

VERSALINK HOLDINGS LIMITED
(Incorporated in Singapore on 21 April 2014)
(Registration No: 201411394N)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR FINANCIAL YEAR ENDED 28 FEBRUARY 2021

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	FY2021 RM'000	FY2020 RM'000	% + / (-)
Revenue	35,442	49,357	(28.2)
Cost of sales	(28,936)	(37,162)	(22.1)
Gross profit	6,506	12,195	(46.7)
<u>Other items of income</u>			
Interest income	286	157	82.2
Other income and gains	632	4,585	(86.2)
<u>Other items of expense</u>			
Marketing and distribution expenses	(3,383)	(7,273)	(53.5)
Administrative expenses	(6,412)	(8,736)	(26.6)
Other losses	(1,548)	(1,757)	(11.9)
Finance costs	(236)	(313)	(24.6)
Share of loss from associate	-	(70)	nm*
Loss before tax	(4,155)	(1,212)	242.8
Income tax expense	(46)	(42)	9.5
Loss, net of tax	(4,201)	(1,254)	235.0
<u>Other comprehensive loss:</u>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations, net of tax	-	-	nm*
Total comprehensive loss for the year	(4,201)	(1,254)	235.0
Loss, net of tax attributable to:			
Owners of the Company	(4,201)	(1,388)	202.7
Non-controlling Interest	-	134	nm*
Loss, net of tax	(4,201)	(1,254)	nm*
Total comprehensive loss for the year attributable to:			
Owners of the Company	(4,201)	(1,388)	202.7
Non-controlling Interest	-	132	nm*
Total comprehensive loss for the year	(4,201)	(1,256)	234.5

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

The Group's profit/(loss) before income tax has been arrived at after charging / (crediting) the following:

<u>Consolidated Statement of Comprehensive Income</u>	Group		% (+/-)
	FY2021 RM'000	FY2020 RM'000	
Depreciation of property, plant and equipment	2,174	2,863	(24.1)
Depreciation of right-of-use assets	345	512	(32.6)
Bad debts written off	168	62	nm*
Foreign exchange adjustment losses, net	371	171	117.0
Gains on disposal plant and equipment	-	(2)	nm*
Gains on disposal of subsidiary	-	(1,130)	nm*
Impairment allowance on investment in associate	(300)	270	nm*
Interest income	(286)	(157)	82.2
Interest expenses	208	246	(15.4)
Interest on lease liabilities	28	67	(58.2)
Inventories written down	406	142	185.9
Allowance for impairment of trade receivables			
- collectively impaired	442	41	nm*
Allowance for impairment of other receivables			
- collectively impaired	55	1,168	nm*
Plant and equipment written off	511	23	nm*
Write back of allowance for impairment on trade receivables			
- individually impaired	(169)	(3,286)	(94.9)
Government grant/wages subsidy	(170)	-	nm*

*nm denotes not meaningful

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2021

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	28.02.2021	29.02.2020	28.02.2021	29.02.2020
	RM'000	RM'000	RM'000	RM'000
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	28,628	31,000	-	-
Right-of-use assets, non-current	31	1,162	-	-
Investment in subsidiaries	-	-	57,257	60,510
Investment in associate	-	-	-	-
Other receivables, non-current	1,090	2,055	-	278
Total non-current assets	29,749	34,217	57,257	60,788
<u>Current assets</u>				
Inventories	11,840	12,731	-	-
Trade and other receivables, current	5,549	4,182	8,376	8,066
Other non-financial assets, current	3,445	1,482	22	32
Other financial assets, current	2,433	3,376	-	-
Cash and cash equivalents	7,496	6,085	245	176
Total current assets	30,763	27,856	8,643	8,274
Total assets	60,512	62,073	65,900	69,062
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share capital	62,513	62,513	62,513	62,513
Reserves	(13,853)	(9,652)	2,986	6,232
Equity attributable to owner of the parent	48,660	52,861	65,499	68,745
Non-controlling interests	-	-	-	-
Total equity	48,660	52,861	65,499	68,745
<u>Non-current liabilities</u>				
Deferred tax liabilities	173	173	-	-
Lease liabilities, arising from right-of-use assets, non-current	-	681	-	-
Total non-current liabilities	173	854	-	-
<u>Current liabilities</u>				
Income tax payable	11	19	11	19
Lease liabilities, arising from right-of-use assets, current	33	509	-	-
Trade and other payables, current	6,971	6,372	390	298
Other financial liabilities, current	4,664	1,458	-	-
Total current liabilities	11,679	8,358	401	317
Total liabilities	11,852	9,212	401	317
Total equity and liabilities	60,512	62,073	65,900	69,062

