



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

PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

1. INTRODUCTION

- 1.1 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 announcements dated 12 July 2022 and 23 September 2022 (the “**Previous Announcements**”) relating to the proposed sale by the Company’s wholly-owned subsidiary, Jemaramas Jaya Sdn Bhd, of the parcel of land held under HSD 158275, PT No. 76085, Mukim Kapar, Daerah Klang, Negeri Selangor together with the buildings erected thereon bearing the postal address Lot 6119, Jalan Haji Salleh Batu 5 ½ off Jalan Meru 41050 Klang, Selangor to RHB Trustees Berhad as trustee for Axis Real Estate Investment Trust (the “**Proposed Sale**”).

Unless otherwise defined herein or the context otherwise requires, all capitalised terms used herein shall bear the meanings ascribed thereto in the Previous Announcements.

- 1.2 Further to the Previous Announcements, in view that the Net Proceeds from the Proposed Sale exceeds the working capital needs of the Group, the Board has proposed that, subject to the completion of the Proposed Sale, a capital reduction exercise (the “**Proposed Capital Reduction**”) be carried out by the Company pursuant to Section 78A read with Section 78C of the Companies Act 1967 (the “**Companies Act**”) and part of the Net Proceeds be returned to Shareholders by way of a cash distribution (the “**Proposed Cash Distribution**”).
- 1.3 Unless otherwise stated, all currency translations of S\$ and RM used herein are based on an exchange rate of RM1.00: S\$0.2995 (as extracted from Bloomberg L.P.) as at 31 October 2022.

2. PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

2.1 Brief Information

The Company is proposing to undertake the Proposed Capital Reduction pursuant to Section 78A read with Section 78C of the Companies Act. Section 78C of the Companies Act requires that a public company proposing to undertake a capital reduction exercise should, *inter alia*, obtain the approval of its shareholders at a general meeting by way of a special resolution to be tabled at such general meeting.

As at 31 October 2022, based on records maintained by Accounting and Corporate Regulatory Authority of Singapore, the Company had an issued and paid-up share capital of S\$24,835,941.67 comprising 135,000,000 issued Shares. The Company did not have any outstanding convertibles, treasury shares or subsidiary holdings.

The Proposed Capital Reduction and Proposed Cash Distribution will involve:

- (a) a reduction of the issued and paid-up share capital of the Company by the sum of S\$8,100,000 (equivalent to approximately RM27,045,000) from S\$24,835,941.67 to S\$16,735,941.67; and
- (b) a cash distribution to Shareholders of the sum of S\$8,100,000, being S\$0.06 for each Share held by a Shareholder as at a record date to be determined by the Directors.

Further details on the Proposed Capital Reduction and Proposed Cash Distribution are set out in the Circular (as defined below).

2.2 Rationale

The Directors are of the view that the Proposed Capital Reduction and Proposed Cash Distribution is in the best interests of the Company as it will allow the Company to distribute part of the Net Proceeds from the Proposed Sale, which the Group does not require for its working capital, to Shareholders.

In addition, the Proposed Capital Reduction will result in the Company having a more efficient capital structure, thereby also improving Shareholders' return on equity.

2.3 Conditions

The Proposed Capital Reduction and Proposed Cash Distribution is subject to, amongst others:

- (a) the completion of the Proposed Sale;
- (b) the approval of the Shareholders by way of a special resolution for the Proposed Capital Reduction (that is, approval by a majority of not less than three-fourths of Shareholders present and voting) at the EGM, of which not less than 21 days' notice shall have been given; and
- (c) the compliance by the Company and the Directors with the requirements of the Companies Act.

Further details on the conditions for the Proposed Capital Reduction and Proposed Cash Distribution are set out in the Circular (as defined below).

3. **EXTRAORDINARY GENERAL MEETING**

An EGM will be convened and held by electronic means on 25 November 2022 at 11.00 a.m. to seek Shareholders' approval for the Proposed Sale and the Proposed Capital Reduction and Proposed Cash Distribution.

A circular to Shareholders (the "**Circular**") containing further information on the Proposed Sale and the Proposed Capital Reduction and Proposed Cash Distribution, together with the notice of EGM and accompanying proxy form, has been issued and published today on SGXNet and on the Company's corporate website at <https://versalink.com/ir-page/>.

BY ORDER OF THE BOARD VERSALINK HOLDINGS LIMITED

LAW KIAN SIONG
Executive Director and Group Chief Executive Officer
3 November 2022

*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.