

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 2019

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		
	FY2019	FY2018	%
	RM'000	RM'000	+ / (-)
Revenue	50,745	62,675	(19.0)
Cost of sales	(38,858)	(44,700)	(13.1)
Gross profit	11,887	17,975	(33.9)
<u>Other items of income</u>			
Interest income	183	424	(56.8)
Other gains	967	1,114	(13.2)
<u>Other items of expense</u>			
Marketing and distribution expenses	(7,936)	(9,523)	(16.7)
Administrative expenses	(9,630)	(9,864)	(2.4)
Other losses	(4,235)	(1,948)	nm*
Finance costs	(353)	(414)	(14.7)
Loss before tax	(9,117)	(2,236)	nm*
Income tax credit/(expense)	840	(120)	nm*
Loss, net of tax	(8,277)	(2,356)	nm*
<u>Other comprehensive income (loss):</u>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations, net of tax	1	(5)	nm*
Total comprehensive loss for the year	(8,276)	(2,361)	nm*
(Loss)/Profit, net of tax attributable to:			
Owners of the Company	(6,978)	(2,518)	177.1
Non-controlling Interest	(1,299)	162	nm*
Loss, net of tax	(8,277)	(2,356)	251.3
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company	(6,977)	(2,523)	176.5
Non-controlling Interest	(1,299)	162	nm*
Total comprehensive loss for the year	(8,276)	(2,361)	nm*

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

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

<u>Consolidated Statement of Comprehensive Income</u>	Group		%
	FY2019 RM'000	FY2018 RM'000	
Depreciation of property, plant and equipment	2,626	2,644	(0.7)
Amortisation of intangible assets	-	182	nm*
Bad debts written off	39	182	(78.6)
Foreign exchange adjustment losses, net	394	409	(3.7)
Gains on disposal plant and equipment	(77)	(2)	nm*
Interest income	(183)	(424)	(56.8)
Interest expenses	353	414	(14.7)
Intangible asset written off	-	546	nm*
Inventories written down	241	615	(60.8)
Allowance for impairment of trade receivables			
- individually impaired	3,800	39	nm*
Plant and equipment written off	3	590	(99.5)
Write back of allowance for impairment on trade receivables			
- collectively impaired	(268)	-	nm*
- individually impaired	-	(869)	nm*

*nm denotes not meaningful

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2019

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	
	28.02.2019	28.02.2018	28.02.2019	28.02.2018
	RM'000	RM'000	RM'000	RM'000
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	32,556	29,042	-	-
Intangible asset	-	-	-	-
Investment in subsidiaries	-	-	60,510	61,224
Other receivables, non-current	-	-	493	688
Total non-current assets	32,556	29,042	61,003	61,912
<u>Current assets</u>				
Asset held for sale under FRS 105	1,259	-	-	-
Inventories	13,770	14,920	-	-
Trade and other receivables, current	4,593	12,667	7,527	7,000
Other assets, current	4,041	6,572	28	31
Other financial assets, current	2,801	6,264	-	-
Cash and cash equivalents	6,190	6,742	55	233
Total current assets	32,654	47,165	7,610	7,264
Total assets	65,210	76,207	68,613	69,176
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share capital	62,513	62,513	62,513	62,513
Reserves	(8,264)	(744)	5,802	6,380
Equity attributable to owner of the parent	54,249	61,769	68,315	68,893
Non-controlling interests	(451)	848	-	-
Total equity	53,798	62,617	68,315	68,893
<u>Non-current liabilities</u>				
Deferred tax liabilities	173	1,053	-	-
Other financial liabilities, non-current	286	1,465	-	-
Total non-current liabilities	459	2,518	-	-
<u>Current liabilities</u>				
Liability associated with asset held for sale	1,036	-	-	-
Income tax payable	-	4	-	4
Trade and other payables, current	7,704	8,817	298	279
Other financial liabilities, current	2,213	2,251	-	-
Total current liabilities	10,953	11,072	298	283
Total liabilities	11,412	13,590	298	283
Total equity and liabilities	65,210	76,207	68,613	69,176