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1(b)(ii) Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand	Group			
	As at 28 February 2021		As at 29 February 2020	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Bankers' acceptance	1,989	1,233	804	191
Bank overdrafts	1,442	-	463	-
	<u>3,431</u>	<u>1,233</u>	<u>1,267</u>	<u>191</u>
Amount repayable after one year				
Bank loans	-	-	-	-
Finance lease payables	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Details of any collateral

Secured borrowings

The Group's secured borrowings stood at RM3.4 million and RM1.3 million as at 28 February 2021 and 29 February 2020 respectively. The Group's secured borrowings are covered and secured by the following:

- (i) First party charge against the freehold land and buildings of the Group;
- (ii) Corporate guarantee for RM1,900,000 executed by Versalink Marketing Sdn. Bhd. to Jemaramas Jaya Sdn. Bhd.; and
- (iii) Pledged of fixed deposits.

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1(c)(i) A statement of cash flows (for the group), together with a comparative statement for the period of the immediately preceding financial year.

	Group	
	FY2021	FY2020
	RM'000	RM'000
<u>Cash flows (used in)/from operating activities</u>		
Loss before tax	(4,155)	(1,212)
Adjustments for:		
Depreciation of property, plant and equipment	2,174	2,863
Depreciation of right-of-use assets	345	512
Gains on disposal of plant and equipment	-	(2)
Gains on disposal of a subsidiary	-	(1,130)
Gains on lease termination	(29)	-
Impairment allowance on investment in associate	-	270
Interest income	(286)	(157)
Interest expenses	236	313
Plant and equipment written off	511	23
Share of loss from associate	-	70
Operating cash flows before changes in working capital	<u>(1,204)</u>	<u>1,550</u>
Inventories	891	(3,150)
Trade and other receivables	(1,148)	(604)
Other non-financial assets	(1,921)	553
Other financial assets (Note B)	943	(575)
Trade and other payables	674	2,801
Net cash flows (used in)/from operations	<u>(1,765)</u>	<u>575</u>
Income taxes (paid)/refund	(96)	1,392
Net cash flows (used in)/from operating activities	<u>(1,861)</u>	<u>1,967</u>
<u>Cash flows used in investing activities</u>		
Purchase of property, plant and equipment	(313)	(1,956)
Proceeds from disposal of plant and equipment	-	22
Disposal of a subsidiary, net of cash disposed (Note C)	-	24
Interest received	286	157
Net cash flows used in investing activities	<u>(27)</u>	<u>(1,753)</u>
<u>Cash flows from financing activities</u>		
Increase in other financial liabilities	2,227	731
Repayment from associate	671	191
Interest paid	(208)	(246)
Lease liabilities repayment	(370)	(572)
Cash restricted in use	(23)	(28)
Net cash flows from financing activities	<u>2,297</u>	<u>76</u>
Effect of foreign exchange rate adjustments	-	-
Net increase in cash and cash equivalents	409	290
Cash and cash equivalents, statement of cash flows, beginning balance	<u>4,680</u>	<u>4,390</u>
Cash and cash equivalents, statement of cash flows, ending balance (Note A)	<u>5,089</u>	<u>4,680</u>

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2021

Note A:

	Group	
	FY2021	FY2020
	RM'000	RM'000
Cash and bank balances at end of the period	7,496	6,085
Bank overdrafts	(1,442)	(463)
Restricted cash in banks pledged for bank facilities	(965)	(942)
Cash and cash equivalents per consolidated statement of cash flow	5,089	4,680

