



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

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**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR FINANCIAL YEAR ENDED 28 FEBRUARY 2015**

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**PART I – 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.**

The Company was incorporated in the Republic of Singapore on 21 April 2014 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries (the “Group”) was formed pursuant to a restructuring exercise (“Restructuring Exercise”) undertaken in connection with the Company’s listing on Catalyst. Please refer to the Company’s offer document dated 16 September 2014 (the “Offer Document”) for further details on the Restructuring Exercise.

For the purpose of this announcement, the results of the Group for the year ended 28 February 2015 with the comparative results of the Group for the year ended 28 February 2014 were presented in a manner similar to a “pooling-of-interest” method to give retrospective application to transactions involving entities under common control, as a result of Restructuring Exercise undertaken as disclosed in the Offer Document.

	<b>Group</b>		
	FY2015 RM'000	FY2014 RM'000	% (+/-)
<b>Revenue</b>	59,784	78,839	(24.2)
Cost of sales	(38,380)	(46,439)	(17.4)
<b>Gross profit</b>	<u>21,404</u>	<u>32,400</u>	(33.9)
<b><u>Other Items of Income</u></b>			
Interest Income	212	119	78.2
Other Gains	1,119	756	48.0
<b><u>Other Items of Expense</u></b>			
Marketing and Distribution Expenses	(7,328)	(6,600)	11.0
Administrative Expenses	(12,288)	(7,320)	67.9
Other losses	(71)	(33)	115.2
Finance Costs	(381)	(519)	(26.6)
<b>Profit Before Tax</b>	<u>2,667</u>	<u>18,803</u>	(85.8)
Income Tax Expense	(2,066)	(4,259)	(51.5)
<b>Profit, Net of Tax</b>	<u>601</u>	<u>14,544</u>	(95.9)
<b>Other comprehensive income:</b>			
Exchange differences arising from translation of foreign operations	(1)	-	nm*
<b>Total Comprehensive Income for the Year</b>	<u><u>600</u></u>	<u><u>14,544</u></u>	<u><u>(95.9)</u></u>
<b>Profit, Net of Tax, Attributable to:</b>			
Owners of the Company	601	14,544	(95.9)
Non-controlling Interest	-	-	-
<b>Profit, Net of Tax</b>	<u><u>601</u></u>	<u><u>14,544</u></u>	<u><u>(95.9)</u></u>
<b>Total Comprehensive Income for the Year Attributable to:</b>			
Owners of the Company	600	14,544	(95.9)
Non-controlling Interest	-	-	-
<b>Total Comprehensive Income for the Year</b>	<u><u>600</u></u>	<u><u>14,544</u></u>	<u><u>(95.9)</u></u>

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

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

<b><u>Consolidated Statement of Comprehensive Income</u></b>	<b>Group</b>		<b>% (+/-)</b>
	<b>FY2015 RM'000</b>	<b>FY2014 RM'000</b>	
Depreciation of property, plant and equipment	2,095	2,289	(8.5)
Foreign exchange adjustment gains, net	(153)	(448)	(65.8)
Gains on disposal plant and equipment	(60)	(4)	1,400.0
Interest Income	(212)	(119)	78.2
Interest Expenses	381	519	(26.6)
Inventories (written back)/written down	(290)	606	(147.9)
IPO expenses	3,104	-	100.0
Allowance for impairment on trade receivables	17	16	6.3
Intangible asset written off	199	-	100.0
Plant and equipment written off	54	17	217.6

