

CIRCULAR DATED 3 NOVEMBER 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the contents herein or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

This Circular is issued by Versalink Holdings Limited (the “**Company**”). Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled “DEFINITIONS”.

If you have sold or transferred all your Shares in the Company, you should immediately inform the purchaser or transferee, or the bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular, together with the Notice of EGM and accompanying Proxy Form, may be accessed via SGXNet and the Company’s corporate website at <https://versalink.com/ir-page/>.

This Circular has been prepared by the Company and its contents have been reviewed by the Sponsor in accordance with Rule 226(2)(b) of the Catalist Rules.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular.

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.

The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Circular, together with the Notice of EGM and accompanying Proxy Form, will not be sent to members. Instead, this Circular, together with the Notice of EGM and accompanying Proxy Form, has been made available on SGXNet at <https://www.sgx.com/securities/company-announcements> and on the Company’s corporate website at <https://versalink.com/ir-page/>.

Alternative arrangements relating to participation in the EGM proceedings via electronic means, submission of questions in advance of the EGM or during the EGM, and voting during the EGM or by appointing a proxy or proxies (including the Chairman of the Meeting as proxy) at the EGM, are set out in this Circular.



VERSALINK HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201411394N)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) PROPOSED SALE OF PROPERTY; AND**
- (2) PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form : 23 November 2022 at 11.00 a.m.

Date and time of EGM : 25 November 2022 at 11.00 a.m.

Place of EGM : The EGM will be held by electronic means (please refer to the Notice of EGM for information on how to participate in the EGM)

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“Adjacent Land”	:	Has the meaning ascribed to it in paragraph 2.7.1 of this Circular
“Agreed Compensation”	:	Has the meaning ascribed to it in paragraph 2.5.2 of this Circular
“Associate”	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“AXIS-REIT”	:	Axis Real Estate Investment Trust
“Balance Deposit”	:	Has the meaning ascribed to it in paragraph 2.5.1 of this Circular
“Balance Purchase Price”	:	Has the meaning ascribed to it in paragraph 2.5.1 of this Circular
“Board”	:	The board of Directors of the Company as at the date of this Circular or from time to time, as the case may be
“Catalist”	:	The Catalist board of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Chargee”	:	United Overseas Bank (Malaysia) Berhad, the existing chargee of the Property
“Circular”	:	This circular to Shareholders dated 3 November 2022 in relation to the Proposed Transactions

DEFINITIONS

“Companies Act”	:	The Companies Act 1967 of Singapore, as amended or modified or supplemented from time to time
“Company”	:	Versalink Holdings Limited
“Completion Date”	:	Has the meaning ascribed to it in paragraph 2.5.3 of this Circular
“Completion Period”	:	Has the meaning ascribed to it in paragraph 2.5.1 of this Circular
“Conditional Period”	:	Has the meaning ascribed to it in paragraph 2.6.1 of this Circular
“Condition Precedent”	:	Has the meaning ascribed to it in paragraph 2.6.1 of this Circular
“Controlling Shareholder”	:	A person who: (a) holds, directly or indirectly, 15% of more of the total number of voting Shares (excluding treasury shares) in the Company; or (b) in fact exercises control over the Company
“Cut-Off Date”	:	Has the meaning ascribed to it in paragraph 2.7.1 of this Circular
“Deposit”	:	Has the meaning ascribed to it in paragraph 2.5.1 of this Circular
“Director”	:	A director of the Company as at the date of this Circular or from time to time, as the case may be
“Effective Date”	:	The date on which the Proposed Capital Reduction becomes effective
“EGM”	:	The extraordinary general meeting of the Company to be held on 25 November 2022 at 11.00 a.m., notice of which is set out on pages 22 to 25 of this Circular
“Entitled Shareholders”	:	Has the meaning ascribed to it in section 3.5.1 of this Circular
“EPS”	:	Earnings per Share
“FY”	:	Financial year ended, or as the case may be, ending 28 February
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	31 October 2022, being the latest practicable date prior to the date of issue of this Circular
“Letter of Update”	:	The letter of update dated 22 September 2022 issued by the Valuer for the purpose of updating the valuation of the Property under the Valuation Report to the market value as at 22 September 2022

DEFINITIONS

“LPS”	:	Loss per Share
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Net Proceeds”	:	Has the meaning ascribed to it in section 2.9 of this Circular
“Notice of EGM”	:	The notice of EGM dated 3 November 2022 as set out on pages 22 to 25 of this Circular
“NTA”	:	Net tangible assets
“Payment Date”	:	The payment date for Shareholders’ entitlements to the Proposed Cash Distribution pursuant to the Proposed Capital Reduction, to be announced by the Company in due course
“Property”	:	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
“Proposed Capital Reduction”	:	The proposed capital reduction exercise to be undertaken by the Company pursuant to Section 78C of the Companies Act to reduce the issued and paid-up share capital of the Company
“Proposed Cash Distribution”	:	The proposed cash distribution by the Company to the Shareholders of S\$0.06 in cash for each Share held as at the Record Date pursuant to the Proposed Capital Reduction
“Proposed Sale”	:	The proposed sale of the Property to the Purchaser as trustee for AXIS-REIT, further details of which are set out in section 2 of this Circular
“Proposed Transactions”	:	The Proposed Sale and the Proposed Capital Reduction and Proposed Cash Distribution, collectively
“Proxy Form”	:	The proxy form in respect of the EGM
“Purchaser”	:	RHB Trustees Berhad
“Record Date”	:	Such time and date as may be determined by the Directors in their absolute discretion as they deem fit and announced by the Company, at and on which the Register of Members and the share transfer books of the Company will be closed for the purpose of determining the entitlements of Shareholders to the Proposed Cash Distribution pursuant to the Proposed Capital Reduction
“Rectification Works”	:	Has the meaning ascribed to it in paragraph 2.7.2 of this Circular
“Redemption Sum”	:	Has the meaning ascribed to it in paragraph 2.5.3 of this Circular
“Register of Members”	:	The register of members of the Company