Note B:

The other financial assets are investment in short to medium-term fixed income fund, with a withdrawal lead time period of 1 day to a maximum of one month and is managed by investment banks in Malaysia. There are no restrictions on the withdrawal of funds and they are designated as available-for-sale financial assets measured at fair value.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Group</u>	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Accumulated Losses RM'000	Non- controlling Interests RM'000	Total Equity RM'000
Balance at 1 March 2020	62,513	8	(9,660)	-	52,861
Loss for the financial year	-	-	(4,201)	-	(4,201)
Exchange differences on translation foreign operations	-	-	-	-	-
Total comprehensive loss for the year	-	-	(4,201)	-	(4,201)
Balance at 28 February 2021	62,513	8	(13,861)	-	48,660
Balance at 1 March 2019	62,513	8	(8,272)	(451)	53,798
(Loss)/profit for the financial year	-	-	(1,388)	134	(1,254)
Exchange differences on translation foreign operations	-	-	-	-	-
Total comprehensive (loss)/income for the year	-	-	(1,388)	134	(1,254)
Disposal of a subsidiary	-	-	-	317	317
Balance at 29 February 2020	62,513	8	(9,660)	-	52,861

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2021

<u>Company</u>	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance at 1 March 2020	62,513	-	6,232	68,745
Total comprehensive loss for the year	-	-	(3,246)	(3,246)
Balance at 28 February 2021	<u>62,513</u>	<u>-</u>	<u>2,986</u>	<u>65,499</u>
Balance at 1 March 2019	62,513	-	5,802	68,315
Total comprehensive income for the year	-	-	430	430
Balance at 29 February 2020	<u>62,513</u>	<u>-</u>	<u>6,232</u>	<u>68,745</u>

1(d)(ii) 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 were no changes to the Company's share capital for the current financial year on since the end of the immediately preceding financial year, and since the last half year period reported on.

There were no outstanding convertibles, subsidiary holdings or treasury shares as at the end of the current financial year as at the end of the corresponding period of the immediate preceding financial year, and since the last half year period reported on.

1(d)(iii) 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 financial year.

	Company	
	As at 28.02.2021 '000	As at 29.02.2020 '000
Total number of issued shares (excluding treasury shares)	<u>135,000</u>	<u>135,000</u>

There were no treasury shares as at the end of the current financial year and as at the end of the immediately preceding financial year.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as the Company did not hold any treasury shares.

1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company did not hold any subsidiary holdings.

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2021

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have neither been audited nor reviewed by the Company's auditors.

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

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the Issuer's most recently audited financial statements have been applied.**

Except as disclosed in Note 5 below, the Group and the Company have applied the same accounting policies and methods of computation to the financial statements for the current financial period and the most recent audited financial statements for the financial year ended 29 February 2020.

5. **If there are any changes in the accounting policies and methods 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 Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 March 2020. The application of the new and revised standards and interpretations has no material effect on the financial statements.

The adoption of new/revised SFRS(I) and INT FRS do not result in any substantial changes to the Group's accounting policies, and have no material effect on the amounts reported for the current or prior periods.

6. **If earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Losses per share ("LPS")	Group	
	FY2021 RM'000	FY2020 RM'000
Loss from continuing operations, net of tax attributable to:		
Owners of the Company	(4,201)	(1,388)
Weighted average number of ordinary shares	'000	'000
For calculation of:		
(a) Basic earnings per share	135,000	135,000
(b) Diluted earnings per share	135,000	135,000
Loss per ordinary share (Sen Ringgit Malaysia)		
(a) On weighted average number of ordinary shares on issue	(3.11)	(1.03)
(b) On a fully diluted basis	(3.11)	(1.03)

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2021

7. **Net assets value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) Current financial period reported on and (b) Immediately preceding financial year.**

Net asset value (“NAV”)	Group		Company	
	28.02.2021	29.02.2020	28.02.2021	29.02.2020
NAV (RM'000)	48,660	52,861	65,499	68,745
Number of ordinary shares ('000)	135,000	135,000	135,000	135,000
NAV per ordinary share (Sen Ringgit Malaysia)	36.0	39.2	48.5	50.9

NAV per ordinary share as at 28 February 2021 and 29 February 2020 are calculated based on the aggregate number of ordinary shares of 135,000,000 shares.