\*nm denotes not meaningful

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2015

**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.**

	<b>Group</b>		<b>Company</b>
	28.02.2015 RM'000	28.02.2014 RM'000	28.02.2015 RM'000
<b>ASSETS</b>			
<b><u>Non-Current Assets</u></b>			
Property, Plant and Equipment	26,208	25,363	-
Investment in subsidiaries	-	-	44,915
<b>Total Non-Current Assets</b>	<b>26,208</b>	<b>25,363</b>	<b>44,915</b>
<b><u>Current Assets</u></b>			
Inventories	11,532	11,076	-
Trade and Other Receivables	8,207	10,315	15,835
Other Assets	3,221	2,828	14
Cash and Cash Equivalents	26,932	13,134	4,901
<b>Total Current Assets</b>	<b>49,892</b>	<b>37,353</b>	<b>20,750</b>
<b>Total Assets</b>	<b>76,100</b>	<b>62,716</b>	<b>65,665</b>
<b>EQUITY AND LIABILITIES</b>			
<b><u>Equity</u></b>			
Share Capital	62,513	3,479	62,513
Reserves	542	40,878	2,867
<b>Total Equity</b>	<b>63,055</b>	<b>44,357</b>	<b>65,380</b>
<b><u>Non-Current Liabilities</u></b>			
Deferred Tax Liabilities	1,144	911	-
Other Financial Liabilities, Non-Current	832	1,490	-
<b>Total Non-Current Liabilities</b>	<b>1,976</b>	<b>2,401</b>	<b>-</b>
<b><u>Current Liabilities</u></b>			
Income Tax Payable	-	1,912	-
Trade and Other Payables	8,994	11,230	285
Other Financial Liabilities, Current	2,075	2,816	-
<b>Total Current Liabilities</b>	<b>11,069</b>	<b>15,958</b>	<b>285</b>
<b>Total Liabilities</b>	<b>13,045</b>	<b>18,359</b>	<b>285</b>
<b>Total Equity and Liabilities</b>	<b>76,100</b>	<b>62,716</b>	<b>65,665</b>

**Note:**

1. There is no comparative statement for the Company as at the end of the immediately preceding year as the Company was incorporated in Singapore on 21 April 2014.

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2015

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

<b>Amount repayable in one year or less, or on demand</b>	<b>Group</b>			
	<b>As at 28 February 2015</b>		<b>As at 28 February 2014</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
	RM'000	RM'000	RM'000	RM'000
Bankers' acceptance	81	-	725	296
Bank loans	712	-	1,459	-
Bank overdrafts	1,172	-	223	-
Finance lease payables	-	110	-	113
	<u>1,965</u>	<u>110</u>	<u>2,407</u>	<u>409</u>
<b>Amount repayable after one year</b>				
Bank loans	781	-	1,490	-
Finance lease payables	-	51	-	-
	<u>781</u>	<u>51</u>	<u>1,490</u>	<u>-</u>

**Details of any collateral**
**Secured Borrowings**

The Group's secured borrowings stood at RM2.7 million and RM3.9 million as at 28 February 2015 and 28 February 2014 respectively. The Group's secured borrowings are secured by the following:

- (i) A first party charge against the freehold land and buildings of a subsidiary;
- (ii) Joint and several guarantee by certain directors of the Company and subsidiaries; and
- (iii) Fixed deposits with licensed banks.

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2015

**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.**

	<b>Group</b>	
	FY2015 RM'000	FY2014 RM'000
<b><u>Cash Flows From Operating Activities</u></b>		
Profit before Tax	2,667	18,803
Adjustments for:		
Depreciation of Property, Plant and Equipment	2,095	2,289
Gains on Disposal of Plant and Equipment	(60)	(4)
Interest Income	(212)	(119)
Interest Expenses	381	519
Plant and Equipment Written Off	54	17
Intangible written off	199	-
Operating Cash Flows before Changes in Working Capital	5,124	21,505
Inventories	(429)	(800)
Trade Receivables	3,466	(5,098)
Other Assets	(393)	(1,536)
Trade and Other Payables	665	1,467
Net Cash Flows From Operations	8,433	15,538
Income Taxes Paid	(4,948)	(2,950)
Net Cash Flows From Operating Activities	3,485	12,588
<b><u>Cash Flows From Investing Activities</u></b>		
Proceeds from disposal of Property, Plant and Equipment	69	24
Purchase of Property, Plant and Equipment*	(2,628)	(688)
Acquisition of a subsidiary, net of cash acquired (Note A)	(398)	-
Interest Received	212	119
Net Cash Flows Used in Investing Activities	(2,745)	(545)
<b><u>Cash Flows From Financing Activities</u></b>		
Amount due to Directors	(3,047)	(543)
Other Financial Liabilities	(2,396)	(1,451)
Proceed from share issue	18,098	-
Finance Lease Repayments	(164)	(940)
Interest Paid	(381)	(519)
Dividends Paid	-	(7,500)
Cash Restricted in Use	611	(48)
Net Cash Flows From/(Used in) Financing Activities	12,721	(11,001)
Effect of foreign exchange rate adjustments	(1)	-
<b>Net Increase in Cash and Cash Equivalents</b>	13,460	1,042
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	11,494	10,452
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note B)</b>	24,954	11,494

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**Note A:**
**Acquisition of a subsidiary**

On 22 July 2014, the Company acquired 100% of the issued capital of Steeltema (M) Sdn. Bhd. (incorporated in Malaysia) and from that date the Company gained control and became a subsidiary of the Company. The transaction was accounted for by the acquisition method of accounting.

