amount	20,441	22,400

12.1 Valuation

As at 30 September 2021, the fair value of the Group's investment property amounted to RM42,000,000 (2020: RM42,000,000). The leasehold land and building ("office building") is partially owner-occupied where the net carrying amount of RM17,598,000 (2020: RM16,476,000) is included in property, plant and equipment.

The management had assessed the valuation of the Group's office building with the assistance of an independent professional valuation firm on 21 September 2020 that has the relevant experience in the location and category of the property. The valuation was based on the assets highest and best use arrived at using the direct sales comparison approach by analysing sales and listing of similar properties in the locality by making reference to market evidence of prices per square feet and adjusted for differences in key attributes such as property size, location and other relevant factors.

13. Financial assets at fair value through other comprehensive income (“FVOCI”)

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significant of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identified assets or liabilities (**Level 1**);
- Inputs other than quoted shares included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

The following table presented the assets measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2021				
Group				
Financial assets				
FVOCI investments	315	-	8,631	8,946
Company				
Financial assets				
FVOCI investments	-	-	8,631	8,631
2020				
Group				
Financial assets				
FVOCI investments	312	-	8,726	9,038
Company				
Financial assets				
FVOCI investments	-	-	8,726	8,726

14. Intangible assets

Group	Goodwill RM'000	Trademarks RM'000	Computer Software RM'000	Franchise fee RM'000	Total RM'000
At 31 March 2021					
Cost	19,059	10,422	1,798	5,677	36,956
Accumulated amortisation	-	-	(1,608)	(2,307)	(3,915)
Impairment	(2,020)	(6,862)	-	-	(8,882)
Net book amount	17,039	3,560	190	3,370	24,159
6 months ended					
30 September 2021					
Opening net book amount	17,039	3,560	190	3,370	24,159
Additions	-	-	-	125	125
Amortisation charge	-	-	(44)	(189)	(233)
Impairment	(205)	-	-	-	(205)
Currency realignment	-	(1)	-	-	(1)
Closing net book amount	16,834	3,559	146	3,306	23,845
At 30 September 2021					
Cost	19,059	10,421	1,798	5,802	37,080
Accumulated amortisation	-	-	(1,652)	(2,496)	(4,148)
Impairment	(2,225)	(6,862)	-	-	(9,087)
Net book amount	16,834	3,559	146	3,306	23,845

14. Intangible assets (Cont'd)

During the financial year, the Group paid RM250,000 (2020: RM382,000) franchise fees for new stores in accordance with the International Multiple Unit Franchise and Development Agreement to develop and operate "Texas Chicken" restaurants for a period of 10 to 20 years in Malaysia.

Trademarks referred to the registered brands for Dairies and San Francisco Coffee (acquired through business combinations).

The useful lives of the trademarks are estimated to be indefinite because based on the current market share of the trademarks, management believes that there is no foreseeable limit to the period over which the trademarks are expected to generate net cash flow for the Group. As such there is no amortisation of the costs of trademarks.

Impairment testing of goodwill, trademarks and other intangible assets

Goodwill acquired in a business combination is allocated to the cash-generating units ("CGUs") that are expected to benefit from that business combination.

The Group tests significant CGUs for impairment annually, or more frequently when there is an indication that the unit may be impaired.

During the financial year, management determines that there is no impairment of any of its group of CGUs containing goodwill or intangible assets with indefinite and finite useful lives. The recoverable amounts of these CGUs are determined on the basis of value-in-use calculations.

The recoverable amount of the CGUs are determined from value-in-use calculations based on forecasts derived from the most recent cash flow projections approved by management covering a 5-year period or more. The key assumptions for these value-in-use calculations are those regarding the discount rates, sales growth rates and gross margins.

	Food services %	Trading and frozen food %	Dairies %
2021			
Gross margin ⁽¹⁾	57.65 – 70.65	21.60	7.27
Sales growth rate ⁽²⁾	10.00 – 10.48	14.78	59.40
Discount rate ⁽³⁾	10.18 – 13.24	11.08	10.56
2020			
Gross margin ⁽¹⁾	58.47 – 66.00	21.90	13.69
Sales growth rate ⁽²⁾	15.06 – 15.11	5.04	29.23
Discount rate ⁽³⁾	9.65 – 13.07	12.66	11.45

(1) Average budgeted gross margin.

(2) Average sales growth rate for the 5-year period.

(3) Pre-tax discount rate applied to the cash flow projections.

Key assumptions used in the value-in-use calculations

The calculations of value-in-use for all the CGUs are most sensitive to the following assumptions:

Budgeted gross margins – Gross margins are benchmarked against average margins achieved in the five years preceding the start of the budget period. These are adjusted for anticipated efficiency improvements and expectations of future changes in market condition.