DEFINITIONS

“Retention Sum”	:	Has the meaning ascribed to it in paragraph 2.7.2 of this Circular
“Sale Price”	:	The price at which the Property is to be sold, further details of which are set out in paragraph 2.5.1 of this Circular
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“Set-Off Sum”	:	Has the meaning ascribed to it in paragraph 2.5.3 of this Circular
“SGXNet”	:	Singapore Exchange Network, a system network used by listed companies for sending information and announcements to the SGX-ST or any other system network prescribed by the SGX-ST
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holder(s) of Shares in the Register of Members, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors who have Shares entered against their name in the Depository Register of CDP. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte Ltd
“Shares”	:	Ordinary shares in the capital of the Company, and “Share” shall be construed accordingly
“Solvency Statement”	:	The solvency statement(s) to be given by the Directors as required under Section 78C of the Companies Act for the purpose of the Proposed Capital Reduction
“SPA”	:	The sale and purchase agreement dated 23 September 2022 for the Proposed Sale
“SRS”	:	Supplementary Retirement Scheme
“Substantial Shareholder”	:	A person who has an interest or interests in voting Shares (excluding treasury shares and subsidiary holdings), representing not less than 5% of all the voting Shares
“Tenancy Agreement”	:	Has the meaning ascribed to it in section 2.3 of this Circular
“Unconditional Date”	:	The date the Condition Precedent is fulfilled, being the date that the SPA becomes unconditional
“Valuation Report”	:	The valuation report dated 21 April 2022 in respect of the Property, issued by the Valuer
“Valuer”	:	PA International Property Consultants Sdn Bhd

DEFINITIONS

“Vendor” : Jemaramas Jaya Sdn Bhd, a wholly-owned subsidiary of the Company

Currencies, units and others

“RM” : Malaysia Ringgit

“\$” and “cents” : Singapore dollars and cents, respectively

“%” or percent : Percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore. The terms **“subsidiary”** and **“related company”** shall have the meanings ascribed to them in Sections 5 and 6 respectively of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the Catalist Rules or any modification thereof and used in this Circular shall have the same meaning assigned to it thereunder, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in tables included herein (if any) between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Unless otherwise stated, all currency translations of S\$ and RM used in this Circular are based on an exchange rate of RM1.00:S\$0.2995 (as extracted from Bloomberg L.P.) as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

VERSALINK HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201411394N)

Directors:

Datuk Lim Tong Lee (Independent Non-Executive Chairman)
Law Kian Siong (Executive Director and Group Chief Executive Officer)
Dato' Dr Lee Chung Wah (Executive Director)
Law Pei Ling (Non-Independent Non-Executive Director)
Sho Kian Hin (Independent Non-Executive Director)

Registered Office:

8 Wilkie Road
#03-01 Wilkie Edge
Singapore 228095

3 November 2022

To: The Shareholders of Versalink Holdings Limited

Dear Sir/Madam

(1) PROPOSED SALE OF PROPERTY; AND
(2) PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

1. INTRODUCTION

1.1 Proposed Transactions

On 12 July 2022, the Company announced that the Vendor had accepted a binding letter of offer for the Proposed Sale of the Property, which is a 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 the Purchaser as trustee for AXIS-REIT. The Proposed Sale is a "major transaction" as defined in Chapter 10 of the Catalist Rules.

On 23 September 2022, the Company announced that the Vendor had entered into the SPA with the Purchaser pursuant to which the Vendor agreed to sell the Property to the Purchaser as trustee for AXIS-REIT on the terms and conditions therein.

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 be carried out by the Company pursuant to Section 78A read with Section 78C of the Companies Act and part of the Net Proceeds be returned to Shareholders by way of a cash distribution.

1.2 EGM

The Board is convening the EGM to be held on 25 November 2022 to seek Shareholders' approval for the Proposed Sale and the Proposed Capital Reduction and Proposed Cash Distribution. The purpose of this Circular is to provide the Shareholders with information on, to explain the rationale for, and to seek the Shareholders' approval for the Proposed Sale and the Proposed Capital Reduction and Proposed Cash Distribution at the forthcoming EGM.

Shareholders should note that the passing of Special Resolution 2 in respect of the Proposed Capital Reduction and Proposed Cash Distribution as set out in the Notice of EGM is conditional upon the passing of Ordinary Resolution 1 in respect of the Proposed Sale. As such, if Ordinary Resolution 1 is not passed, Special Resolution 2 will not be carried.

LETTER TO SHAREHOLDERS

1.3 Legal Adviser

The Company has appointed Vincent Lim & Associates LLC as the legal adviser to the Company in relation to this Circular and the resolutions relating to the Proposed Sale and the Proposed Capital Reduction and Proposed Cash Distribution.

2. THE PROPOSED SALE

2.1 Description of the Property

The Property is held by the Vendor and comprises freehold land occupying an area of approximately 24,952 square metres. It is occupied by the Group's office, showroom, warehouse and principal manufacturing facility which has a total built-up area of approximately 17,949 square metres.

2.2 Information on AXIS-REIT

The information presented herein relating to information on AXIS-REIT is based on information provided by AXIS-REIT. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this Circular in its proper form and context.

AXIS-REIT is Malaysia's first REIT, listed on Bursa Malaysia on 3 August 2005, to own and invest primarily in industrial and office real estate. It has a diverse portfolio of 61 properties that are located in the Klang Valley, Johor, Penang, Pahang, Negeri Sembilan and Kedah.

AXIS-REIT and the Purchaser, as well as their respective director(s) and shareholder(s) and their respective associates are not related to the Company, its Directors and Controlling Shareholders, and their respective Associates.

2.3 Basis for the Proposed Sale

Pursuant to the SPA, the Vendor and the Purchaser irrevocably agree that the following shall, *inter alia*, form the basis of the Proposed Sale:

- (a) the Property shall be free from all or any encumbrances including any caveats, prohibitory orders, restraints, mortgage, debenture, charge, pledge, lien, assignment, hypothecation, security interest, title retention, preferential right or trust arrangement or other security arrangement or agreement conferring a right to a priority of payment but shall not include any caveat or encumbrances lodged by the Purchaser or any person claiming under the Purchaser;
- (b) the category of land use shall on the Completion Date remain as "Perusahaan"; and
- (c) the Vendor, in its capacity as tenant, and the Purchaser shall execute a tenancy agreement (the "**Tenancy Agreement**") simultaneously with the execution of the SPA, with terms including a fixed tenancy term of three years and a monthly rental of RM220,804.60, to be effective on the Completion Date.