However, the goodwill arising from the acquisition amounted to RM199,138 has been written off during the year. The management is of the view that the carrying value is not recoverable.

The consideration transferred is as follows:

	RM'000
<u>Consideration transferred:</u>	
Cash	500
Total consideration transferred	<u>500</u>

The net assets acquired and the related fair values are as follows:

	RM'000
Plant and equipment	225
Trade and other receivables	155
Inventories	27
Cash and cash equivalents	102
Trade and other payables	(145)
Other financial liabilities	(63)
Fair value of identifiable assets acquired as at 22 July 2014	<u>301</u>

The goodwill arising from the acquisition is as follows:

Consideration	500
Less: Fair value of identifiable assets acquired	(301)
Goodwill arising on acquisition	<u>199</u>

Satisfied by:

Consideration	500
Less: Cash and cash equivalents of subsidiary acquired	(102)
Net cash outflow on acquisition	<u>398</u>

<b>Note B:</b>	<b>Group</b>	
	FY2015 RM'000	FY2014 RM'000
Cash and bank balances at end of the period	26,932	13,134
Bank overdrafts	(1,172)	(223)
Restricted cash in banks pledged for bank facilities	(806)	(1,417)
Cash and cash equivalents per consolidated statement of cash flow	<u>24,954</u>	<u>11,494</u>

\* During the financial year, the Group acquired property, plant and equipment amounting to RM2.8 million of which RM0.2 million was acquired under hire purchase instalment plans. Cash payment amounting to RM2.6 million was made during the financial year.

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2015

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	Retained Earnings RM'000	Total Equity RM'000
Balance at 1 March 2014	3,479	-	40,878	44,357
Profit for the financial year	-	-	601	601
Exchange differences on translation foreign operations	-	(1)	-	(1)
Total comprehensive income for the financial year	-	(1)	601	600
<b>Transactions with owners in their capacity as owners:</b>				
Merger adjustment pursuant to restructuring exercise	40,936	-	(40,936)	-
Share issue	18,098	-	-	18,098
Balance as at 28 February 2015	62,513	(1)	543	63,055

<u>Group</u>	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance at 1 March 2013	3,479	-	36,834	40,313
Profit for the financial year	-	-	14,544	14,544
Total comprehensive income for the financial year	-	-	14,544	14,544
<b>Transactions with owners in their capacity as owners:</b>				
Dividend paid	-	-	(10,500)	(10,500)
Balance as at 28 February 2014	3,479	-	40,878	44,357

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<u>Company</u>	<b>Share Capital</b> RM'000	<b>Foreign Currency Translation Reserve</b> RM'000	<b>Retained Earnings</b> RM'000	<b>Total Equity</b> RM'000
Date of incorporation 21 April 2014	-	(1)	-	-
Issue of New Shares pursuant to the Restructuring Exercise	44,415	-	-	44,415
New Shares issued pursuant to the Invitation	18,098	-	-	18,098
Profit for the financial year	-	-	2,867	2,867
Balance as at 28 February 2015	<u>62,513</u>	<u>-</u>	<u>2,867</u>	<u>65,380</u>

(1) The Company was incorporated on 21 April 2014 and therefore comparative statement is not applicable. The amount of share capital as at 21 April 2014 is less than RM1,000.

**1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-back, exercise of share options or warrants, conversions 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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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.**

	<b>Company</b>	
	<b>Number of Shares '000</b>	<b>Issued and paid-up share capital RM'000</b>
As at date of incorporation 21 April 2014	-	-
Issue of New Shares pursuant to the Restructuring Exercise	110,000	44,415
New Shares issued pursuant to the Invitation	25,000	18,098
As at 28 February 2015	<u>135,000</u>	<u>62,513</u>

(1) The Company was incorporated on 21 April 2014 and therefore comparative statement is not applicable. The amount of share capital as at 21 April 2014 is less than RM1,000.

(2) As part of the Restructuring Exercise, on 22 July 2014, the Company increased its issued and paid-up capital to RM44,415,000 with the issues of 109,999,999 new ordinary shares for the consideration of RM44,415,000 to directors and shareholders (other than directors) of the Company. For more information, please refer to Section entitled "Share Capital" in the Offer Document.