Sales growth rates – The forecasted sales growth rates are based on management estimates with reference to the historical trend as well as the forecasted economic condition over the budgeted period of 5 years.

Pre-tax discount rates – Discount rates are based on the Group's beta adjusted to reflect management's assessment of specific risks related to each of the cash generating units.

15. Non-current assets classified as held for sale

On 31 March 2021, the Group has entered into the following conditional option sale and purchase agreement (“SPA”) with Aryzta Food Solutions Malaysia Sdn Bhd (“Aryzta”) for the proposed sale of the following Property and Assets within 2 to 5 years from the SPA date:

- (a) Land located at Pulau Indah, Selangor (“Property”) for a consideration of RM12.0 million; and
- (b) A single storey factory with all the manufacturing equipment therein and a two storey office with all the fixtures and fittings erected thereon located at Pulau Indah, Selangor (“Assets”) for a consideration of RM76.0 million.

On 8 October 2021, Aryzta has issued a Letter of Intent relating to its intention to bring forward the potential purchase of the Property and Assets ahead of the option granted under the option SPA. The management is currently in the discussion with Aryzta to finalise the completion of the above Proposed Disposals.

Accordingly, the property, plant and equipment in relation to the proposed sale of Property and Assets were reclassified as assets held for sale on the consolidated statement of financial position in the current financial year.

16. Bank borrowings

Group	As at 30.9.2021 RM'000	As at 30.9.2020 RM'000
Secured:		
Amount repayable within one year or on demand		
Bank borrowings	131,846	49,718
Lease liabilities (finance lease)	7,606	10,995
	<u>139,452</u>	<u>60,713</u>
Amount repayable after one year		
Bank borrowings	126,556	197,599
Lease liabilities (finance lease)	19,474	23,746
	<u>146,030</u>	<u>221,345</u>
Total	<u>285,482</u>	<u>282,058</u>

The bank borrowings that are related to the proposed disposal of Assets (as disclosed in the Note 15) will be fully settled concurrently with the completion of the sale. Accordingly, long term portion of the bank borrowings and lease liabilities of RM79,390,000 and RM1,417,000, respectively have been reclassified to short term borrowings during the financial year.

The Group's bank borrowings as at 30 September 2021 are secured against the following:

- ⇒ Pledge of certain leasehold land, freehold land and buildings;
- ⇒ Pledge of shares of a subsidiary;
- ⇒ Debenture comprising fixed and floating charge over all future and present assets of certain subsidiaries; and
- ⇒ Company's corporate guarantee, including for finance lease payables.

The Group's finance lease liabilities are secured by way of a charge against the respective machineries and motor vehicles under finance leases.

17. Share capital and treasury shares

Group and Company	Number of shares	2021		2020		
		Amount S\$'000	Amount RM'000	Number of shares	Amount S\$000	Amount RM'000
<u>Share capital</u>						
Issued and fully paid:						
At 1 October/ 30 September	247,356,403	68,511	177,865	247,356,403	68,511	177,865
<u>Treasury shares</u>						
At 1 October/ 30 September	242,000	76	183	242,000	76	183

The Company has 105,195,904 outstanding warrants as at 30 September 2021, convertible into 105,195,904 ordinary shares of the Company.

As at 30 September 2021, the total number of issued shares excluding treasury shares of the Company was 247,114,403 shares (30 September 2020: 247,114,403 shares).

18. Subsequent events

The Group has no significant event subsequent to 30 September 2021 except for the proposed disposal of Property and Assets as disclosed in Note 15.

19. Comparative figures

Certain reclassifications have been made to the previous financial year's financial statements to enhance comparability with the current financial year's financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**1. Review**

The condensed consolidated statement of financial position of Envictus International Holdings Ltd and its subsidiaries as at 30 September 2021 and the related condensed profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period and full year then ended, and, certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

The Group's core business segments are as follows:

- a) Food Services Division – Texas Chicken restaurants and San Francisco Coffee chains;
- b) Trading and Frozen Food Division;
- c) Food Processing Division comprising of:
 - bakery;
 - butchery; and
- d) Dairies Division – manufacturing and distribution of condensed and evaporated milk.

Review on Consolidated Statement of Comprehensive Income**Six months ended 30 September 2021**

The Group's revenue improved by 7.3% to RM186.6 million from RM173.8 million in the second half of FY2020. The increase in Group revenue was mainly contributed from the Food Services, Food Processing and Dairies Divisions. This was however partially impacted by lower revenue from the Trading and Frozen Food Division.

