



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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR FINANCIAL PERIOD ENDED 31 AUGUST 2014

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.

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 half year ended 31 August 2014 with the comparative results of the Group for the half year ended 31 August 2013 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.

	Group		
	31.08.2014	31.08.2013	%
	RM'000	RM'000	(+/-)
Revenue	32,336	38,404	(15.8)
Cost of sales	(20,709)	(23,890)	(13.3)
Gross profit	<u>11,627</u>	<u>14,514</u>	(19.9)
<u>Other Items of Income</u>			
Interest Income	85	61	39.3
Other Credits	516	331	55.9
<u>Other Items of Expense</u>			
Marketing and Distribution Expenses	(3,524)	(3,186)	10.6
Administrative Expenses	(5,456)	(3,196)	70.7
Finance Costs	(208)	(284)	(26.8)
Profit Before Tax	<u>3,040</u>	<u>8,240</u>	(63.1)
Income Tax Expense	(1,207)	(1,671)	(27.8)
Profit, Net of Tax	<u>1,833</u>	<u>6,569</u>	(72.1)
Other comprehensive income:			
Exchange differences arising from translation of foreign operations	(27)	-	nm*
Total Comprehensive Income for the Period	<u>1,806</u>	<u>6,569</u>	(72.5)
Profit, Net of Tax, Attributable to:			
Owners of the Company	1,833	6,569	(72.1)
Non-controlling Interest	-	-	
Profit, Net of Tax	<u>1,833</u>	<u>6,569</u>	(72.1)
Total Comprehensive Income for the Period Attributable to:			
Owners of the Company	1,806	6,569	(72.5)
Non-controlling Interest	-	-	
Total Comprehensive Income for the Period	<u>1,806</u>	<u>6,569</u>	(72.5)

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:

<u>Consolidated Statement of Comprehensive Income</u>	Group		% (+/-)
	31.08.2014 RM'000	31.08.2013 RM'000	
Depreciation	1,009	1,006	0.3
Foreign exchange gain, net	(465)	(311)	49.5
Interest Income	(85)	(61)	39.3
Interest Expenses	208	284	(26.8)
IPO expenses	1,734	-	100.0

*nm denotes not meaningful

VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Period Ended 31 August 2014

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
	31.08.2014 RM'000	28.02.2014 RM'000	31.08.2014 RM'000
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant and Equipment	25,392	25,363	-
Intangible assets	199	-	-
Investment in subsidiaries	-	-	44,915
Total Non-Current Assets	25,591	25,363	44,915
<u>Current Assets</u>			
Inventories	11,016	11,076	-
Trade Receivables	6,317	10,315	-
Other Assets	6,184	2,828	230
Amount owing by subsidiaries	-	-	8
Cash and Cash Equivalents	14,544	13,134	-
Total Current Assets	38,061	37,353	238
Total Assets	63,652	62,716	45,153
EQUITY AND LIABILITIES			
<u>Equity</u>			
Share Capital	44,415	3,479	44,415
Retained Earnings	1,775	40,878	(1,754)
Other reserves	(27)	-	(27)
Total Equity	46,163	44,357	42,634
<u>Non-Current Liabilities</u>			
Deferred Tax Liabilities	911	911	-
Other Financial Liabilities, Non-Current	982	1,490	-
Total Non-Current Liabilities	1,893	2,401	-
<u>Current Liabilities</u>			
Income Tax Payable	1,242	1,912	-
Trade and Other Payables	11,979	11,230	-
Amount owing to subsidiaries	-	-	2,519
Other Financial Liabilities, Current	2,375	2,816	-
Total Current Liabilities	15,596	15,958	2,519
Total Liabilities	17,489	18,359	2,519
Total Equity and Liabilities	63,652	62,716	45,153

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.

VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Period Ended 31 August 2014

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 31 August 2014		As at 28 February 2014	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Bankers' acceptance	185	138	725	296
Bank loans	1,219	-	1,459	-
Bank overdrafts	752	-	223	-
Finance lease payables	-	81	-	113
	2,156	219	2,407	409
Amount repayable after one year				
Bank loans	970	-	1,490	-
Finance lease payables	-	12	-	-
	970	12	1,490	-

Details of any collateral
Secured Borrowings

The Group's secured borrowings stood at RM3.1 million and RM3.9 million as at 31 August 2014 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;
- (iii) Fixed deposits with licensed banks.

VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Period Ended 31 August 2014

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	
	31.08.2014	31.08.2013
	RM'000	RM'000
<u>Cash Flows From Operating Activities</u>		
Profit before Tax	3,040	8,240
Adjustments for:		
Depreciation of Property, Plant and Equipment	1,009	1,006
Interest Income	(85)	(61)
Interest Expenses	208	284
Plant and Equipment Written Off	-	(8)
Operating Cash Flows before Changes in Working Capital	4,172	9,461
Inventories	87	(1,823)
Trade Receivables	4,153	(3,097)
Other Assets	(3,357)	(874)
Trade and Other Payables	3,651	3,976
Net Cash Flows From Operations	8,706	7,643
Income Taxes Paid	(1,877)	(601)
Net Cash Flows From Operating Activities	6,829	7,042
<u>Cash Flows From Investing Activities</u>		
Purchase of Property, Plant and Equipment	(814)	(393)
Acquisition of a subsidiary, net of cash acquired (Note A)	(398)	-
Interest Received	85	61
Net Cash Flows Used in Investing Activities	(1,127)	(332)
<u>Cash Flows From Financing Activities</u>		
Amount due to Directors	(3,047)	5,037
Other Financial Liabilities	(1,458)	(686)
Finance Lease Repayments	(83)	(644)
Interest Paid	(208)	(284)
Dividends Paid	-	(7,500)
Cash Restricted in Use	(20)	(30)
Net Cash Flows Used in Financing Activities	(4,816)	(4,107)
Effect of exchange rate changes	(27)	-
Net Increase in Cash and Cash Equivalents	859	2,603
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	11,494	10,452
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note B)	12,353	13,055

VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Period Ended 31 August 2014

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.

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>

	Group	
Note B:	31.08.2014	31.08.2013
	RM'000	RM'000
Cash and bank balances at end of the period	14,544	15,036
Bank overdrafts	(752)	(581)
Restricted cash in banks	(1,439)	(1,400)
Cash and cash equivalents per consolidated statement of cash flow	<u>12,353</u>	<u>13,055</u>

VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Period Ended 31 August 2014

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 period	-	-	1,833	1,833
Exchange differences on translation foreign operations	-	(27)	-	(27)
Total comprehensive income/(loss) for the financial year	-	(27)	1,833	1,806
Transactions with owners in their capacity as owners:				
Merger adjustment pursuant to restructuring exercise	40,936	-	(40,936)	-
Balance as at 31 August 2014	44,415	(27)	1,775	46,163

<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 period	-	-	6,569	6,569
Total comprehensive income for the financial year	-	-	6,569	6,569
Transactions with owners in their capacity as owners:				
Dividend paid	-	-	(7,500)	(7,500)
Balance as at 31 August 2013	3,479	-	35,903	39,382

VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Period Ended 31 August 2014

<u>Company</u>	Share Capital RM'000	Foreign currency Translation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Date of incorporation 21 April 2014	-	(1)	-	-
Issue of New Shares pursuant to the Restructuring Exercise	44,415	-	-	44,415
Loss for the financial period	-	-	(1,754)	(1,754)
Exchange differences on translation foreign operations		(27)	-	(27)
Balance as at 31 August 2014	<u>44,415</u>	<u>(27)</u>	<u>(1,754)</u>	<u>42,634</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.

	Number of Shares	Issued and paid-up share capital RM
As at date of incorporation 21 April 2014	1	3
Issue of New Shares pursuant to the Restructuring Exercise	109,999,999	44,414,680
As at 31 August 2014	<u>110,000,000</u>	<u>44,414,683</u>

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.

	As at 31.08.2014 '000	As at 28.02.2014 '000
Total number of issued shares (excluding treasury shares)	<u>110,000</u>	<u>3,479</u>

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.

VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Period Ended 31 August 2014

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 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.