LETTER TO SHAREHOLDERS

2.4 Basis for the Sale Price

The Sale Price was arrived at based on arm's length negotiations between the parties, after taking into account prevailing market conditions (including the availability of ready buyers) and the market value of the Property based on the Valuation Report. According to the Valuation Report, the basis of valuation is "market value" and the market value of the Property, in its existing condition, free from all encumbrances and with vacant possession, was RM41,000,000 as at 21 April 2022. Based on the Letter of Update issued by the Valuer, the market value of the Property, in its existing condition, free from all encumbrances and with vacant possession, remained at RM41,000,000 as at 22 September 2022.

The Valuer, which is a registered property valuer in Malaysia with the Malaysia Board of Valuers, Appraisers, Estate Agents and Property Managers, was commissioned by the Vendor to perform an independent valuation on the Property. None of the Company's Directors or Controlling Shareholders and their respective Associates has any interest, direct or indirect, in the Valuer. The valuation was carried out in accordance with the Malaysian Valuation Standards issued by the Malaysia Board of Valuers, Appraisers, Estate Agents and Property Managers.

2.5 Sale Price

2.5.1 Pursuant to the SPA, the sale price of the Property is RM41,000,000 (equivalent to approximately S\$12,718,000 based on an exchange rate of RM1.00:S\$0.3102 (as extracted from Bloomberg L.P.) as at 22 September 2022, being the date immediately preceding the date of the Company's announcement on the entry into the SPA) (the "**Sale Price**"), to be satisfied fully in cash as follows:

- (a) RM820,000 (the "**Earnest Deposit**"), paid to the Purchaser's solicitors as stakeholders prior to the execution of the SPA;
- (b) RM3,280,000 (the "**Balance Deposit**", and together with the Earnest Deposit, the "**Deposit**"), paid to the Purchaser's solicitors as stakeholders upon the execution of the SPA; and
- (c) RM36,900,000 (the "**Balance Purchase Price**"), to be paid to the Vendor's solicitors as stakeholders within 30 days from the Unconditional Date (the "**Completion Period**"), subject to the terms and conditions set out in the SPA.

The Deposit shall be released to the Vendor within five working days of the Unconditional Date or refunded in the event of termination of the SPA as mentioned in paragraph 2.6.2 below.

2.5.2 In the event that the Purchaser is unable to pay the Balance Purchase Price for any reason whatsoever (save due to the default of the Vendor), the Vendor shall grant to the Purchaser an automatic extension of one month from the expiry of the Completion Period to pay the Balance Purchase Price, provided always that the Purchaser shall pay to the Vendor the agreed compensation at the rate of 8% per annum on the sum remaining unpaid as at the date of expiry of the Completion Period calculated on a daily basis until date of actual payment of the full Balance Purchase Price (the "**Agreed Compensation**").

2.5.3 The "**Completion Date**" shall be the date all of the following are completed:

- (a) the duly executed confirmation, by the parties that certain sums relating to the Tenancy Agreement (the "**Set-Off Sum**") have been set-off against the Balance Purchase Price, is received by the Vendor's solicitors;

LETTER TO SHAREHOLDERS

- (b) payment of such sum required (the "**Redemption Sum**") is made to the Chargee to obtain a valid discharge of the Property; and
- (c) the Balance Purchase Price and the Agreed Compensation less the Set-Off Sum and the Redemption Sum is received by the Vendor's solicitors.

2.6 Condition Precedent

- 2.6.1 The Proposed Sale shall be conditional upon the following being obtained or fulfilled within three months from the date of the SPA with an automatic extension of one month upon expiry thereof or such further extended period(s) that may be mutually agreed by the parties (the "**Conditional Period**"):
 - (a) the approval of the Shareholders being obtained for the sale of the Property to the Purchaser in accordance with the terms of the SPA following its Shareholders' meeting duly convened for the said purpose,

(the "**Condition Precedent**").
- 2.6.2 In the event that on the last day of the Conditional Period, the Condition Precedent is not fulfilled or obtained, without any default, negligence, misrepresentation, omission or blameworthy conduct of the Vendor, then either party may elect to terminate the SPA. Upon such termination, the Purchaser's solicitors shall forthwith refund to the Purchaser the Deposit in exchange for certain documents to be returned to the Vendor and the SPA shall become null and void and cease to be of any further effect and the Vendor shall be at liberty to resell or otherwise dispose of or deal with the Property as it shall think fit, without prejudice to any claims that either party may have arising from antecedent breaches.

2.7 Adjacent Land

- 2.7.1 The Vendor has built ancillary structures on the neighbouring land measuring approximately 934 square metres (the "**Adjacent Land**"), which does not belong to the Vendor. The Vendor, with the full cooperation of the Purchaser, shall use its best endeavours to cause the Adjacent Land to be transferred to the Purchaser at its sole cost and expense within three years from the Completion Date or by the last day the Vendor remains as the tenant of the Property pursuant to the Tenancy Agreement, whichever is the earlier (the "**Cut-Off Date**").
- 2.7.2 The Vendor agrees that a sum of RM1,000,000 (the "**Retention Sum**") shall be retained from the Balance Purchase Price by the Purchaser's solicitors as stakeholders, pending the aforesaid transfer of the Adjacent Land by the Cut-Off Date or the completion by the Vendor of the Rectification Works by the Cut-Off Date. If the Vendor envisages that it will not be able to cause the transfer of the Adjacent Land to the Purchaser by the Cut-Off Date, then the Vendor shall complete certain rectification and reinstatement works necessary to remove all ancillary structures on the Adjacent Land (the "**Rectification Works**") on or before the Cut-Off Date.
- 2.7.3 The Retention Sum and all interest earned (less reasonable stakeholders fees) shall be used in the following manner:
 - (a) in the event that the Adjacent Land is successfully transferred to the Purchaser by the Cut-Off Date, the Retention Sum together with all interest earned (less reasonable stakeholders fees) shall be released to the Vendor within five working days from the date the original title in respect of the Adjacent Land is issued in the name of the Purchaser as registered proprietor;

LETTER TO SHAREHOLDERS

- (b) at any time before the Cut-Off Date, the Retention Sum and all interest earned thereon (less reasonable stakeholders fees) may be used by the Vendor and/or the Purchaser, as the case may be, for any liabilities, costs and expenses arising out from and/or relating to the entry, use and/or occupation of the Adjacent Land by the Vendor before the Cut-Off Date up to a maximum of RM500,000 only; and/or
- (c) if the Vendor shall fail to complete the Rectification Works on or before the Cut-Off Date for any reason, then the Purchaser shall be entitled to effect the Rectification Works at the costs and expenses of the Vendor. In such event, the Purchaser shall be entitled to deduct all costs and expenses in relation to the Rectification Works from the Retention Sum or any balance thereof after deducting any sums utilised in sub-paragraph (b) above, as applicable, where the Purchaser's solicitors are authorised to deduct and pay out to the Purchaser, before remitting any surplus of the Retention Sum together with all interest accrued thereon (less reasonable stakeholders fees), if any, to the Vendor, after completion of the Rectification Works by the Purchaser.