The Food Services Division's revenue climbed RM15.1 million or 15.6% to RM111.7 million from RM96.6 million, largely contributed from Texas Chicken restaurants in Malaysia. Texas Chicken's revenue surged by RM16.5 million or 19.8% from RM83.2 million to RM99.7 million on the back of additional six new stores and improved performance of comparable store sales. Whereas for San Francisco Coffee chains, revenue fell RM1.4 million or 10.5% from RM13.3 million to RM11.9 million, badly impacted by the prolonged stricter lockdown since June 2021 where all the outlets are allowed to operate for delivery and takeaway services only (strictly no dine-ins and park & dine allowed) with restricted operating hours.

The number of stores of each business are as follows:

	As at 30.9.2021	As at 30.9.2020
Texas Chicken Malaysia	80	74
San Francisco Coffee	47	49

The Trading and Frozen Food Division saw a significant drop in revenue of RM9.4 million or 17.7% from RM53.0 million to RM43.6 million mainly due to re-implementation of full lockdown as a result of resurgence of Covid-19 infection cases that disrupted the economic activities. Furthermore, interstate and International travel restrictions continue to dampen the tourism industry during the movement control order (MCO) period.

Despite the challenges posed by the pandemic and the restrictions implemented to contain the new wave of Covid-19 infections that emerged in May 2021, the Food Processing Division was able to achieved an improvement in revenue of RM5.2 million or 91.2% from RM5.7 million to RM10.9 million due to higher local and export sales. The improvement in export sales was driven by new customers in China.

Revenue of the Dairies Division grew RM1.8 million or 9.7% from RM18.5 million to RM20.3 million, backed by higher sales volume from both export and local market.

Gross profit margin has improved slightly to 39.9% from 39.7% primarily due to higher sales contribution from the Food Services Division which derives better margin from its products.

Other operating income increased by RM10.1 million to RM13.0 million RM2.9 million, mainly due to a reversal of impairment on property, plant and equipment of RM8.2 million and higher payroll subsidies from the government of RM1.6 million during the lockdowns.

Overall, operating expenses reduced significantly by RM27.6 million or 21.7% from RM127.1 million to RM99.5 million, mainly due to lower impairment of property, plant and equipment and intangible assets of RM3.7 million as compared to RM35.5 million in the preceding year. Excluding the impairment, the operating expenses increased by RM4.3 million mainly due to higher selling and marketing expenses of RM5.6 million, partially compensated by lower administrative expenses and other expenses of RM0.7 million and RM0.9 million respectively. The higher delivery commission of RM4.6 million and additional operating costs incurred for the expansion of Texas Chicken restaurants, which were mitigated by positive impact from cost streamlining measures such as reducing number of staffs, streamlining operating expenses and improve operational efficiency, coupled with payroll subsidies from the government and a lower foreign currency fluctuation losses.

Finance costs decreased slightly by RM0.3 million or 2.3% from RM11.5 million to RM11.2 million due to lower interest rates for bank borrowings.

Income tax expense reduced by RM0.1 million or 18.3% due to lower profit generated by a subsidiary.

The Group posted a loss after tax of RM23.8 million compared with RM67.3 million in the previous corresponding period for continuing operations, largely due to lower impairment on property, plant and equipment. Excluding the impairment, the Group reported a lower loss after tax of RM28.4 million as compared with RM31.8 million due to improved performance.

Full Year ended 30 September 2021

The Group's revenue contracted by 4.4% to RM382.1 million from RM399.6 million in the FY2020, mainly hit by the Covid-19 pandemic, prolonged lockdowns and slower economic activities since March 2020. In June 2021, a nationwide lockdowns was re-imposed in Malaysia amid a third wave of Covid-19 infection cases. Throughout this duration, all economic sectors are not allowed to operate with the exception of essential economic and service sectors with restricted operating hours and workforce ruling. These have adversely affected the revenue contribution from most of the divisions.

The Food Services Division's revenue increased marginally by RM2.0 million or 0.9% to RM218.8 million against RM216.8 million in last year, largely contributed from Texas Chicken restaurants in Malaysia. Texas Chicken's revenue grew RM9.4 million or 5.2% from RM182.5 million to RM191.9 million on the back of new store openings. For San Francisco Coffee chains, its revenue declined by RM7.4 million or 21.6% from RM34.2 million to RM26.8 million, affected by the ongoing Covid-19 pandemic and the long period of MCOs. To mitigate the impact, SFCoffee has closed three non-performing stores and implemented aggressive cost reduction initiatives by reducing number of staffs, streamlining operating expenses and improve operational efficiency.

Revenue of the Trading and Frozen Food Division declined RM26.3 million or 20.8% from RM126.3 million to RM100.0 million as operation was affected by the ongoing Covid-19 pandemic and lockdown. Revenue from hotels and restaurants were adversely impacted due to sharp decline in tourist arrivals as well as a fall in domestic consumption and dine-in restrictions.