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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		Group	
	As at 28 February 2019		As at 28 February 2018	
	Secured	Unsecured	Secured	Unsecured
	RM'000	RM'000	RM'000	RM'000
Bankers' acceptance	782	401	902	551
Bank loans	-	118	28	123
Bank overdrafts	569	317	-	623
Finance lease payables	26	-	24	-
	<u>1,377</u>	<u>836</u>	<u>954</u>	<u>1,297</u>
Amount repayable after one year				
Bank loans	-	85	1,035	203
Finance lease payables	201	-	227	-
	<u>201</u>	<u>85</u>	<u>1,262</u>	<u>203</u>

Details of any collateral

Secured borrowings

The Group's secured borrowings stood at RM1.6 million and RM2.2 million as at 28 February 2019 and 28 February 2018 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) Joint and several guarantees by the non-controlling shareholders of a subsidiary;
- (iii) Corporate guarantee for RM1,900,000 executed by Versalink Marketing Sdn. Bhd. to Jemaramas Jaya Sdn. Bhd.; and
- (iv) Pledged of fixed deposits.

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2019

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	
	FY2019	FY2018
	RM'000	RM'000
<u>Cash flows from/(used in) operating activities</u>		
Loss before tax	(9,117)	(2,236)
Adjustments for:		
Amortisation of intangible asset	-	182
Depreciation of property, plant and equipment	2,626	2,644
Gains on disposal of plant and equipment	(77)	(2)
Interest income	(183)	(424)
Interest expenses	353	414
Impairment allowance on intangible asset-loss	-	546
Plant and equipment written off	3	590
Operating cash flows before changes in working capital	(6,395)	1,714
Inventories	1,150	(3,209)
Trade and other receivables	7,027	(2,991)
Other assets	1,930	(1,352)
Other financial assets (Note C)	3,463	6,849
Trade and other payables	(1,113)	(808)
Net cash flows from operations	6,062	203
Income taxes refund/(paid)	545	(591)
Net cash flows from/(used in) operating activities	6,607	(388)
<u>Cash flows used in investing activities</u>		
Purchase of property, plant and equipment	(6,885)	(2,033)
Proceeds from disposal of plant and equipment	77	5
Acquisition of a subsidiary, net of cash acquired (Note B)	-	(654)
Interest received	183	424
Net cash flows used in investing activities	(6,625)	(2,258)
<u>Cash flows used in financing activities</u>		
Increase in other financial liabilities	(421)	89
Finance lease repayments	(24)	(10)
Interest paid	(353)	(414)
Cash restricted in use	296	(355)
Net cash flows used in financing activities	(502)	(690)
Effect of foreign exchange rate adjustments	1	(5)
Net decrease in cash and cash equivalents	(519)	(3,341)
Cash and cash equivalents, statement of cash flows, beginning balance	4,909	8,250
Cash and cash equivalents, statement of cash flows, ending balance (Note A)	4,390	4,909

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2019

Note A:

	Group	
	FY2019	FY2018
	RM'000	RM'000
Cash and bank balances at end of the period	6,190	6,742
Bank overdrafts	(886)	(623)
Restricted cash in banks pledged for bank facilities	(914)	(1,210)
Cash and cash equivalents per consolidated statement of cash flow	4,390	4,909

Note B: Net cash outflow on acquisition of a subsidiary

On 1 March 2017, the Group acquired 51% share capital in Alca Vstyle Sdn Bhd ("Alca") for the purchase consideration consisting of cash RM0.1 million and 510,000 ordinary shares of the Company.