8. **A review of the performance of the group to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:**
- Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Consolidated Statement of Comprehensive Income for FY2021 compared to FY2020

Revenue

The Group’s revenue decreased by approximately RM13.9 million or 28.2% from approximately RM49.3 million in FY2020 to approximately RM35.4 million in FY2021.

The decrease was mainly due to lower revenue from both export and domestic segments. Export segment recorded a lower revenue of approximately RM27.8 million in FY2021 compared to approximately RM31.0 million in FY2020 due to reduction in sales revenue from regular major customers. Domestic segment also recorded a lower revenue of approximately RM7.6 million in FY2021 compared to approximately RM18.3 million in FY2020. The decrease in revenue was mainly affected by the temporary shutdown of operations in response to travel and movement restrictions due to the COVID-19 pandemic. Included in the domestic revenue was an amount of RM7.9 million consolidated in FY2020 contributed by a subsidiary that was subsequently disposed in November 2019 of FY2020.

Cost of sales and Gross profit

The Group's cost of sales decreased by approximately RM8.3 million or 22.1% from approximately RM37.2 million in FY2020 to approximately RM28.9 million in FY2021. This was mainly due to the exclusion of cost of sales derecognised from the previous Subsidiary of approximately RM5.3 million and the decrease in group revenue as abovementioned. The gross margin decreased from 24.7% in FY2020 to 18.3% in FY2021, mainly due to lower margins derived from revenue of the export segment attributable to more competitive pricing in the current business environment. However, the decrease in gross margin has been partially offset by additional cost savings from staff costs totalling RM1.2 million.

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2021

Other Items of Income

Other items of income decreased by approximately RM3.8 million from FY2020 to FY2021. The decrease in other items of income was mainly due to (i) higher write back of allowance for impairment of trade receivable account previously impaired with approximately RM3.1 million in FY2020; (ii) gain on disposal of subsidiary of RM1.1 million in FY2020; and (iii) interest compensation on debt recovery of trade receivables of approximately RM0.1 million in FY2020. This is partly offset by (i) waiver of rental income from landlord of approximately RM0.2 million; (ii) wages subsidy received of approximately RM0.2 million; and (iv) higher of interest income of approximately RM0.1 million in FY2021.

Marketing and distribution expenses

Marketing and distribution expenses decreased by approximately RM3.9 million or 53.5% from approximately RM7.3 million in FY2020 to approximately RM3.4 million in FY2021. This was mainly due to the exclusion of marketing and distribution expenses derecognised from the previous subsidiary of approximately RM1.8 million; and (i) staff costs of approximately RM0.9 million; (ii) consultancy fee of approximately RM0.4 million; (iii) advertisement cost of approximately RM0.2 million; (iv) commission and royalty of approximately RM0.2 million; (v) forwarding expenses of approximately RM0.2 million and (vi) depreciation of right-of-use of approximately RM0.2 million.

Administrative expenses

Administrative expenses decreased by approximately RM2.3 million or 26.6% from approximately RM8.7 million in FY2020 to approximately RM6.4 million in FY2021. This was mainly due to the exclusion of administrative expenses derecognised from the previous subsidiary of approximately RM1.0 million; and (i) staff costs of approximately RM0.7 million; (ii) depreciation expenses of approximately RM0.3 million; (iii) upkeep of office equipment of approximately RM0.1 million; (iv) printing and stationery of approximately RM0.1 million and (v) courier expenses of approximately RM0.1 million.

Other losses

Other losses decreased by approximately RM0.2 million from approximately RM1.7 million in FY2020 to approximately RM1.5 million in FY2021. The decrease was mainly due to lower allowance for impairment on associate of approximately RM1.1 million and no impairment loss on investment in associate as compared to in FY2020 as the cost of investment has been fully impaired by approximately RM0.3 million. However, this is partly offset by (i) higher assets written off of approximately RM0.5 million; (ii) higher allowance for impairment on trade receivables of approximately RM0.4 million; (iii) higher foreign exchange adjustment losses by approximately RM0.2 million; and (iv) higher bad debts written off by approximately RM0.1 million.