Despite the challenges posed by the pandemic, the Food Processing Division achieved a higher revenue of RM1.4 million or 7.9% from RM17.8 million to RM19.2 million attributable to an improvement of export and local sales. The improvement in export sales was driven by new customers in China.

Revenue of the Dairies Division grew RM5.4 million or 14.0% from RM38.5 million to RM 43.9 million, backed by higher sales volume from both export and local market. The business so far has remained resilient despite the impact of Covid-19 pandemic.

Gross profit margin has dropped slightly to 39.7% from 40.2% primarily due to increase in imported raw material costs from the Trading and Frozen Food Division, coupled with the higher direct costs and competitive pricing from the Dairies Division.

Other operating income increased by RM10.2 million or 182.1% to RM15.8 million, mainly due to a reversal of impairment on property, plant and equipment of RM8.2 million and payroll subsidies from the government of RM2.7 million during the pandemic period.

Overall, operating expenses reduced significantly by RM38.0 million or 16.4% from RM231.9 million to RM193.9 million, mainly due to lower impairment of property, plant and equipment and intangible assets of RM3.7 million as compared to RM35.5 million in the preceding year. Excluding the impairment, the operating expenses declined by RM6.1 million due to lower administrative, warehouse and distribution expenses, selling and marketing expenses of RM2.8 million, RM2.0 million and RM0.7 million respectively. These were due to positive impact from cost streamlining measures such as reducing number of staffs, streamlining operating expenses and improve operational efficiency. Operating costs have also reduced following the imposition of movement control and payroll subsidies by the government during the pandemic period.

These were partly offset by higher delivery commission of RM7.9 million due to surge in delivery sales during the pandemic period. Other operating expenses (excluding impairment) also reduced by RM1.1 million mainly due lower foreign currency fluctuation loss.

Finance costs decreased slightly by RM0.1 million or 0.3% from RM21.2 million to RM21.1 million. Whereas income tax expense reduced by RM0.4 million or 28.7% was attributed to lower profit generated by a subsidiary.

The Group posted a loss after tax of RM48.4 million compared with RM88.5 million in the preceding year for the continuing operations, mainly due to lower impairment of property, plant and equipment. Excluding the impairment, the Group reported a similar loss after tax of RM53.0 million as in the previous year.

Review on Statements of Financial Position

Non-current assets decreased by RM113.3 million largely due to reclassification of the proposed sale of Property and Assets as assets held for sale of RM83.9 million, depreciation and amortisation of RM 51.3 million, impairment loss of RM3.7 million as well as plant and equipment written off as a result of closure of non-performing stores of RM2.6 million. These were partly offset by the addition of new Texas Chicken outlets.

Current assets (excluding the assets held for sale) decreased by RM12.1 million mainly due to reduction in cash and bank balances, trade and other receivables and inventories of RM7.4 million, RM3.3 million and RM2.1 million respectively.

Current liabilities increased by RM92.1 million mainly due to the reclassification of certain long-term bank borrowings and lease liabilities amounting to RM80.8 million that are related to the proposed sale of Property and Assets to current liabilities. There were also advances from directors and increase in trade and other payables of RM9.7 million and RM4.0 million respectively. These were partially offset by decrease in lease liabilities mainly due to repayment of lease obligations and closure of non-performing stores.

Reduction in the non-current liabilities of RM86.3 million was primarily attributable to the reclassification of certain long-term bank borrowings and lease liabilities amounting to RM80.8 million that are related to the proposed sale of Property and Assets to current liabilities, coupled with decrease in lease liabilities mainly due to closure of non-performing stores.

The Group had a negative working capital of RM71.8 million as at 30 September 2021. The Group will monitor its liquidity position to ensure it is able to meet the short-term debts obligations by taking the followings actions to reduce both operational and financial risks:

- (a) The Group will continue to carry out cost-saving initiatives to manage costs to preserve cash. For example, the Group has obtained rental rebates from the landlords and payroll subsidies from the government of RM5.2 million and RM3.4 million respectively during the financial year;
- (b) The Group manages inventories, trade receivables and trade payables to optimise cash flow and liquidity;
- (c) The Group is actively engaging with its bankers, trade and other creditors to extend or restructure the existing credit terms;
- (d) Proposed monetisation of non-core and non-profitable assets of the Group. On 31 March 2021, the Group has entered into the following conditional option sale and purchase agreement (SPA) with Aryzta for the proposed sale of the following Property and Assets within 2 to 5 years from the SPA date:
 - (i) Leasehold land located at Pulau Indah ("Property") for a consideration of RM12.0 million, which 10% deposit of RM840,000 net of RPGT has been received in June 2021; and
 - (ii) A single storey factory with all the manufacturing equipment therein and two storey office with all the fixtures and fittings erected thereon at the Pulau Indah Land ("Assets") for a consideration of RM76.0 million.

