

ASSET ACQUISITIONS AND DISPOSALS::DISPOSAL OF THE PROPERTY AND PLANT AND EQUIPMENT LOCATED AT PULAU INDAH, SELANGOR

Issuer & Securities

Issuer/ Manager

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

Securities

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DISPOSAL OF THE PROPERTY AND PLANT AND EQUIPMENT LOCATED AT PULAU INDAH, SELANGOR

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Submitted By (Co./ Ind. Name)

SURENTHIRARAJ S/O SAUNTHARARAJAH AND KOK MOR KEAT

Designation

COMPANY SECRETARIES

Description (Please provide a detailed description of the event in the box below)

Please refer to the attachment.

Attachments

[EIH_SGXApprovalforWaiverofValuationandExtensionofTime.pdf](#)

Total size = 131K MB



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

**(A) DISPOSAL OF THE PROPERTY LOCATED AT PULAU INDAH, SELANGOR; AND
(B) DISPOSAL OF THE PLANT AND EQUIPMENT LOCATED AT PULAU INDAH, SELANGOR**

1. Introduction

The Board of Directors (the “**Board**”) of Envictus International Holdings Limited (“the **Company**” and together with its subsidiaries, the “**Group**”) refers to its earlier announcements dated 31 March 2021, 31 January 2022, 4 February 2022, 12 February 2022 and 6 April 2022 in relation to Disposals (the “**Disposal Announcements**”).

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

As previously announced, while the Company’s waiver application was rejected by the SGX-ST, the SGX-ST stated that it had no objection to the Company’s request for shareholders’ approval for the Disposals to be sought by way of a ratification resolution at an EGM to be convened after the completion of the Disposals, but no later than 3 months after the completion of the Disposals (the “**Earlier Waiver**”). The Disposals were completed on 11 February 2022.

2. Application for Waiver of the Valuation Requirement under Rule 1014(5) of the Listing Manual and Extension of Time for Ratification of Disposals

Rule 1014(5) of the Listing Manual states that notwithstanding Rule 1014(2), where a disposal of assets is one where any of the relative figure as computed on the bases set out in Rule 1006 exceeds 75%, the issuer must appoint a competent and independent valuer to value the assets to be disposed.

The relative figure calculated pursuant to Rule 1010(c) of the Listing Manual in respect of the Disposals (on an aggregated basis) was 76.9% and accordingly an independent valuation of the disposal assets was required. No independent valuation was conducted on the Property, Plant and certain customer portfolios of DFSSB (the “**Customer Portfolio**”) by the Group for the purpose of the Disposals. This was disclosed by the Company in the Disposal Announcements.

Accordingly, the Company had on 5 April 2022 submitted an application seeking (a) a waiver of the valuation requirements under Rule 1014(5) of the Listing Manual in respect of the Disposals (the “**Valuation Requirement Waiver**”) and (b) a 3-month extension of time to complete the ratification of the Disposals (the “**Extension of Time**”) in order to allow the SGX-ST to consider the Valuation Waiver Application and to provide its clearance for the circular to shareholders in respect of the ratification of the Disposals (the “**Circular**”).

3. Waiver from SGX-ST

The SGX-ST had on 24 May 2022 informed the Company based on the Company’s submissions and representations to the SGX-ST, the SGX-ST has no objection to the Valuation Requirement Waiver and the Extension of Time sought by the Company subject to the following:

- (a) disclosure in the Circular, of the details of the recent transactions and the other factors taken into consideration in assessing the consideration offered for the Property Disposal;

- (b) disclosure in the Circular, of the Board's reasons on why a valuation under Rule 1014(5) is not required; and
- (c) the Company announcing the waivers granted, the reasons for seeking the waivers, the conditions as required under Rule 107 of the Listing Manual and if the waiver conditions have been satisfied. If the waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met,

(collectively, the “**Waiver Conditions**”).