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

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2015

**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 year.**

	Company	
	As at 28.02.2015 '000	As at 28.02.2014 '000
Total number of issued shares (excluding treasury shares)	<u>135,000</u>	<u>NA</u>

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

**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 auditor.

**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 28 February 2014.

**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 the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 March 2014.

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

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2015

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.

Earnings per share ("EPS")	Group	
	28.02.2015 RM'000	28.02.2014 RM'000
Profit, net of tax, attributable to:		
Owners of the Company	601	14,544
Weighted average number of ordinary shares	'000	'000
For calculation of:		
(a) Basic earnings per share	120,822	110,000 <sup>(1)</sup>
(b) Diluted earnings per share	120,822	110,000
Earnings per ordinary share (Sen Ringgit Malaysia)		
(a) On weighted average number of ordinary shares on issue	0.50	13.22
(b) On a fully diluted basis	0.50	13.22

- <sup>(1)</sup> The issued and paid-up capital of the Group as at 28 February 2014 of 110,000,000 shares assuming that the issue of shares pursuant to the Restructuring Exercise described in 1(d)(ii) above occurred on 1 March 2013.

## VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2015

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 Immediately preceding financial year.**

Net asset value ("NAV")	Group		Company	
	28.02.2015	28.02.2014	28.02.2015	28.02.2014
NAV (RM'000)	63,055	44,357	65,380	NA
Number of ordinary shares ('000)	135,000	110,000 <sup>(1)</sup>	135,000	NA
NAV per ordinary share (Sen Ringgit Malaysia)	46.7	40.3	48.4	NA

<sup>(1)</sup> The issued and paid-up capital of the Group as at 28 February 2014 of 110,000,000 shares assuming that the issue of shares pursuant to the Restructuring Exercise described in 1(d)(ii) above occurred on 1 March 2013.

NAV per ordinary share as at 28 February 2015 and 28 February 2014 are calculated based on the aggregate number of ordinary shares of 135,000,000 shares and 110,000,000 shares respectively.

There are no comparative figures of the Company for the immediately preceding financial year as the Company was only incorporated on 21 April 2014.

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:**

- (a) **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**
- (b) **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 FY2015 compared to FY2014

#### Revenue

For the financial year ended 28 February 2015 ("FY2015"), the Group registered RM59.8 million in revenue as compared to RM78.8 million for the previous corresponding financial year ("FY2014").

The decrease in Group's revenue by approximately RM19.0 million or 24.2% was mainly attributable to lower revenue from both export and domestic segment.

#### Cost of sales and Gross profit

In line with lower revenue, the Group's cost of sales decreased by 17.4% or RM8.0 million from RM46.4 million in FY2014 to RM38.4 million in FY2015. As a result, the Group's gross profit decreased by 33.9% from RM32.4 million in FY2014 to RM21.4 million in FY2015. Gross profit margin decreased from 41.1% in FY2014 to 35.8% in FY2015.

#### Other Items of Income

Other income in FY2015 was approximately RM1.3 million as compared to RM0.9 million in FY2014. The increase in other income was mainly due to higher gains on foreign exchange and write back of slow moving stock in 2015.

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2015

### **Marketing and distribution expenses**

Marketing and distribution expenses increased by approximately RM0.7 million or 11.0% from RM6.6 million in FY2014 to RM7.3 million in FY2015. The increase was mainly due to the increase in (i) advertisement cost of approximately RM0.4 million, (ii) staff cost of approximately RM0.1 million, and (iii) renting of new showroom for approximately RM0.2 million.

### **Administrative expenses**

Administrative expenses increased by approximately RM5.0 million or 67.9% from RM7.3 million in FY 2014 to RM12.2 million in FY2015. The increase was mainly due to (i) the professional fees and the other incidental expenses of RM4.1 million charged to the income statement in FY2015 in relation to the Company's IPO and restructuring, (ii) higher staff costs and directors emoluments of RM0.8 million, and (iii) recruitment fees approximately RM0.1 million.

### **Finance costs**

The Group's finance costs reduced by RM0.1 million or 26.6% from RM0.5 million in FY2014 to RM0.4 million in FY2015. The decrease mainly due to partial repayment of term loan.

### **Income tax expense**

The Group recorded a higher effective tax rate of 77.5% for FY2015 as compared to 22.7% for FY2014. This is mainly due to certain expenses in particular to the IPO expenses which were not deductible for taxation purposes.