On 8 October 2021, Aryzta has issued a Letter of Intent relating to its intention to bring forward the potential purchase of the Property and Assets ahead of the option granted under the option SPA. The management is currently in discussion with Aryzta to finalise the completion of the above

Proposed Disposals. The Group intends to use the net sale proceeds from the Proposed Disposals for the repayment of bank borrowings and creditors of the frozen bakery business.

- (e) During the pandemic period, the Group has reduced the pace of expansion of its coffee chain business and have implemented various cost control measures in order to conserve cash;
- (f) The Group has adequate credit facilities (including the drawing of existing unutilised facilities and obtaining new credit facilities) from bankers and other financial institutions to fund its working capital and capital expenditure;
- (g) The Group was granted the following extension of loan tenure and deferral of loan payment period from the financial institutions:
 - a) Extension of tenure for 3 years for a term loan of RM7.6 million; and
 - b) Deferral of payment period for certain term loans and hire purchase which help to reduce the short-term obligation payment by approximately RM3.9 million.
- (h) As and when required, the Executive Chairman and the Group Adviser have been funding any urgent shortfall in the working capital of the Group. As at 30 September 2021, RM9.7 million have been advanced to the Group.

Review on Consolidated Statement of Cash Flows

The Group's cash and cash equivalents stood at RM16.4 million for the current financial year ended 30 September 2021, a decrease of RM7.7 million from RM24.1 million recorded in the previous year.

The Group generated net cash from operating activities of RM34.2 million which was attributed to operating profit of RM19.2 million, lower inventories and trade and other receivables of RM2.1 million and RM3.3 million respectively and increase in trade and other payables of RM12.3 million. These were utilised for payment of interest and income tax of RM2.6 million.

For investing activities, the Group has spent capital expenditure amounting to RM23.8 mainly for opening of new outlets to conserve the cash.

Net outflows of RM20.2 million from financing activities were mainly for repayment of bank borrowings of RM63.1 million, repayment of lease obligations of RM20.1 million and interest payment of RM20.6 million, partly offset by drawdown of bank borrowings of RM74.0 million to finance the expansion of existing businesses and tradeline facilities.

- 3. Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

There is no changes in the Company's share capital and treasury shares as disclosed in Note E.16.

The Company has 105,195,904 outstanding warrants as at 30 September 2021, convertible into 105,195,904 ordinary shares of the Company.

The number of treasury shares held by the Company as at 30 September 2021 constituted 0.1% (30 September 2020: 0.1%) of the total number of ordinary share outstanding.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2021.

3.1 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 2021, the total number of issued shares excluding treasury shares of the Company was 247,114,403 shares (30 September 2020: 247,114,403 shares).

3.2. 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 2021.

4. Where the figures had been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable as the figures have not been audited or reviewed by the Company's statutory auditors.

5. Whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been applied. 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 financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently audited annual financial statements for the financial year ended 30 September 2020.

The Group has adopted the relevant new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") effective beginning from 1 October 2020. The adoption of these accounting standards will have no material impact on the financial statements.

6. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

7. 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 operating period and the next 12 months

The government has reopened most of the economies in October 2021 and gradually relaxed the rules pertaining to lockdowns, including reopening of the industrial sector, allowing of inter-state movement, the reopening of schools and institutes of higher learning, as well as the implementation of the tourism bubble. These developments augur well for all divisions of the Group heading to the next financial year ending 30 September 2022.

a) Food Services Division

Like most businesses, Texas Chicken was not spared from the impact of the Covid-19 pandemic. Comparable store sales recovery to pre-pandemic level was further interrupted by the resurgence of Covid-19 infection cases in June 2021. The government tightened preventive health measures and social distancing requirements have resulted in reducing customer traffic and store operating hours. Many restaurants were either closed or providing delivery and takeaway services only. These caused the revenue of Texas Chicken stores especially those located in the malls to fall substantially as compared to those standalone and drive-through stores. However, Texas Chicken was able to mitigate the challenges faced by expanding its delivery channels, ramping up digital marketing and boosting its e-commerce presence, in addition to introducing exciting marketing campaigns and launching great value deals to appeal to consumers.

Poultry products prices have surged due to higher imported chicken feed (soy and corn) prices, shortage of supply due to slow-growth birds and higher demand amid the reopening of economic sector. As for crude palm oil (CPO) price, it is currently at new all-time high and expected to remain strong till first quarter of 2022. Texas Chicken is currently sourcing for other supplier to ease the supply pressure and to obtain a better pricing for poultry.

Texas Chicken continues its expansion by opening seven new outlets during the financial year with total store count reaching 80 stores throughout Malaysia. Texas Chicken has planned to open five more new outlets including two drive-through in the next quarter.