Finance costs

Finance costs decreased by approximately RM0.1 million from approximately RM0.3 million in FY2020 to approximately RM0.2 million in FY2021.

Income tax expense

The income tax comprises of mainly the underprovision for taxation in FY2020.

Loss, net of tax

As a result of the above, the Group reported a net loss after tax of approximately RM4.2 million in FY2021 as compared to a net loss after tax of approximately RM1.3 million in FY2020.

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2021

Consolidated Statement of Financial Position as at 28 February 2021**Non-current assets**

As at 28 February 2021, the Group's non-current assets amounted to approximately RM29.7 million or approximately 49.2% of the Group's total assets and mainly comprised the following:

- (i) property, plant and equipment of approximately RM28.6 million or 96.2% of the Group's total non-current assets;
- (ii) right-of-use assets of approximately RM0.1 million or 0.1% of the Group's total non-current assets.
- (iii) other receivables of approximately RM1.0 million or 3.7% of the Group's total non-current assets.

Current assets

As at 28 February 2021, the Group's current assets amounted to approximately RM30.8 million or approximately 50.8% of the Group's total assets and comprised the following:

- (i) inventories of approximately RM11.8 million or approximately 38.5% of the Group's total current assets, which comprised raw materials, work-in-progress and finished goods;
- (ii) trade and other receivables of approximately RM5.6 million or approximately 18.0% of the Group's total current assets;
- (iii) other non-financial assets of approximately RM3.5 million or approximately 11.2% of the Group's total current assets;
- (iv) other financial assets of approximately RM2.4 million or approximately 7.9% of the Group's total current assets which comprise mainly investments in short to medium-term fixed income fund;
- (v) cash and cash equivalents of approximately RM7.5 million or approximately 24.4% of the Group's total current assets.

Non-current liabilities

As at 28 February 2021, the Group's non-current liabilities amounted to approximately RM0.1 million or approximately 1.5% of the Group's total liabilities and comprised mainly deferred tax liabilities.

Current liabilities

As at 28 February 2021, the Group's current liabilities amounted to approximately RM11.7 million or approximately 98.5% of the Group's total liabilities and mainly comprised the following:

- (i) lease liabilities, arising from right-of-use assets of approximately RM0.1 million or approximately 0.3% of the Group's total current liabilities;
- (ii) trade and other payables of approximately RM6.9 million or approximately 59.7% of the Group's total current liabilities which consist mainly of (a) trade payables of approximately RM4.1 million; (b) other payables of approximately RM2.7 million; and (c) amount due to associate of approximately RM0.1 million.
- (iii) other financial liabilities of approximately RM4.7 million or 40.0% of the Group's total current liabilities.

Shareholders' equity

As at 28 February 2021, the Group's equity attributable to equity holders was approximately RM48.7 million, comprising share capital of approximately RM62.5 million, and net capital deficit of approximately RM13.8 million.

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2021

Consolidated Statement of Cash Flow for Year Ended 28 February 2021

As at 28 February 2021, the Group recorded cash and cash equivalents of approximately RM5.1 million as compared to approximately RM4.7 million as at 29 February 2020.

In the current financial year ended 28 February 2021, net cash used in operating activities amounted to approximately RM1.9 million as compared to net cash from operating activities of approximately RM2.0 million for the financial year ended 29 February 2020.

Net cash used in investing activities for the year ended 28 February 2021 amounted to approximately RM0.1 million. This was mainly due to purchase of plant and equipment of approximately RM0.3 million and partially offset by interest received of approximately RM0.2 million.

Net cash from financing activities for the year ended 28 February 2021 amounted to approximately RM2.3 million. This was mainly due to (i) drawdown of bankers' acceptance of approximately RM2.2 million; and (ii) repayment from associate of approximately RM0.7 million. This is partially offset by (i) repayment of lease liabilities of approximately RM0.4 million; and (ii) interest paid of approximately RM0.2 million.