2.8 Rationale for the Proposed Sale

The Board believes that the Proposed Sale is in the best interests of the Group and the Shareholders, as it will enable the Group to realise the value of the Property and improve the cashflow of the Group.

In addition, 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 be carried out by the Company pursuant to Section 78A read with Section 78C of the Companies Act and part of the Net Proceeds be returned to Shareholders by way of a cash distribution.

2.9 Use of Proceeds

The estimated net proceeds from the Proposed Sale, after deducting estimated expenses to be incurred in connection with the Proposed Sale of approximately RM1.2 million, is approximately RM39.8 million (the "**Net Proceeds**").

Subject to the completion of the Proposed Sale, the Company intends to utilise the Net Proceeds as follows:

- (a) approximately RM27.0 million (approximately 67.8% of the Net Proceeds) shall be utilised for the Proposed Cash Distribution, subject to the approval of Shareholders; and
- (b) the balance amount of approximately RM12.8 million (approximately 32.2% of the Net Proceeds) shall be utilised for general working capital purposes of the Group.

2.10 Book Value of the Property and Excess of Sale Price Over Book Value

Based on the audited consolidated financial statements of the Group for FY2022, the book value of the Property as at 28 February 2022 amounted to approximately RM17,770,000.

The excess of the Sale Price over the book value of the Property will amount to approximately RM23,230,000. After deducting estimated expenses in connection with the Proposed Sale of approximately RM1,196,000 and accounting for the Proposed Sale as a sale and leaseback transaction, the Group will record a net gain on the Proposed Sale of approximately RM17,829,000.

LETTER TO SHAREHOLDERS

2.11 Relative Figures under Rule 1006 of the Catalist Rules

The relative figures for the Proposed Sale as computed on the bases set out in Rule 1006 of the Catalist Rules and the audited consolidated financial statements of the Group for FY2022 are set out below.

Rule 1006	Bases	Relative figures (%)
(a)	The net asset value of assets to be disposed of, as compared with the Group's net asset value	88.5% ⁽¹⁾
(b)	The net profits attributable to the assets disposed of, as compared with the Group's net profits	Not applicable ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation	109.2% ⁽³⁾
(d)	The number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable ⁽⁵⁾

Notes:

- (1) Pursuant to Rule 1003(2) of the Catalist Rules, in determining the basis of valuation of any acquisition or disposal of assets other than shares, the value will be assessed by reference to the book value of the assets or, if a valuation has been carried out for the purpose of the acquisition or disposal, the market value of the assets.

Based on the valuation of the Property of RM41,000,000 pursuant to Rule 1003(2) of the Catalist Rules, and the audited net asset value of the Group as at 28 February 2022 of approximately RM46,306,000.

- (2) Rule 1006(b) of the Catalist Rules is not applicable as the Property is not a revenue-generating asset.
- (3) Based on the Sale Price of approximately S\$12,718,000 (based on an exchange rate of RM1.00:S\$0.3102 (as extracted from Bloomberg L.P.) as at 22 September 2022, being the date immediately preceding the date of the Company's announcement on the entry into the SPA) and the Company's market capitalisation of approximately S\$11,651,000. The market capitalisation of the Company was computed based on the issued share capital of the Company of 135,000,000 Shares and the volume weighted average price of S\$0.0863 per Share on 13 September 2022 (being the last day on which the Shares were traded prior to the date of the SPA).
- (4) Rule 1006(d) of the Catalist Rules is not applicable to a disposal of assets.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

As the relative figures under Rules 1006(a) and 1006(c) of the Catalist Rules exceed 50%, the Proposed Sale constitutes a "major transaction" under Rule 1014 of the Catalist Rules. Accordingly, the Proposed Sale is subject to the approval of Shareholders in a general meeting.

2.12 Service Contracts

No person will be appointed as a Director to the Board in connection with the Proposed Sale. Accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

LETTER TO SHAREHOLDERS

3. THE PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

3.1 Details of the Proposed Capital Reduction and Proposed Cash Distribution

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 the Latest Practicable Date, based on records maintained by ACRA, 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 the Record Date to be determined by the Directors.

The actual amount to be returned to Shareholders pursuant to the Proposed Cash Distribution will be based on the issued and paid-up share capital of the Company as at the Record Date. The aggregate amount of cash to be paid to each Shareholder pursuant to the Proposed Capital Reduction and Proposed Cash Distribution will be adjusted by rounding down any fractions of a cent to the nearest cent, where applicable.

In determining the Proposed Cash Distribution to Shareholders, the Board has ensured that the Company will have retained sufficient working capital to support its existing operations and pay its debts. As at the Latest Practicable Date, the aggregate outstanding debts of the Company amounted to approximately S\$62,000.

In compliance with the provisions of Section 78C of the Companies Act, the Directors will each make a Solvency Statement confirming that:

- (a) as regards the Company's situation at the date of the Solvency Statement, there is no ground on which the Company could be found to be unable to pay its debts;
- (b) the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the Solvency Statement; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the Proposed Capital Reduction, become less than the value of its liabilities (including contingent liabilities).

Pursuant to Section 78C(4) of the Companies Act, copies of the Solvency Statements signed by the Directors are required to be made available for inspection at the EGM, as well as at the registered office of the Company for a period of six weeks beginning with the date of the EGM.

As the Company will conduct the EGM by electronic means only and Shareholders will not be able to physically attend the EGM, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business

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Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company will make available copies of the Solvency Statements on SGXNet and the Company's corporate website. Copies of the Solvency Statements will also be made 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 a period of six weeks beginning with the date of the EGM.

The following illustrates the position of a Shareholder who holds 100 fully paid-up Shares as at the Record Date:

Position before the Proposed Capital Reduction and Proposed Cash Distribution

Number of Shares held	100
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Position after the Proposed Capital Reduction and Proposed Cash Distribution

Cash distribution received	S\$6.00
Number of Shares held	100

In summary, Shareholders will receive S\$6.00 in cash for every 100 Shares (or S\$0.06 in cash for each Share) held as at the Record Date. Shareholders holding odd lots of Shares (i.e. lots other than board lots of 100 Shares) will likewise receive S\$0.06 in cash for each Share held by them or on their behalf as at the Record Date. The shareholding of each Shareholder in the Company shall remain unchanged immediately after the Proposed Capital Reduction and Proposed Cash Distribution.