Note C:

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.**

Group	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	(Accumulated Losses)/ Retained Earnings RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Balance at 1 March 2018	62,513	7	(751)	848	62,617
Effect on adoption of SFRS (I)9	-	-	(543)	-	(543)
Adjusted balance as at 1 March 2018	62,513	7	(1,294)	848	62,074
Loss for the financial year	-	-	(6,978)	(1,299)	(8,277)
Exchange differences on translation foreign operations	-	1	-	-	1
Total comprehensive income/(loss) for the year	-	1	(6,978)	(1,299)	(8,276)
Balance at 28 February 2019	62,513	8	(8,272)	(451)	53,798
Balance at 1 March 2017	62,513	12	1,767	-	64,292
(Loss)/Profit for the financial year	-	-	(2,518)	162	(2,356)
Exchange differences on translation foreign operations	-	(5)	-	-	(5)
Total comprehensive (loss)/income for the year	-	(5)	(2,518)	162	(2,361)
Acquisition of a subsidiary	-	-	-	686	686
Balance at 28 February 2018	62,513	7	(751)	848	62,617

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<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 2018	62,513	-	6,380	68,893
Total comprehensive loss for the year	-	-	(578)	(578)
Balance at 28 February 2019	<u>62,513</u>	<u>-</u>	<u>5,802</u>	<u>68,315</u>
Balance at 1 March 2017	62,513	-	6,067	68,580
Total comprehensive income for the year	-	-	313	313
Balance at 28 February 2018	<u>62,513</u>	<u>-</u>	<u>6,380</u>	<u>68,893</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 since the end of the current financial year and as at the end of the immediately preceding year.

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

- 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 28.02.2019 '000	As at 28.02.2018 '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 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 2019

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 2018.

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 Singapore Financial Reporting Standards (International) ("SFRS(I)") and all the new and revised standards and Interpretations of SFRS(I) ("Int SFRS(I)") that are relevant to its operations and effective for the financial period on or after 1 March 2018, where applicable.

The adoption of these new and revised standards from the effective date is not expected to result in any material adjustments to the financial statements to the Group for the current financial reporting period.

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating.

The Group has opted for the exemption in SFRS(I) 1 allowing it not to restate comparative information in the FY2018 SFRS(I) financial statements when adopting SFRS(I) 9. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in opening retained earnings as at 1 March 2018.

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	
	FY2019 RM'000	FY2018 RM'000
Loss from continuing operations, net of tax attributable to:		
Owners of the Company	(6,978)	(2,518)
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	(5.17)	(1.87)
(b) On a fully diluted basis	(5.17)	(1.87)

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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	
	28.02.2019	28.02.2018	28.02.2019	28.02.2018
NAV (RM'000)	54,249	61,769	68,315	68,893
Number of ordinary shares ('000)	135,000	135,000	135,000	135,000
NAV per ordinary share (Sen Ringgit Malaysia)	40.2	45.8	50.6	51.0

NAV per ordinary share as at 28 February 2019 and 28 February 2018 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:
- (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 FY2019 compared to FY2018

Revenue

The Group's revenue decreased by approximately RM11.9 million or 19.0% from approximately RM62.6 million in FY2018 to approximately RM50.7 million in FY2019.

The decrease was mainly due to lower revenue from both export and domestic segments. Export segment recorded a lower revenue of approximately RM30.3 million in FY2019 compared to approximately RM31.2 million in FY2018 while domestic segment also recorded a lower revenue of approximately RM20.4 million in FY2019 compared to approximately RM31.4 million in FY2018. The decrease in revenue was also attributable to a reduction in securing project tender of sizable amount from contractors and distributors; and is further impacted by the lower sales revenue generated in retail businesses.

Cost of sales and Gross profit

The Group's cost of sales decreased by approximately RM5.8 million or 13.1% from approximately RM44.7 million in FY2018 to approximately RM38.9 million in FY2019. The gross margin decreased from 28.7% in FY2018 to 23.4% in FY2019.

Other Items of Income

Other items of income decreased by approximately RM0.3 million or approximately 25.2% from approximately RM1.5 million in FY2018 to approximately RM1.2 million in FY2019. The decrease in other items of income was mainly due to (i) lower interest income of RM0.2 million in FY2019; and (ii) lower write back of allowance for impairment on trade receivables approximately RM0.6 million in FY2019. However, the decrease was partly offset by interest compensation on debt recovery of trade receivables approximately RM0.5 million in FY2019.