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

There has not been any forecast or prospect statement previously disclosed to shareholders of the Company.

10. 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 reporting period and the next 12 months.

Overall, the Malaysian economy is expected to continue with its gradual but uneven recovery path supported by the improved global demand and gradual normalisation in domestic economic activities. The growth prospects were partly driven by the recovery in the domestic and global economy, the launch of the National Covid-19 Immunisation Programme and also the provision of the economic stimulus packages to manufacturers.

The Group will continue to implement various costs containment exercise focusing on productivity improvements, and strive to be proactive in aligning its market strategies to capture the opportunities in both export and local markets. Hence, facing an uncertain economic conditions and outlook, along with the higher credit risks and rising impairments across the economy, the Group expects performance to be challenging for the next 12 months.

11. Dividend**(a) Current Financial Period Reported On**

No dividend has been declared or recommended.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend has been declared or recommended.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2021

12. If no dividend has been declared/recommended, a statement to that effect.

The Board has decided that it is prudent not to declare or recommend any dividends, as the Group is in a loss making position.

13. Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

There were no Interested Persons Transactions exceeding S\$100,000 conducted by the Group during the current financial period reported on.

14. Update on use of Initial Public Offer ("IPO") proceeds

The IPO proceeds have been fully utilised as at the date of this announcement.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company hereby confirms that it has already procured undertakings from all its Directors (which include new Directors appointed and announced on 7 October 2020) and executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2021

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. Segmental revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Export RM'000	Domestic RM'000	Group RM'000
Continuing operations 2021			
Revenue by segment			
Total revenue by segment	31,193	7,648	38,841
Inter-segment sales	(3,399)	-	(3,399)
Total revenue	27,794	7,648	35,442
Cost of sales by segment			
Total cost of sales by segment	(27,348)	(5,010)	(32,358)
Inter-segment cost of sales	3,422	-	3,422
Total cost of sales	(23,926)	(5,010)	(28,936)
Gross profit	3,868	2,638	6,506
			(1,686)
Recurring EBITDA			
Interest income			286
Finance costs			(236)
Depreciation and amortisation			(2,519)
Share of loss from associate			-
Loss before tax from continuing operations			(4,155)
Income tax credit			(46)
Loss from continuing operations, net of tax			(4,201)
Continuing operations 2020			
Revenue by segment			
Total revenue by segment	37,173	18,630	55,803
Inter-segment sales	(6,150)	(296)	(6,446)
Total revenue	31,023	18,334	49,357
Cost of sales by segment			
Total cost of sales by segment	(30,797)	(12,799)	(43,596)
Inter-segment cost of sales	6,139	295	6,434
Total cost of sales	(24,658)	(12,504)	(37,162)
Gross profit	6,365	5,830	12,195
Recurring EBITDA			2,389
Interest income			157
Finance costs			(313)
Depreciation and amortisation			(3,375)
Share of loss from associate			(70)
Loss before tax from continuing operations			(1,212)
Income tax expense			(42)
Loss from continuing operations, net of tax			(1,254)

VERSALINK HOLDINGS LIMITED

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- 17. In review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Refer to Section 8 for details.

- 18. A breakdown of sales as follows:**

	FY2021 RM'000	FY2020 RM'000	% (+/-)
(a) Sales reported for first half year	14,099	25,053	(43.7)
(b) Loss after tax reported for first half year	(2,260)	(2,228)	1.4
(c) Sales reported for second half year	21,343	24,304	(12.2)
(d) (Loss)/Profit after tax reported for second half year	(1,941)	974	nm*

Note:

(*) Not meaningful

- 19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

- 20. 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(10) 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 first held	Details of changes in duties and position held, if any, during the year
Wong Hon Mui	42	Spouse to CEO	PA to CEO	Director of subsidiaries

BY ORDER OF THE BOARD

MATTHEW LAW

Group Chief Executive Officer

28 April 2021

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") in accordance with Rule 226(2)(b) of the Catalist Rules. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr Ken Lee, Associate Director, Catalist, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623. Telephone: +65 6337 5115.