The Proposed Capital Reduction and Proposed Cash Distribution will not result in a cancellation of Shares, or a change in the number of Shares issued by the Company immediately after the Proposed Capital Reduction and Proposed Cash Distribution.

3.2 Rationale for the Proposed Capital Reduction and Proposed Cash Distribution

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.

3.3 Conditions for the Proposed Capital Reduction and Proposed Cash Distribution

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

- (a) the completion of the Proposed Sale;
- (b) the Directors making the Solvency Statement in relation to the Proposed Capital Reduction and compliance with other relevant solvency requirements as required by the Companies Act;
- (c) 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;
- (d) compliance with the relevant publicity requirements as prescribed in the Companies Act;

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- (e) no application having been made for the cancellation of the Shareholders' resolution approving the Proposed Capital Reduction by any creditor of the Company within the timeframe prescribed in the Companies Act, or if such application was made, the withdrawal or dismissal thereof by the judicial authorities; and
- (f) the Company after the end of six weeks (but before the end of eight weeks) beginning with the date on which the Proposed Capital Reduction was approved by the Shareholders, lodging with ACRA:
 - (i) a statement made by the Directors confirming that the requirements under Section 78C(1)(c) and Section 78C(3) (if applicable) of the Companies Act have been complied with, and that no application for cancellation of the resolution has been made; and
 - (ii) a notice containing the Proposed Capital Reduction information.

The Company will make an immediate announcement to update Shareholders if any of the conditions for the Proposed Capital Reduction and Proposed Cash Distribution as set out in this section 3.3 is not met.

3.4 Effective Date of Proposed Capital Reduction

As set out in section 3.3 above, the Proposed Capital Reduction is subject to the satisfaction of, amongst others, the conditions set out therein.

After Shareholders' approval has been obtained for the Proposed Capital Reduction and Proposed Cash Distribution at the EGM, the Company will lodge with ACRA a notice containing the text of the special resolution relating to the Proposed Capital Reduction. If no creditor of the Company objects to, and applies to the High Court for the cancellation of, the special resolution relating to the Proposed Capital Reduction, the Company will lodge further requisite documents with ACRA as provided under Section 78E(2) of the Companies Act after the end of six weeks, and before the end of eight weeks, beginning with the date of the special resolution relating to the Proposed Capital Reduction upon which the Proposed Capital Reduction will take effect.

The Company will publicly announce and notify Shareholders of the Effective Date of the Proposed Capital Reduction through an announcement on SGXNet.

3.5 Administrative Procedures for the Proposed Cash Distribution

The following sections set out the administrative procedures for the Proposed Cash Distribution.

3.5.1 Record Date

- (a) Persons registered in the Register of Members and Depositors whose Securities Accounts are credited with Shares as at the Record Date will be considered for purposes of the Proposed Cash Distribution, on the basis of such number of Shares registered in their names or standing to the credit of their Securities Accounts as at the Record Date ("**Entitled Shareholders**").

On the Payment Date, the Entitled Shareholders will receive a sum of S\$0.06 for each Share held by them as at the Record Date.

- (b) Subject to the satisfaction of the conditions set out in section 3.3 above, the Company will make further announcements in due course as soon as reasonably practicable to notify Shareholders of the Record Date, the Effective Date and the Payment Date.

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3.5.2 Deposit of Scrip Shares with CDP

Entitled Shareholders who hold Shares registered in their own names in the Register of Members and who wish to deposit their Shares with CDP prior to the Record Date must deliver the existing share certificates in respect of their Shares, together with the duly executed instruments of transfer in favour of CDP, at least 12 Market Days prior to the Record Date, in order for their Securities Accounts to be credited with the relevant Shares by the Record Date.

3.5.3 Payment pursuant to the Proposed Cash Distribution

(a) *Entitled Shareholders holding Scrip Shares*

Shareholders whose Shares are registered in the Register of Members as at the Record Date will have the cheques for payment of their entitlements under the Proposed Cash Distribution despatched to them by ordinary post at their own risk addressed to their respective addresses in the Register of Members on the Payment Date. The Company shall not be liable for any loss in transmission.

(b) *Entitled Shareholders who are Depositors*

Shareholders who are Depositors and who have Shares standing to the credit of their Securities Accounts as at the Record Date will have the cheques for payment of their entitlements under the Proposed Cash Distribution despatched to them by CDP by ordinary post at their own risk on the Payment Date. Alternatively, such Depositors will have payment of their entitlements under the Proposed Cash Distribution made in such other manner as they may have agreed with CDP for the payment of dividends or other distributions on the Payment Date. Neither the Company nor CDP shall be responsible or liable for any loss in transmission.

3.6 Taxation

Shareholders should note that the following statements are not to be regarded as advice on the tax position of any Shareholder or any tax implication arising from the Proposed Capital Reduction and Proposed Cash Distribution. Shareholders who are in doubt as to their respective tax positions or such tax implications or who may be subject to tax in a jurisdiction outside Singapore should consult their own tax advisers or other independent advisers.

For Singapore income tax purposes, payments made by a Singapore resident company to shareholders pursuant to share capital reductions are generally classified as either a return of capital (which is a capital gain not subject to tax) or a receipt of dividends (which is tax-exempt under the one-tier corporate tax system). As such, for Singapore income tax purposes, any gains from such transactions are generally not taxable unless the proceeds constitute taxable revenue gains or profits from a trade or business carried on by the shareholders. In relation to the Proposed Cash Distribution to be made to Shareholders pursuant to the Proposed Capital Reduction, as the amount to be paid to Shareholders pursuant to the Proposed Cash Distribution will be paid out of the reduction of the existing issued and paid-up share capital of the Company, the Proposed Cash Distribution should generally be regarded as a return of capital, and is therefore not taxable in Singapore for Shareholders, unless the proceeds constitute taxable revenue gains or profits from a trade or business carried on by Shareholders.

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4. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

4.1 Assumptions

The *pro forma* financial effects of the Proposed Transactions on the Group set out below are purely for **illustrative purposes only** and are therefore not indicative of the actual future financial position of the Company or the Group after the completion of the Proposed Transactions.