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Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2019

Marketing and distribution expenses

Marketing and distribution expenses decreased by approximately RM1.6 million or 16.7% from approximately RM9.5 million in FY2018 to approximately RM7.9 million in FY2019. This was mainly due to decrease in (i) staff cost of RM0.6 million; (ii) commission of RM0.4 million; (iii) rental of showroom of RM0.3 million; (iv) depreciation expenses of RM0.2 million; and (v) drawing and design fees of RM0.2 million. However, the decrease was partly offset by an increase in consultancy fees of approximately RM0.1 million in FY2019.

Administrative expenses

Administrative expenses decreased by approximately RM0.2 million or 2.4% from approximately RM9.8 million in FY2018 to approximately RM9.6 million in FY2019. This was mainly due to decrease in (i) staff cost of approximately RM0.4 million; (ii) certification expenses of approximately RM0.1 million; and (iii) insurance of approximately RM0.1 million. However, the decrease was partly offset by an increase in recruitment levy fees of approximately RM0.4 million.

Other losses

Other losses increased by approximately RM2.3 million from approximately RM1.9 million in FY2018 to approximately RM4.2 million in FY2019. The increase was mainly due to higher allowance for impairment on trade receivables of approximately RM3.8 million in FY2019. However, the increase was partly offset by (i) lower of plant and equipment written off of approximately RM0.6 million; and (ii) amortisation and written off of intangible assets totalling RM0.7 million in FY2018 as well as (iii) bad debt written off of approximately RM0.2 million recorded in FY2018.

Finance costs

Finance costs was recorded at approximately RM0.4 million for both FY2019 and FY 2018.

Income tax credit

The income tax credit for FY2019 comprise mainly from reversal of deferred tax liabilities of approximately RM0.9 million and partly offset by underprovision for taxation in FY2018 of approximately RM0.1 million.

Loss, net of tax

As a result of the above, the Group reported a net loss after tax of approximately RM8.3 million in FY2019 as compared to a net loss after tax of approximately RM2.4 million in FY2018.

Consolidated Statement of Financial Position as at 28 February 2019**Non-current assets**

As at 28 February 2019, the Group's non-current assets amounted to approximately RM32.6 million or approximately 49.9% of the Group's total assets and mainly comprised property, plant & equipment.

Current assets

As at 28 February 2019, the Group's current assets amounted to approximately RM32.7 million or approximately 50.1% of the Group's total assets and comprised the following:

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- (i) asset held for sales of approximately RM1.3 million or approximately 3.9% of the Group's current assets
- (ii) inventories of approximately RM13.8 million or 42.1% of the Group's current assets, which comprised raw materials, work-in-progress and finished goods;
- (iii) trade and other receivables of approximately RM4.6 million or 14.0% of the Group's current assets;
- (iv) other assets of approximately RM4.0 million or 12.4% of the Group's current assets;
- (v) other financial assets of approximately RM2.8 million or approximately 8.6% of the Group's current assets which comprise mainly investments in short to medium-term fixed income fund;
- (vi) cash and cash equivalents of approximately RM6.2 million or 19.0% of the Group's current assets,

Non-current liabilities

As at 28 February 2019, the Group's non-current liabilities amounted to approximately RM0.5 million or approximately 4.0% of the Group's total liabilities and comprised deferred tax liabilities of RM0.2 million and other financial liabilities of RM0.3 million.

Current liabilities

As at 28 February 2019, the Group's current liabilities amounted to approximately RM10.9 million or approximately 96.0% of the Group's total liabilities and comprised the following:

- (i) liability held for sales under FRS 105 of approximately RM1.0 million or approximately 9.5% of the Group's current liabilities;
- (ii) Trade and other payables of approximately RM7.7 million or approximately 70.3% of the Group's current liabilities which consist mainly of trade payables of approximately RM4.3 million and other payables of approximately RM3.4 million;
- (iii) Other financial liabilities of approximately RM2.2 million or 20.2% of the Group's current liabilities.

Shareholders' equity

As at 28 February 2019, the Group's equity attributable to equity holders was approximately RM54.2 million, comprising share capital of approximately RM62.5 million, and net capital deficit of approximately RM8.3 million.

As at 28 February 2019, the Group's non-controlling interests was in deficit of approximately RM0.4 million.