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

4. **Reasons for Waivers**

The Company had sought the Valuation Requirement Waiver on the following grounds:

- (a) As the consideration offered for the Property was close to the recent transacted prices, no independent valuation was conducted on Property by the Group for the purpose of the Disposals. The Company is of the view that the consideration offered for the Property by the Purchaser was reasonable.
- (b) As the Plant (with the equipment therein) is customized, there is no other similar plant that would be available to the Group to meaningfully compare or benchmark the value of the Plant against.
- (c) In addition, there were numerous suppliers (mainly foreign companies) involved in the setting up of the Plant and the installation of the equipment and it would be a long, costly and laborious process for the Group to commission valuations for each separate piece of equipment which would have delayed the completion of the Disposals and may have resulted in the Group being unable to secure the deal. It is logistically impractical for the Group to commission a valuation of the Plant.
- (d) Moreover, the offer by the Purchaser was the only available offer made for the sale of the Property, Plant and Customer Portfolio. The Disposals and the consideration for the Disposals were negotiated with the Purchaser as a package deal and arrived at on a willing buyer willing seller basis after taking into consideration, amongst other factors, the only available offer that the Purchaser was able to obtain for the sale of the Property. The Disposals represent a good opportunity to sell a loss-making business segment, stem further losses being incurred by the frozen bakery segment and realize a gain on disposal. The frozen bakery business is a loss-making business of the Group, contributing to only 5% of the revenue of the Group for FY2021. The Group is in the process of streamlining its business operations and the Disposals were carried out as part of such efforts. Given the benefits arising from the Disposals, and that this was the only offer package for the sale of the Property, the Plant and the Customer Portfolio, the Company is of the view that it would not be beneficial to shareholders to incur additional costs and expenses to commission a valuation of the disposal assets. Any valuation process would be costly and protracted and would not be meaningful given that there was only one offer received on the disposal assets. The delay caused by the valuation process may also have potentially resulted in the Company losing the deal and continuing to incur losses from the disposed business segments.

The Company had also represented to the SGX-ST it had relied on the latest transacted prices for vacant land in Pulau Indah which were extracted by Full Homes Realty Sdn Bhd (“**Full Homes**”), the Company’s property agent in Malaysia, from the database of *Jabatan Penilaian Dan Perkhidmatan Harta* (the Valuation and Property Services Department of the Government of Malaysia). The Company mainly relied on the data from these latest transacted prices. Additionally, as mentioned, this was the only available offer made for the sale.

The Company had sought the Extension of Time on the following grounds:

- (e) Under the terms of the Earlier Waiver granted, the Company is required to obtain shareholders' approval for the Disposals to be sought by way of a ratification resolution at an EGM to be convened after the completion of the Disposals, but no later than 3 months after the completion of the Disposals (i.e. by 11 May 2022).
- (f) The Company is seeking a three (3) month extension of time from 11 May 2022 to complete the ratification of the Disposals in order to allow for the SGX-ST to consider the waiver sought in respect of Rule 1014(5) of the Listing Manual and to provide its clearance for the draft ratification circular.

5. Satisfaction of Conditions for Waivers

The Company will convene an EGM to seek the approval of shareholders for the ratification of the Proposed Disposals by 11 August 2022 in accordance with the Extension of Time granted by the SGX-ST. The Circular containing further information on the ratification of the Proposed Disposals, together with the notice of EGM, will be made available to shareholders in due course. The Circular will also contain the information required under the Waiver Conditions referred to in paragraphs 3(a) and 3(b) above and such Waiver Conditions will be satisfied when the Circular is made available to shareholders.

The Waiver Condition referred to in paragraph 3(c) above has been satisfied with the release of this announcement. The Company will make an update announcement when the remaining Waiver Conditions are satisfied.

By Order of the Board
ENVICTUS INTERNATIONAL HOLDINGS LIMITED

DATO' JAYA J B TAN
Executive Chairman

24 May 2022