The *pro forma* financial effects of the Proposed Transactions have been prepared based on the audited consolidated financial statements of the Group for FY2022, and on the following bases and assumptions:

- (a) the financial effect on the consolidated NTA per Share is computed based on the assumption that the Proposed Transactions were completed on 28 February 2022;
- (b) the financial effect on the consolidated LPS/EPS is computed based on the assumption that the Proposed Transactions were completed on 1 March 2021;
- (c) the financial effect of the Proposed Capital Reduction and Proposed Cash Distribution on the paid-up capital of the Company, as well as on the NTA per Share and LPS/EPS of the Group takes into account the Proposed Cash Distribution of S\$8,100,000 (equivalent to approximately RM27,045,000);
- (d) the expenses to be incurred in connection with the Proposed Transactions are estimated to be approximately RM1,261,000; and
- (e) the Proposed Sale shall be accounted for as a sale and leaseback transaction, whereby the interest rate used for the computation of the right-of-use asset and lease liability with respect to the leaseback is 5.42%¹.

4.2 Share Capital

The financial effect of the Proposed Transactions on the share capital of the Company is as follows:

As at 28 February 2022	Before the Proposed Sale and Proposed Capital Reduction and Proposed Cash Distribution	After the Proposed Sale but before Proposed Capital Reduction and Proposed Cash Distribution	After the Proposed Sale and Proposed Capital Reduction and Proposed Cash Distribution
No. of Shares ('000)	135,000	135,000	135,000
Paid-up capital (S\$'000)	24,836	24,836	16,736

¹ A higher interest rate of 5.42% used in this Circular, is based on the average interest rate spread of the Group's credit facilities with all its financial institutions, as compared to the interest rate of 4.76% used in the computation of the financial effects set out in the Company's announcement dated 23 September 2022, which was based on the interest rate spread of the Group's credit facilities with one of its financial institutions.

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4.3 NTA per Share

The financial effect of the Proposed Transactions on the NTA per Share is as follows:

As at 28 February 2022	Before the Proposed Sale and Proposed Capital Reduction and Proposed Cash Distribution	After the Proposed Sale but before Proposed Capital Reduction and Proposed Cash Distribution	After the Proposed Sale and Proposed Capital Reduction and Proposed Cash Distribution
NTA (RM'000)	46,306	64,173	37,063
Number of Shares ('000)	135,000	135,000	135,000
NTA per Share (RM sen)	34.30	47.54	27.45

4.4 LPS/EPS

The financial effect of the Proposed Transactions on the LPS/EPS is as follows:

FY2022	Before the Proposed Sale and Proposed Capital Reduction and Proposed Cash Distribution	After the Proposed Sale but before Proposed Capital Reduction and Proposed Cash Distribution	After the Proposed Sale and Proposed Capital Reduction and Proposed Cash Distribution
Net (loss)/profit attributable to Shareholders (RM'000)	(2,354)	14,157	14,092
Weighted average number of Shares (excluding treasury Shares) ('000)	135,000	135,000	135,000
(LPS)/EPS (RM sen)	(1.74)	10.49	10.44

5. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or Controlling Shareholders and their respective Associates has any interest, direct or indirect, in the Proposed Transactions (other than through their respective shareholding interests in the Company, if any).

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the Shares of the Company as at the Latest Practicable Date, as recorded in the Register of Director's Shareholdings and the Register of Substantial Shareholders kept by the Company, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%(¹)	Number of Shares	%(¹)
Directors				
Datuk Lim Tong Lee	-	-	-	-
Law Kian Siong	15,464,000	11.45	-	-

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	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Dato' Dr Lee Chung Wah ⁽²⁾	-	-	6,000,000	4.44
Law Pei Ling ⁽³⁾	15,464,000	11.45	278,000	0.21
Sho Kian Hin	-	-	-	-
Substantial Shareholders (other than Directors)				
Law Boon Seng	14,365,100	10.64	-	-
Lee Yuet Chin	18,363,500	13.60	-	-
Law Kian Guan (Liu Jianyuan)	15,464,000	11.45	-	-
Law Kian Hong	12,564,500	9.31	-	-
Yeo Khee Seng Benny ⁽⁴⁾	7,190,600	5.33	-	-

Notes:

- (1) Based on the total issued and paid-up share capital of the Company of 135,000,000 Shares as at the Latest Practicable Date. The Company did not have any treasury shares or subsidiary holdings as at the Latest Practicable Date.
- (2) Dato' Dr Lee Chung Wah is deemed to be interested in the 6,000,000 Shares held under the name of his nominee, CGS-CIMB Securities (Singapore) Pte. Ltd..
- (3) Law Pei Ling is deemed to be interested in the 278,000 Shares of the Company held by her spouse, Bevan Grant Walters, by virtue of Section 7 of the Companies Act.
- (4) As per the Register of Members of the Company as at the Latest Practicable Date, the number of Shares held by Yeo Khee Seng Benny in his own name is 2,190,600.

7. DIRECTORS' RECOMMENDATIONS

Having fully considered, amongst others, the rationale for and benefit of the Proposed Transactions, the Directors are of the opinion that the Proposed Transactions are in the best interests of the Company and Shareholders. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 1 in respect of the Proposed Sale and Special Resolution 2 in respect of the Proposed Capital Reduction and Proposed Cash Distribution, as set out in the Notice of EGM.

8. EXTRAORDINARY GENERAL MEETING

The EGM will be held by electronic means on 25 November 2022 at 11.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, Ordinary Resolution 1 and Special Resolution 2 set out in the Notice of EGM.

The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Circular, together with the Notice of EGM and accompanying Proxy Form, will not be sent to Shareholders. Instead, this Circular, together with the Notice of EGM and accompanying Proxy Form, will be sent to Shareholders by electronic means via publication on SGXNet at <https://www.sgx.com/securities/company-announcements> and on the Company's corporate website at <https://versalink.com/ir-page/>.

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9. ACTION TO BE TAKEN BY SHAREHOLDERS

9.1 Participation in the EGM proceedings

Shareholders will not be able to attend the EGM in person. Shareholders who wish to attend the EGM via electronic means must pre-register themselves or their appointed proxies at <https://conveneagm.com/sg/VersalinkEGM2022> by 11.00 a.m. on 23 November 2022 to enable the Company to verify their status. Pre-registrations received after the deadline will not be processed.