### **Profit, net of tax**

As a result of the above, the Group recorded a net profit after tax of RM0.6 million for FY2015 as compared to a net profit of RM14.5 million for FY2014.

## **Consolidated Statement of Financial Position as at 28 February 2015**

### **Non-current assets**

As at 28 February 2015, the Group's non-current assets amounted to RM26.2 million or approximately 34.4% of the Group's total assets and comprised property, plant and equipment.

The increase in Group's non-current assets by RM0.8 million as compared to RM25.4 million as at 28 February 2014 was mainly due to acquisition of plant and equipment and offset by depreciation charged for the FY2015.

### **Current assets**

As at 28 February 2015, the Group's current assets amounted to RM49.9 million comprising inventories, trade and other receivables, other assets, and cash and cash equivalents which accounted for 65.6% of the Group's total assets.

As at 28 February 2015, a total of RM11.5 million in inventories were recorded as compared to RM11.0 million recorded as at 28 February 2014.

The trade and other receivables of RM8.2 million were recorded as at 28 February 2015 which is lower of approximately RM2.1 million than the trade and other receivables recorded as at 28 February 2014 of RM10.3 million. The decrease is mainly due to the lower revenue recorded during the current financial year.

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2015

As at 28 February 2015, the Group's other assets amounted to approximately RM3.2 million or 6.4% of the Group's current assets. The increase in other assets of RM0.4 million as compared to other assets recorded as at 28 February 2014 of RM2.8 million was mainly attributable to the advance payments made for overseas purchases.

The Group's cash and cash equivalents as at 28 February 2015 stood at RM26.9 million, an increase of RM13.8 million as compared to RM13.1 million as at 28 February 2014. The increase in cash and cash equivalents was mainly due to funds received from new share issue.

### **Non-current liabilities**

The Group's non-current liabilities stood at RM2.0 million as at 28 February 2015 as compared to RM2.4 million as at 28 February 2014. The decrease was mainly due to reduction in non-current bank borrowings and finance lease obligations.

### **Current liabilities**

As at 28 February 2015, the Group's current liabilities amounted to approximately RM11.1 million or approximately 85.0% of the Group's total liabilities and comprised the following:-

- (i) Trade and other payables of approximately RM9.0 million or approximately 81.3% of our current liabilities which consist mainly of trade payables of approximately RM5.0 million and other payables of approximately RM4.0 million.
- (ii) Other financial liabilities of approximately RM2.1 million or 18.7% of the Group's current liabilities, which consisted mainly of (i) term loans of approximately RM0.7 million, (ii) banker's acceptances of approximately RM0.1 million, (iii) bank overdrafts of approximately RM1.2 million and (iv) finance lease of approximately RM0.1 million.

### **Shareholders' equity**

As at 28 February 2015, the Group's shareholders' equity of approximately RM63.0 million comprised share capital of approximately RM62.5 million, and reserves of approximately RM0.5 million.

### **Consolidated Statement of Cash Flow for Year Ended 28 February 2015**

As at 28 February 2015, the Group recorded cash and cash equivalents of RM25.0 million as compared to RM11.5 million as at 28 February 2014.

In the current financial year ended 28 February 2015, net cash generated from operating activities amounted to RM3.5 million as compared to RM12.6 million for the financial year ended 28 February 2014.

Net cash used in investing activities amounted to approximately RM2.7 million. This was mainly due to purchase of property, plant and equipment of approximately RM2.6 million, net cash outflow for acquisition of a subsidiary of approximately RM0.4 million and partly offset by interest received of approximately RM0.2 million and proceeds from disposal of plant and equipment of RM0.1 million.

Net cash generated from financing activities amounted to approximately RM12.7 million. This was mainly due to proceeds from share issue during IPO of approximately RM18.1 million and withdrawal of cash pledged to banks as securities to secure banking facilities amounting to approximately RM0.6 million. This was partly offset by (i) repayment to directors of approximately RM3.0 million, (ii) repayment of term loans and hire purchase liabilities of approximately RM2.6 million, and (iii) interest paid of approximately RM0.4 million.

## VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2015

**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 in relation to the Group's FY2015 results 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.**

The Company completed its initial public offer ("IPO") in September 2014.

The Board remains optimistic about the Group's long term prospects. However, the operating performance for the new financial year will continue to be affected by the challenges and uncertainties in the markets in which we operate.