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")	31.08.2014	31.08.2013
	RM'000	RM'000
Profit, net of tax, attributable to:		
Owners of the Company	1,833	6,569
	<hr/> <hr/>	<hr/> <hr/>
Weighted average number of ordinary shares		
	'000	'000
For calculation of:		
(a) Basic earnings per share	26,636	3,479
(b) Diluted earnings per share	26,636	3,479
	<hr/> <hr/>	<hr/> <hr/>
Earnings per ordinary share (Sen Ringgit Malaysia)		
(a) On weighted average number of ordinary shares on issue	6.88	188.82
(b) On a fully diluted basis	6.88	188.82
	<hr/> <hr/>	<hr/> <hr/>

VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Period Ended 31 August 2014

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	
	31.08.2014	28.02.2014	31.08.2014	28.02.2014
	RM'000	RM'000	RM'000	RM'000
NAV (Ringgit Malaysia)	46,163	44,357	42,634	NA
Number of ordinary shares '000	110,000	3,479	110,000	NA
NAV per ordinary share (Sen)	42.0	1,275.0	38.8	NA

NAV per ordinary share as at 31 August 2014 and 28 February 2014 are calculated based on the aggregate number of ordinary shares of 110,000,000 shares and 3,478,500 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:**
- 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 1H FY2015 compared to 1H FY2014

Revenue

The Group’s revenue decreased by 15.8% or RM6.1 million from RM38.4 million in 1H FY2014 to RM32.3 million in 1H FY2015.

The decrease was mainly due to lower revenue from both export and domestic segment.

Cost of sales and Gross profit

Due to lower revenue, cost of sales decreased by 13.3% from RM23.9 million in 1H FY2014 to RM20.7 million in 1H FY2015. As a result, our gross profit decreased by 19.9% from RM14.5 million in 1H FY2014 to RM11.6 million in 1H FY2015. Gross profit margin decreased marginally from 37.8% in 1H FY2014 to 35.9% in 1H FY2015.

Other Items of Income

Other income in 1H FY2015 was approximately RM0.6 million as compared to RM0.4 million in 1H FY2014. It was higher by approximately 53.3% mainly due to higher gain on foreign exchange and interest income received.

Marketing and Distribution Expenses

Marketing and distribution expenses increased by approximately RM0.3 million or 10.6% from RM3.2 million in 1H FY2014 to RM3.5 million in 1H FY2015. The was mainly due to the increase in (i) installation cost of approximately RM0.7 million, and (ii) logistic expenses of approximately RM0.1 million. However, this is partly offset by lower sales commission of approximately RM0.5 million.

Administrative expenses

Administrative expenses increased by approximately RM2.3 million or 70.7% from RM3.2 million in 1H FY 2013 to RM5.5 million in 1H FY2015. The increase was mainly due to the professional fees and the other incidental expenses of RM1.8 million charged to the income statement in 1H FY2015 in relation to the Company's IPO and higher staff costs of RM0.5 million from higher headcount.

Finance costs

Finance costs decrease by approximately RM0.08 million or 26.8% from RM0.29 million in 1H FY2015 to RM0.21 million in 1H FY2014. The decrease was mainly due to partial repayment of term loan and hire purchase facilities.

Income tax expenses

Despite of lower profit achieved, the Group recorded a higher effective tax rate of 39.7 % for 1H FY2015 as compared to 20.2% for 1H 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 reported a net profit after tax of RM1.8 million for 1H FY2015 as compared to a net profit of RM6.6 million for 1H FY2014.

Consolidated Statement of Financial Position as at 31 August 2014**Non-current assets**

As at 31 August 2014, the Group's non-current assets amounted to RM25.6 million or approximately 40.2% of the Group's total assets and comprised property, plant and equipment and intangible assets.

The increased in Group's non-current assets by RM0.2 million as compared to RM25.4 million as at 28 February 2014 was mainly due to the acquisition of additional property plant and equipment in the current financial period and the intangible assets recognised which arising from acquisition of a subsidiary. The increased was partly offset by depreciation charged in the current financial period.

Current assets

As at 31 August 2014, the Group's current assets amounted to RM38.0 million comprising inventories, trade receivables, other assets, and cash and cash equivalents which accounted for 59.8% of the Group's total assets.

As at 31 August 2014, a total of RM11.0 million in inventories were recorded as compared to RM11.0 million recorded as at 28 February 2014.

The trade receivables of RM6.3 million were recorded as at 31 August 2014 which is lower of approximately RM4.0 million than the trade 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 period.