As for San Francisco Coffee (“SFCoffee”), the competition within the coffee industry remains challenging with the re-emergence of additional Covid-19 infection waves. However, with its strengthening in partnerships with delivery partners, investment in new “contactless” curb side ordering systems as well as marketing promotions, SFCoffee is much more prepared and ready for any eventuality. The “market reset” which saw many small cafes suspending operations or closing down altogether, as well as our competitors ceasing their expansion plans, represents a small window of opportunity for SFCoffee to capitalise on our repositioning and representation of our brand. As long as our management of internal costs, suppliers and short-term liabilities are efficient, the prospect for growth is present.

Imported coffee beans prices have increased 5% as well as impacted by the foreign currency fluctuations. SFCoffee will source the coffee beans from the same supplier in future with similar taste profile, cheaper cost and harvest cycles. All dairy products and chicken/turkey/hams cuts and milk prices have also surged by 5 to 6% which will impact SFCoffee starting from October 2021. To mitigate the increase in raw material costs, SFCoffee is in the midst of revamping the pricing and menu as well as implementation of centralised purchasing to improve cost efficiency. SFCoffee will continue and remain committed on its cost-saving initiatives and improve its business strategy by focusing on all new design store concept - Grab & Go and shop lot models with lower rental and minimum renovation and equipment costs.

SFCoffee is exploring a new franchising model which the roll out would be tentatively in fourth quarter of FY2022. SFCoffee will be focusing on developing and exploring the possibility of creating a network of partners and franchisees to grow its business as well as to increase its overall presence in the market. The emphasis on this programme is to drive profitability, increase brand presence and improve our overall brand perception as well as strengthen our position with suppliers and marketing partners alike through an integrated and well managed franchise model to achieve even better economies of scale.

SFCoffee has 47 stores as at to-date following the closure of three non-performing stores. For the next 12 months, new store openings will be dependent on the ongoing Covid-19 situation.

b) Trading and Frozen Food Division

Imported meat prices from Australia, New Zealand and Brazil continue to rise towards the end of 2021 due to supply constraints. Ministry of Health (“MOH”) has recently enforced a regulation that all slaughter plants are required to label the outer carton and inter bags with establishment number, Halal logo, slaughter date, expiry date and importer full details to ensure quality and safety for the consumption of Malaysians. Pok Brothers is experiencing the supply disruption from New Zealand due to the meat plants inability to comply with these requirements from MOH. Consequently, the prices have increased due to labeling cost, shortage of animals and higher freight costs.

Prices of dairy products such as yoghurt, cheese and butter imported from Europe, UK and Australia continued to ease over the near term due to strong global demand with supply of milk relatively constrained, couple with higher freight charges and foreign exchange. In addition, the recent port congestions in Port Klang have led to unnecessary extra costs incurred on detention and inspections for import shipments by government agencies. To mitigate the impact of higher costs, Pok Brothers has increased the prices for cheese and butter.

c) Food Processing Division

(i) Bakery

On 31 March 2021, De-luxe has entered into the conditional option sale and purchase agreement (SPA) with Aryzta for the proposed sale of a single storey factory with all the manufacturing equipment within 2 to 5 years from the SPA date for a consideration of RM76.0 million.

On 8 October 2021, Aryzta has issued a Letter of Intent relating to its intention to bring forward the potential purchase of the Property and Assets ahead of the option granted under the option SPA. The management is currently in discussion with Aryzta to finalise the completion of the above Proposed Disposals.

(ii) Butchery

The revenue of Gourmessa has reduced significantly due to the prolonged Covid-19 pandemic and temporary 10 days suspension production in July 2021 arising from Covid-19 infections. Furthermore, some restaurants which are the main customers of Gourmessa were temporary closed down due to Covid-19 infections as well. Moving forward, Gourmessa expects the

operating results to improve gradually in the coming months given the lifting of the movement restrictions and the resumption of interstate and overseas travel.

Imported meat prices from Australia, New Zealand and Brazil continue to rise towards the end of 2021 due to shortage of live animals and overseas demand especially from China.

Gourmessa is developing new range of products to drive higher sales in the retail business to compensate for the lower sales in the restaurants and hotels segment.

d) Dairies Division

Dairies Division supplies sweetened creamer ("SC") and evaporated creamer ("EC") to the food industry.

Dairies continue to face margin pressure due to rising commodity prices. Pricing for the main raw materials to produce EC and SC such as milk, sugar and palm oil as well as tin plate that is used for making of tin can have been on the upward trend since first quarter of FY2020.