Following the verification, authenticated Shareholders and proxies will receive an email by 11.00 a.m. on 24 November 2022. The email will contain instructions on how to access the live audio-visual webcast and the live audio-only stream of the EGM proceedings. Shareholders and proxies who have registered by the deadline of 11.00 a.m. on 23 November 2022, but do not receive an email by 11.00 a.m. on 24 November 2022, should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. via email at srs.teamd@boardroomlimited.com and provide their full name and identification/registration number.

Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (including those who hold Shares under the SRS) and who wish to participate in the EGM proceedings via electronic means or submit questions in advance of the EGM, should contact their respective relevant intermediaries (including SRS Operators) as soon as possible in order to make the necessary arrangements for them to do so.

A Depositor shall not be regarded as a member of the Company entitled to participate in the EGM proceedings and to exercise his voting rights thereat unless his name appears on the Depository Register as at 72 hours before the EGM.

9.2 Submission of questions

Shareholders and proxies who have registered and been authenticated will be able to ask questions relating to the resolutions to be tabled for approval at the EGM during the EGM by submitting text-based questions through the live chat function on the webcast platform. The Company will endeavour to address such questions, which are substantial and relevant, during the EGM.

Shareholders can also submit questions relating to the resolutions to be tabled for approval at the EGM in advance of the EGM in the following manner:

- (a) via the pre-registration website at <https://conveneagm.com/sg/VersalinkEGM2022>;
- (b) by post or sent personally to the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue #14-07, Keppel Bay Tower, Singapore 098632 (Opening Hours are 9.00 a.m. to 5.30 p.m., Mondays to Fridays (excluding Public Holidays)); or
- (c) by electronic mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamd@boardroomlimited.com,

in each case, to be received no later than 5.00 p.m. on 14 November 2022.

If the questions are submitted by post or electronic mail, the Shareholder's full name and identification/registration number must be included for verification purposes, failing which the submission will be treated as invalid.

LETTER TO SHAREHOLDERS

The Company will address substantial and relevant questions which are submitted by Shareholders in advance of the EGM by the stipulated deadline by publishing the responses to the questions on SGXNet and the Company's corporate website at least 72 hours before the closing date and time for the lodgement of the proxy forms for the EGM (i.e. by 11.00 a.m. on 20 November 2022). The Company will also address any subsequent clarifications sought, or follow-up questions in respect of such substantial and relevant questions during the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

9.3 Voting

Shareholders (whether individual or corporate) who wish to exercise their voting rights at the EGM may cast their votes remotely in real-time during the EGM or appoint proxies to vote on their behalf remotely in real-time during the EGM. Shareholders may also appoint the Chairman of the Meeting as their proxy to vote on their behalf at the EGM. The Proxy Form for the EGM is available on SGXNet at <https://www.sgx.com/securities/company-announcements> and on the Company's corporate website at <https://versalink.com/ir-page/>.

Unless otherwise permitted under the Companies Act, a Shareholder entitled to attend, speak and vote at the EGM may appoint not more than two proxies to attend, speak and vote instead of him. A proxy (including the Chairman of the Meeting as proxy) need not be a member of the Company. A Shareholder who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder.

Where a Shareholder appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the Proxy Form. Where a Shareholder appoints the Chairman of the Meeting as his proxy, he must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for the resolution will be treated as invalid.

Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (including those who hold Shares under the SRS) and who wish to participate in the EGM proceedings via electronic means or to appoint proxies to vote must approach their respective relevant intermediaries (including SRS Operators) to submit their instructions by 15 November 2022, to enable their respective relevant intermediaries to submit Proxy Forms so that they are received no later than 11.00 a.m. on 23 November 2022.

A Shareholder who wishes to submit a Proxy Form to appoint a proxy or proxies (including the Chairman of the Meeting as proxy) must first download, complete and sign the Proxy Form, before submitting it:

- (a) by post or sent personally to the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue #14-07, Keppel Bay Tower, Singapore 098632 (Opening Hours are 9.00 a.m. to 5.30 p.m., Mondays to Fridays (excluding Public Holidays)); or
- (b) by electronic mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamd@boardroomlimited.com,

in either case, to be received no later than 11.00 a.m. on 23 November 2022 (being not less than 48 hours before the time appointed for holding the EGM and at any adjournment thereof), failing which the Proxy Form will be treated as invalid. Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

LETTER TO SHAREHOLDERS

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are 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 a period of three months from the date of this Circular:

- (a) the Valuation Report and the Letter of Update;
- (b) the SPA;
- (c) the Annual Report of the Company for FY2022; and
- (d) the Constitution of the Company.

Yours faithfully

For and on behalf of the Board of Directors of
VERSALINK HOLDINGS LIMITED

Law Kian Siong
Executive Director and Group Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

VERSALINK HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201411394N)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular to shareholders dated 3 November 2022 issued by Versalink Holdings Limited (the "Circular").

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of Versalink Holdings Limited (the "**Company**") will be held by electronic means on 25 November 2022 at 11.00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions below.

Shareholders should note that the passing of Special Resolution 2 in respect of the Proposed Capital Reduction and Proposed Cash Distribution is conditional upon the passing of Ordinary Resolution 1 in respect of the Proposed Sale. As such, if Ordinary Resolution 1 is not passed, Special Resolution 2 will not be carried.

ORDINARY RESOLUTION 1

THE PROPOSED SALE

That:

- (a) approval be and is hereby given for the sale by Jemaramas Jaya Sdn Bhd, a wholly-owned subsidiary of the Company, 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 at a sale price of RM41,000,000 and on such terms and conditions as set out in the sale and purchase agreement dated 23 September 2002 or as the Directors of the Company or any of them may deem fit; and
- (b) each of the Directors of the Company be and is hereby authorised to enter into all such transactions, arrangements and agreements and approve, execute and deliver all documents and do all deeds and things as may be necessary, expedient, incidental or in the interests of the Company to give effect to the approvals given in this Ordinary Resolution or the transactions contemplated by the Proposed Sale.