**11. Dividend**

**(a) Current Financial Period Reported On**

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Ordinary Share	0.5 Singapore cent
Tax Rate	One-Tier Tax Exempt

**(b) Corresponding Period of the Immediately Preceding Financial Year**

No dividend has been declared or recommended

**(c) Date payable**

To be announced at a later date.

**(d) Books closure date**

Notice will be given at a later date on the closure of the Share Transfer Books and Register of Members of the Company to determine members' entitlement to be dividend.

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

Not applicable.

**13. Interested Person Transactions**

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandated pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the existing shareholders' mandated pursuant to Rule 920 (excluding transactions less than S\$100,000)
	RM'000	RM'000
BSL Venture Sdn Bhd		
- Factory building lease expense	173	-
- Acquisition of motor vehicle	218	-

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").

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**14. Update on use of Initial Public Offer (“IPO”) proceeds**

As at the date of this announcement, the utilisation of the IPO proceeds is as follows:

<b>Intended Usage in accordance with the Offer Document</b>	<b>Allocation S\$'000</b>	<b>Amount utilised S\$'000</b>	<b>Amount unutilised S\$'000</b>
Acquisition of new machinery and setting up of new production facilities	3,765	409	3,356
Marketing, advertising and promotional activities	750	236	514
Working capital and general corporate activities	1,385	1,385	-
IPO expenses	1,600	1,663	(63)
<b>Total</b>	<b>7,500</b>	<b>3,693</b>	<b>3,807</b>

The Company will make periodic announcements on the use of proceeds as and when the funds are materially disbursed. Pending the deployment of the net proceeds from the IPO, the funds will be placed in deposits with banks and financial institutions, invested in money market instruments or used for the Group’s working capital.

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**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

15. **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	Unallocated RM'000	Total RM'000
<b>2015</b>				
<b>Revenue</b>				
External	36,874	22,910	-	59,784
<b>Results</b>				
Segment results	5,811	1,099	(3,862)	3,048
Finance costs	(376)	(4)	(1)	(381)
Profit before income tax	5,435	1,095	(3,863)	2,667
Income tax expense				(2,066)
Profit, net of tax				601
<b>Non-cash items</b>				
Depreciation of property, plant and equipment	(1,714)	(362)	(19)	(2,095)
Gains on disposal of plant and equipment	7	53	-	60
Intangible asset written off	-	-	199	199
Plant and equipment written off	19	35	-	54
<b>2014</b>				
<b>Revenue</b>				
External	42,339	36,500	-	78,839
<b>Results</b>				
Segment results	12,366	6,956	-	19,322
Finance costs	(511)	(8)	-	(519)
Profit before income tax	11,855	6,948	-	18,803
Income tax expense				(4,259)
Profit, net of tax				14,544
<b>Non-cash items</b>				
Depreciation of property, plant and equipment	(1,939)	(350)	-	(2,289)
Gains on disposal of plant and equipment	4	-	-	4
Plant and equipment written off	12	5	-	17

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16. 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.

17. A breakdown of sales as follows:

	FY2015 RM'000	FY2014 RM'000	% (+/-)
(a) Sales reported for first half year	32,336	38,404	(15.8)
(b) Profit after tax reported for first half year	1,833	6,569	(72.1)
(c) Sales reported for second half year	27,448	40,435	(32.1)
(d) (Loss)/Profit after tax reported for second half year	(1,232)	7,975	(115.4)

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

Total Annual dividend

	FY2015 <sup>(1)</sup> S\$'000	FY2014 S\$'000
Ordinary	675	-
Preference	-	-
Total	675	-

<sup>(1)</sup> Based on the final dividend of 0.5 Singapore cent per share proposed in respect of FY2015.

19. 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
Law Boon Seng	63	Father to CEO	Technical Adviser	
Lee Yuet Chin	55	Spouse to Law Boon Seng	Director of subsidiaries	
Law Siew May	58	Aunt to CEO	Manager	
Bevan Walters	42	Spouse to COO	Head of R&D	
Wong Hon Mui	37	Spouse to CEO	PA to CEO	Director of subsidiaries



## **VERSALINK HOLDINGS LIMITED**

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### **BY ORDER OF THE BOARD**

ARICA WALTERS  
Group Chief Operating Officer

29 April 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 Yee Chia Hsing, Head, Catalist. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*