As at 31 August 2014, the Groups' other assets amounted to approximately RM6.2 million or 16.2% of the Group's current assets. The increase in other assets of RM3.4 million as compared to other assets recorded as at 28 February 2014 of RM2.8 million was mainly attributable to the advance payments make for overseas purchases.

VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Period Ended 31 August 2014

The Group's cash and cash equivalents as at 31 August 2014 stood at RM14.5 million, an increase of RM1.4 million as compared to RM13.1 million as at 28 February 2014.

Non-current liabilities

The Group's non-current liabilities decreased by approximately of RM0.5 million from RM2.4 million as at 28 February 2014 to RM1.9 million as at 31 August 2014 mainly due to reduction in non-current bank borrowings and finance lease obligations.

Current liabilities

As at 31 August 2014, the Group's current liabilities amounted to approximately RM15.6 million or approximately 89.2% of the Group's total liabilities and comprised the following:-

- (i) Income tax payable of approximately RM1.2 million or approximately 8.0% of the Group's current liabilities. The decrease in income tax payable as compared to RM1.9 million as at 28 February 2014 was mainly due to the scheduled payment of tax instalments for the current financial period under review.
- (ii) Trade and other payables of approximately RM11.9 million or approximately 76.8% of our current liabilities which consist mainly of trade payables of approximately RM8.3 million and other payables of approximately RM3.6 million.
- (iii) Other financial liabilities of approximately RM2.4 million or 15.2% of the Group's current liabilities, which consisted mainly of (i) term loans of approximately RM1.2 million, (ii) banker's acceptances of approximately RM0.3 million, (iii) bank overdrafts of approximately RM0.8 million and (iv) finance lease of approximately RM0.1 million.

Shareholders' equity

As at 31 August 2014, the Group's shareholders' equity of approximately RM46.2 million comprised share capital of approximately RM44.4 million and retained earnings of approximately RM42.7 million and offset by merger deficit of approximately RM40.9 million.

Consolidated Statement of Cash Flow for Period Ended 31 August 2014

As at 31 August 2014, the Group recorded cash and cash equivalents of RM12.3 million as compared to RM13.0 million as at 31 August 2013.

In the current financial period ended 31 August 2014, net cash generated from operating activities amounted to RM6.8 million.

Net cash used in investing activities amounted to approximately RM1.1 million. This was mainly due to purchase of property, plant and equipment of approximately RM0.8 million, net cash outflow for acquisition of a subsidiary of approximately RM0.4 million and partly offset by interest received of approximately RM0.1 million.

Net cash used in financing activities amounted to approximately RM4.8 million. This was mainly due to (i) repayment to directors of approximately RM3.0 million, (ii) repayment of term loans and hire purchase liabilities of approximately RM1.6 million, and (iii) interest paid of approximately RM0.2 million.

VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Period Ended 31 August 2014

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

As disclosed on page 127 of the Offer Document dated 16 September 2014 (“Prospectus”), our Directors expect that our profit for the financial period for the half year ended 31 August 2014 may be significantly lower than the corresponding period of the previous year.

Our actual results are thus generally in line with the above-mentioned statement.

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.

Please refer to the Prospectus for further details on industry trends and the Group’s prospects. The Group is expected to remain profitable.

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

12. If not dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended.

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	58	-

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”).



VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Period Ended 31 August 2014

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:

Intended Usage in accordance with the Offer Document	Allocation S\$'000	Amount utilised S\$'000	Amount unutilised S\$'000
Acquisition of new machinery and setting up of new new production facilities	3,765	-	3,765
Marketing, advertising and promotional activities	750	87	663
Working capital and general corporate activities	1,385	-	1,385
IPO expenses	1,600	1,379	221
Total	7,500	1,466	6,034

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 or invested in money market instruments or used for the Group’s working capital.

15. Negative Confirmation pursuant to rule 705(5)

We, Matthew Law and Arica Walters, being the two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 31 August 2014 to be false or misleading.

MATTHEW LAW
Chief Executive Officer

ARICA WALTERS
Chief Operating Officer

BY ORDER OF THE BOARD

ARICA WALTERS
Chief Operating Officer

3 November 2014

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.