



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

DISPOSAL OF SHAREHOLDING IN A DORMANT ASSOCIATED COMPANY

1. Introduction

The board of directors (the “**Board**” or “**Directors**”) of Versalink Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 28 March 2023 in relation to the completion of the sale of assets and business by the Company’s 34%-owned associated company, Alca Vstyle Sdn. Bhd. (“**Alca Vstyle**”). Following the completion of the sale of assets and business by Alca Vstyle, Alca Vstyle currently has no business activities and is a dormant associated company of the Group. For more information on the sale of assets and business by Alca Vstyle, please refer to the Company’s announcements dated 2 October 2022 and 28 March 2023.

The Board wishes to announce that the Company has, on 10 May 2023, entered into a share sale agreement (“**SSA**”) with Alca Vstyle and one of Alca Vstyle’s existing shareholders, Mr Yap Aik Soon (“**Purchaser**”), pursuant to which the Company has agreed to dispose of its entire shareholding interests of 340,000 ordinary shares in Alca Vstyle, constituting 34% of the issued share capital of Alca Vstyle (the “**Sale Shares**”), for an aggregate cash consideration of RM1, on the terms and subject to the conditions of the SSA (the “**Disposal**”).

Upon the completion of the Disposal, Alca Vstyle will cease to be a 34%-owned associated company of the Group,

2. Information Relating to Alca Vstyle and the Purchaser

Alca Vstyle is a private limited company duly incorporated in Malaysia. Alca Vstyle currently has no business activities and is a dormant associated company of the Group.

Alca Vstyle currently has a total issued and paid-up share capital of RM1,000,000 consisting of 1,000,000 ordinary shares. The shareholders of Alca Vstyle are (i) the Company (34%); (ii) Stylam Industries Ltd (“**Stylam**”) (34%); and (iii) the Purchaser (32%). Stylam, as well as its respective director(s) and shareholder(s), and the Purchaser are not related to the Company, its Directors and controlling shareholders, and their respective associates.

Based on the latest announced unaudited financial statements of the Group and of Alca Vstyle for the financial year ended 28 February (“**FY**”) 2023, (i) the book value represented by the Sale Shares was Nil as at 28 February 2023 as the Company has written off all its investment in Alca Vstyle in FY2019; and (ii) the net liability value and net tangible liability value represented by the Sale Shares was approximately RM606,758 (equivalent to approximately S\$180,906 based on an exchange rate of S\$1.00 : RM3.3540 (as extracted from Bloomberg L.P.) as at 9 May 2023, being the date immediately preceding the date of this announcement). There is no market value of the Sale Shares as the shares of Alca Vstyle are not publicly traded and no independent valuation of Alca Vstyle or the Sale Shares was undertaken.

3. Consideration

The consideration of RM1 for the Disposal, payable in cash by the Purchaser on or before the expiry of the 30 days’ period from the date of the SSA, was arrived at on a willing-buyer and willing-seller basis, taking into account, among others, (i) the financial condition of Alca Vstyle and the book value of the Sale Shares; and (ii) Alca Vstyle currently being a dormant associated company of the Group following the completion of the sale of assets and business by Alca Vstyle.

4. Rationale for the Disposal

As stated above, Alca Vstyle is now a dormant associated company of the Group, following the completion of the sale of assets and business by Alca Vstyle. The Disposal is part of the Company's strategic plans to streamline the Group's structure as the Company does not have any future business plan for Alca Vstyle. In addition, the Disposal is preferred to striking off of Alca Vstyle as the later will incur more cost to the Company. The Disposal will also allow the Company to achieve savings on administrative expenses.

5. Relative Figures under Rule 1006 of the Catalyst Rules

As (i) the absolute relative figures computed on the applicable bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst ("Catalist Rules") in respect of the Disposal do not exceed 5%; and (ii) the Disposal falls within the situation in paragraph 4.3(e) of Practice Note 10A of the Catalyst Rules, the Disposal constitutes a "non-disclosable transaction" under Chapter 10 of the Catalyst Rules.

6. Financial Effects of the Disposal

Based on the latest announced unaudited consolidated financial statements of the Group for FY2023, the book value represented by the Sale Shares as at 28 February 2023 amounted to Nil as the Company has written off all its investment in Alca Vstyle in FY2019. Upon completion of the Disposal, the Group will record a gain on the Disposal of RM1, which is not meaningful to the Group as the amount is immaterial.

The Disposal is not expected to have any material impact on the earnings per share or net tangible assets per share of the Company and the Group for the current financial year ending 28 February 2024.

7. Interests of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Disposal (other than through their respective shareholdings in the Company, if any).

8. Document Available for Inspection

A copy of the SSA is available for inspection at the registered office of the Company at 8 Wilkie Road #03-01 Wilkie Edge, Singapore 228095 during normal business hours for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD VERSALINK HOLDINGS LIMITED

LAW KIAN SIONG
Executive Director and Group Chief Executive Officer
10 May 2023

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.

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 Ms Goh Mei Xian, Director, ZICO Capital Pte. Ltd., at 77 Robinson Road #06-03 Robinson 77, Singapore 068896, telephone: +65 6636 4201.