Although milk's price decline at the fourth quarter of FY2020, it bounced back to upward trend in first quarter of FY2021. Meanwhile, prices for both palm oil and tin plate have reached all time high since more than 40 years ago. Sugar price has also gone higher due to shortage in the global market, as there is a decline in world's largest net-exporter's (Brazil) sugar production. In addition, ocean freight is still high when the number of vessel or frequency of vessel's sailing remains low.

It is forecasted that prices of these packaging and raw materials will continue to increase until first quarter of FY2022. To mitigate the increased costs, Dairies will consider to make selling price adjustment after taking into account the competitors' actions.

Nevertheless, sales are anticipated to pick up gradually from month to month starting next quarter when most Malaysian are willing to dine-in as Covid-19 cases started to drop and lifting of the movement restrictions.

8. Dividend information

(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.

8.1. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommended for the financial year ended 30 September 2021 as the Group needs to conserve cash resources for working capital requirement.

9. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

10. Review of performance of the Group - turnover and earnings by the business segments

The Group's businesses comprise the Food Services, Trading and Frozen Food, Food Processing and Dairies Divisions. For the six months ended 30 September 2021, the Food Services Division contributed 59.9% of the revenue, followed by the Trading and Frozen Food, Dairies and Food Processing Divisions of 23.4%, 10.9% and 5.8%, respectively. For full year ended 30 September 2021, the Food Services Division contributed 57.3% of the revenue, followed by the Trading and Frozen Food, Dairies and Food Processing Divisions of 26.2%, 11.5% and 5.0%, respectively.

Food Services Division

Six months ended 30 September 2021

The Division saw revenue growth of RM15.1 million or 15.6% to RM111.7 million from RM96.6 million mainly contributed by stores growth of Texas Chicken restaurants in Malaysia. Texas Chicken's top line lift RM16.5 million or 19.8% from RM83.2 million to RM99.7 million on the back of additional six new stores and improved performance of comparable store sales. However, this was partly offset by lower revenue from San Francisco Coffee chains whose revenue slipped RM1.4 million or 10.5% from RM13.3 million to RM11.9 million due to lower sales from the existing outlets and closure of three non-performing outlets amid prolonged stricter lockdown. The division posted a lower loss before tax of RM8.6 million as compared to RM11.0 million in the previous corresponding period, driven by additional new stores and better performance of existing stores as well as implementation of cost reduction initiatives such as streamlining operating expenses and improving operational efficiency. These were partly offset by impairment loss on property, plant and equipment and intangible assets amounting to RM3.7 million.

Full year ended 30 September 2021

Revenue increased marginally by RM2.0 million or 0.9% to RM218.8 million against RM216.8 million in last year, largely contributed from Texas Chicken restaurants in Malaysia. Texas Chicken's revenue grew RM9.4 million or 5.2% from RM182.5 million to RM191.9 million on the back of new store openings. For San Francisco Coffee chains, its revenue declined by RM7.4 million or 21.6% from RM34.2 million to RM26.8 million, affected by the ongoing Covid-19 pandemic and the prolonged lockdowns. Loss before tax of the division was narrowed to RM15.1 million compared with RM18.8 million in the previous year due to better operating results on the back of new stores as well as cost reduction exercise and operational efficiency. These were partly offset by impairment loss on property, plant and equipment and intangible assets amounting to RM3.7 million.

Segmental assets decreased by RM22.1 million or 8.9% from RM247.4 million to RM225.3 million and segment liabilities decreased by RM8.3 million or 3.8% from RM219.6 million to RM211.3 million mainly due to reduction in property, plant and equipment and lease liabilities as a result of the closure of non-performing stores as well as impairment loss on property, plant and equipment and intangible assets. These decreases were partially offset by increase in capex for new stores.

Trading and Frozen Food Division

Six months ended 30 September 2021

The Trading and Frozen Food reported a drop in revenue of RM9.4 million or 17.7% from RM53.0 million to RM43.6 million amid lower sales to hotel and restaurant sectors as a result of the re-implementation of full lockdown in June 2021 that disrupted the economic activities. Consequently, the Division's turn into loss before tax of RM1.3 million compared with profit before tax of RM2.0 million achieved in the previous corresponding period.

Full year ended 30 September 2021

Revenue of the Trading and Frozen Food Division declined RM26.3 million or 20.8% from RM126.3 million to RM100.0 million as operation was affected by the ongoing Covid-19 pandemic and lockdown. Revenue from hotels and restaurants were adversely impacted due to sharp decline in tourist arrivals as well as a fall in domestic consumption. As a result, the profit before tax dropped to RM1.4 million as compared to RM6.6 million recorded in the previous financial year.

Segmental assets reduced by RM7.9 million or 7.2% from RM109.8 million to RM101.9 million due to depreciation of property, plant and equipment, lower receivables and inventories. Segmental liabilities reported at RM37.8 million compared with RM39.6 million in the previous financial year, down by RM1.8 million or 4.5% mainly due to repayment of bank borrowings.