Consolidated Statement of Cash Flow for Year Ended 28 February 2019

As at 28 February 2019, the Group recorded cash and cash equivalents of approximately RM4.4 million as compared to approximately RM4.9 million as at 28 February 2018.

In the current financial year ended 28 February 2019, net cash from operating activities amounted to approximately RM6.6 million as compared to net cash used in approximately RM0.4 million for the financial year ended 28 February 2018.

Net cash used in investing activities for the year ended 28 February 2019 amounted to approximately RM6.6 million. This was mainly due to purchase of plant and equipment of approximately RM6.9 million and partially offset by (i) interest received of approximately RM0.2 million and (ii) proceeds from disposal of plant and equipment of RM0.1 million.

Net cash used in financing activities amounted to approximately RM0.5 million. This was mainly due to (i) repayment of bankers' acceptance of approximately RM0.3 million; (ii) interest paid of approximately RM0.3 million; and (iii) repayment of term loans and hire purchase liabilities of approximately RM0.2 million and it was partially offset by withdrawal of cash pledged to banks as securities to secure banking facilities amounting to approximately RM0.3 million.

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- 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.**

The operating performance for the next 12 months will continue to be affected by the challenges and uncertainties arising from the global and Malaysia economy. Nonetheless, the Group will continue to explore and develop new business opportunities both in Malaysia and overseas, whilst managing its costs effectively with the objective of maximizing its shareholders' value.

The Group shall remain prudent in lieu of the challenging market environment to sustain business growth in both Malaysia and overseas.

- 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 no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared or recommended.

- 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.

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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:

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 production facilities	3,765	3,710	55
Marketing, advertising and promotional activities	750	750	-
Working capital and general corporate activities	1,385	1,385	-
IPO expenses	1,600	1,655	(55)
Total	7,500	7,500	-

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 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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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 2019			
Revenue by segment			
Total revenue by segment	38,108	21,761	59,869
Inter-segment sales	(7,765)	(1,359)	(9,124)
Total revenue	30,343	20,402	50,745
Cost of sales by segment			
Total cost of sales by segment	(31,739)	(15,210)	(46,949)
Inter-segment cost of sales	7,768	323	8,091
Total cost of sales	(23,971)	(14,887)	(38,858)
Gross profit	6,372	5,515	11,887
Recurring EBITDA			(6,138)
Finance costs			(353)
Depreciation and amortisation			(2,626)
Loss before tax from continuing operations			(9,117)
Income tax credit			840
Loss from continuing operations, net of tax			(8,277)
Continuing operations 2018			
Revenue by segment			
Total revenue by segment	42,142	33,718	75,860
Inter-segment sales	(10,936)	(2,249)	(13,185)
Total revenue	31,206	31,469	62,675
Cost of sales by segment			
Total cost of sales by segment	(34,140)	(22,585)	(56,725)
Inter-segment cost of sales	11,031	994	12,025
Total cost of sales	(23,109)	(21,591)	(44,700)
Gross profit	8,097	9,878	17,975
Recurring EBITDA			1,004
Finance costs			(414)
Depreciation and amortisation			(2,826)
Loss before tax from continuing operations			(2,236)
Income tax expense			(120)
Loss from continuing operations, net of tax			(2,356)

VERSALINK HOLDINGS LIMITED

Unaudited Financial Statements and Dividend Announcement for Financial Year Ended 28 February 2019

- 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:**

	FY2019 RM'000	FY2018 RM'000	% (+/-)
(a) Sales reported for first half year	28,999	33,262	(12.8)
(b) Loss after tax reported for first half year	(1,254)	(704)	78.1
(c) Sales reported for second half year	21,746	29,413	(26.1)
(d) Loss after tax reported for second half year	(7,023)	(1,652)	nm*

- 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
Law Siew May	62	Aunt to CEO	Manager	
Wong Hon Mui	41	Spouse to CEO	PA to CEO	Director of subsidiaries

BY ORDER OF THE BOARD

MATTHEW LAW
Group Chief Executive Officer

29 April 2019

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules"). 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, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.