Food Processing Division

Six months ended 30 September 2021

The Food Processing Division achieved an improvement in revenue of RM5.2 million or 91.2% from RM5.7 million to RM10.9 million on the back of better performance from local and export sales. The Division's loss before tax had significantly reduced to RM2.7 million compared with RM48.7 million in the previous corresponding period largely due to the absence of one-off impairment loss of property, plant and equipment of RM35.5 million in last year and a reversal of impairment of RM8.2 million in the current financial year.

Full year ended 30 September 2021

Revenue of the Food Processing Division climbed by RM1.4 million or 7.9% from RM17.8 million to RM19.2 million, contributed from higher local and export sales. Loss before tax narrowed to RM12.0 million from RM57.9 million mainly attributed to the absence of one-off impairment loss of property, plant and equipment of RM35.5 million in the previous year and a reversal of impairment of RM8.2 million in the current financial year.

Segmental assets decreased by RM7.7 million or 5.6% to RM129.6 million from RM137.3 million mainly attributed to the depreciation of property, plant and equipment and discount given by a contractor for the construction of factory building. These were partially offset by a reversal of impairment of RM8.2 million in the current financial year. The segmental liabilities reduced by RM1.7 million or 1.2% from RM137.3 million to RM135.6 million was largely due to repayment of lease obligations.

Dairies Division

Six months ended 30 September 2021

Revenue of the Dairies Division edged up RM1.8 million or 9.7% from RM18.5 million to RM20.3 million, backed by higher sales volume from both export and local market despite the economic disruption caused by the Covid-19 pandemic. The Division reported a loss before tax of RM6.1 million as compared to RM2.8 million in the previous corresponding period amid higher depreciation of property, plant and equipment as well as higher operating cost for sweetened creamer production which only managed to commence production after the prolonged lockdowns.

Full year ended 30 September 2021

Revenue of the Dairies Division grew RM5.4 million or 14.0% from RM38.5 million to RM 43.9 million, backed by higher sales volume from both export and local market. The business so far has remained resilient despite the impact of Covid-19 pandemic. Division reported a loss before tax of RM10.3 million as compared to RM4.3 million in the previous corresponding period amid higher depreciation of property, plant and equipment, higher finance costs due to higher bank borrowings to finance the construction of a factory building. Operating costs have also increased in tandem with the commencement of sweetened creamer production in November 2020.

Segmental assets increased RM3.8 million or 4.3% from RM88.9 million to RM92.7 million mainly attributed to addition capital expenditure for factory building. The segmental liabilities increased RM10.4 million or 16.5% from RM63.0 million to RM73.4 million was largely due to higher bank borrowings to finance the construction of a factory building and higher tradeline facilities, coupled with higher payables amount.

11. 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 has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

12 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' Jaya J B Tan	74	Brother of Dato' Kamal Y P Tan, Non-Executive Director and Adviser and substantial shareholder of the Company.	Executive Chairman with effect from 3 November 2020.	Re-designated from Non-Executive Chairman to Executive Chairman with effect from 3 November 2020.
Dato' Kamal Y P Tan	69	Brother of Dato' Jaya J B Tan, Executive Chairman and substantial shareholder of the Company	Non-Executive Director and Adviser with effect from 3 November 2020.	Re-designated from Group CEO to Non-Executive Director and Adviser with effect from 3 November 2020.
Tan San May	40	Daughter of Dato' Kamal Y P Tan, Non-Executive Director and Adviser and substantial shareholder of the Company. Niece of Dato' Jaya J B Tan, Executive Chairman and substantial shareholder of the Company.	Head of Business Development with effect from 22 March 2021.	Resigned as Head of Bakery and Head of Café on 31 December 2020. Appointed as Head of Business Development on 22 March 2021.
Tan San Jean	33	Daughter of Dato' Jaya J B Tan, Executive Chairman and substantial shareholder of the Company. Niece of Dato' Kamal Y P Tan, Non-Executive Director and Adviser and substantial shareholder of the Company.	Head of Operations (Business Development) of Texas Chicken (Malaysia) Sdn Bhd with effect from 1 January 2016	Not applicable
Tan San Yen	36	Daughter of Dato' Jaya J B Tan, Executive Chairman and substantial shareholder of the Company. Niece of Dato' Kamal Y P Tan, Non-Executive Director and Adviser and substantial shareholder of the Company.	Head of Operations – Regional of Texas Chicken (Malaysia) Sdn Bhd with effect from 1 December 2016.	Not applicable

By Order of the Board
ENVICTUS INTERNATIONAL HOLDINGS LIMITED

DATO' JAYA J B TAN
Executive Chairman

26 November 2021