SPECIAL RESOLUTION 2

THE PROPOSED CAPITAL REDUCTION AND PROPOSED CASH DISTRIBUTION

That, contingent upon passing Ordinary Resolution 1 and subject to the completion of the Proposed Sale, pursuant to Section 78A read with Section 78C of the Companies Act and Article 71 of the Constitution of the Company:

- (a) the issued and paid-up share capital of the Company be reduced by the sum of S\$8,100,000 and such reduction be effected by returning the sum of S\$8,100,000 from the issued and paid-up share capital of the Company to the Entitled Shareholders on the basis of S\$0.06 for each Share held by an Entitled Shareholder or on his behalf as at the Record Date to be determined by the Directors of the Company; and
- (b) each of the Directors of the Company be and is hereby authorised to do all such acts and things (including, without limitation, entering into all such transactions, arrangements and agreements and executing all such documents) as they may consider necessary or expedient for the purposes of giving effect to this Special Resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

By Order of the Board

Seah Kim Swee
Company Secretary
Singapore, 3 November 2022

Notes:

General

1. The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Circular, together with the notice of EGM and accompanying proxy form, will not be sent to members. Instead, the Circular, together with the notice of EGM and accompanying proxy form, will be sent to members by electronic means via publication on SGXNet at <https://www.sgx.com/securities/company-announcements> and on the Company's corporate website at <https://versalink.com/ir-page/>.
2. Alternative arrangements relating to participation in the EGM proceedings via electronic means, submission of questions in advance of the EGM or during the EGM, and voting during the EGM or by appointing a proxy or proxies (including the Chairman of the Meeting as proxy) at the EGM, are set out below.

Participation in the EGM proceedings

3. Members will not be able to attend the EGM in person. Members who wish to attend the EGM via electronic means must pre-register themselves or their appointed proxies at <https://conveneagm.com/sq/VersalinkEGM2022> by **11.00 a.m. on 23 November 2022** to enable the Company to verify their status. Pre-registrations received after the deadline will not be processed.
4. Following the verification, authenticated members and proxies will receive an email by **11.00 a.m. on 24 November 2022**. The email will contain instructions on how to access the live audio-visual webcast and the live audio-only stream of the EGM proceedings. Members and proxies who have registered by the deadline of 11.00 a.m. on 23 November 2022, but do not receive an email by **11.00 a.m. on 24 November 2022**, should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. via email at srs.teamd@boardroomlimited.com and provide their full name and identification/registration number.
5. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) (including those who hold shares under the Supplementary Retirement Scheme) and who wish to participate in the EGM proceedings via electronic means or submit questions in advance of the EGM, should contact their respective relevant intermediaries (including SRS Operators) as soon as possible in order to make the necessary arrangements for them to do so.
6. A Depositor shall not be regarded as a member of the Company entitled to participate in the EGM proceedings and to exercise his voting rights thereat unless his name appears on the Depository Register as at 72 hours before the EGM.

Submission of questions

7. Members and proxies who have registered and been authenticated will be able to ask questions relating to the resolutions to be tabled for approval at the EGM during the EGM by submitting text-based questions through the live chat function on the webcast platform. The Company will endeavour to address such questions, which are substantial and relevant, during the EGM.
8. Members can also submit questions relating to the resolutions to be tabled for approval at the EGM in advance of the EGM in the following manner:
 - (a) via the pre-registration website at <https://conveneagm.com/sq/VersalinkEGM2022>;
 - (b) by post or sent personally to the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue #14-07, Keppel Bay Tower, Singapore 098632 (Opening Hours are 9.00 a.m. to 5.30 p.m., Mondays to Fridays (excluding Public Holidays)); or
 - (c) by electronic mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamd@boardroomlimited.com,

in each case, to be received no later than **5.00 p.m. on 14 November 2022**.

NOTICE OF EXTRAORDINARY GENERAL MEETING

If the questions are submitted by post or electronic mail, the member's full name and identification/registration number must be included for verification purposes, failing which the submission will be treated as invalid.

9. The Company will address substantial and relevant questions which are submitted by members in advance of the EGM by the stipulated deadline by publishing the responses to the questions on SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at <https://versalink.com/ir-page/> at least 72 hours before the closing date and time for the lodgement of the proxy forms for the EGM (i.e. by 11.00 a.m. on 20 November 2022). The Company will also address any subsequent clarifications sought, or follow-up questions in respect of such substantial and relevant questions during the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Voting

10. Members (whether individual or corporate) who wish to exercise their voting rights at the EGM may cast their votes remotely in real-time during the EGM or appoint proxies to vote on their behalf remotely in real-time during the EGM. Members may also appoint the Chairman of the Meeting as their proxy to vote on their behalf at the EGM. The proxy form for the EGM is available on SGXNet at <https://www.sgx.com/securities/company-announcements> and on the Company's corporate website at <https://versalink.com/ir-page/>.
11. Unless otherwise permitted under the Companies Act 1967 of Singapore, a member of the Company entitled to attend, speak and vote at the EGM may appoint not more than two proxies to attend, speak and vote instead of him. A proxy (including the Chairman of the Meeting as proxy) need not be a member of the Company. A member who is a relevant intermediary (as defined in the Companies Act 1967 of Singapore) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
12. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the proxy form. Where a member appoints the Chairman of the Meeting as his proxy, he must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for the resolution will be treated as invalid.
13. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) (including those who hold shares under the Supplementary Retirement Scheme) and who wish to participate in the EGM proceedings via electronic means or to appoint proxies to vote must approach their respective relevant intermediaries (including SRS Operators) to submit their instructions by **15 November 2022**, to enable their respective relevant intermediaries to submit proxy forms so that they are received no later than **11.00 a.m. on 23 November 2022**.
14. A member who wishes to submit a proxy form to appoint a proxy or proxies (including the Chairman of the Meeting as proxy) must first download, complete and sign the proxy form, before submitting it:
- (a) by post or sent personally to the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632 (Opening Hours are 9.00 a.m. to 5.30 p.m., Mondays to Fridays (excluding Public Holidays)); or
 - (b) by electronic mail to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teamd@boardroomlimited.com,

in either case, to be received not later than **11.00 a.m. on 23 November 2022** (being not less than 48 hours before the time appointed for holding the EGM and at any adjournment thereof), failing which the proxy form will be treated as invalid. Members are strongly encouraged to submit completed proxy forms electronically via email.

Important Notice:

Due to the evolving COVID-19 situation in Singapore, the Company may change the EGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the EGM via the SGX-ST's website. Shareholders are advised to check the SGX-ST's website regularly for updates on the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member (such as his name, his presence at the EGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

This notice 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 Catalist.

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice including the correctness of any of the statements or opinions made or reports contained in this notice.

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.

PROXY FORM

VERSALINK HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201411394N)

PROXY FORM

IMPORTANT

1. The Extraordinary General Meeting ("EGM" or "Meeting") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Circular dated 3 November 2022, together with the Notice of EGM and accompanying proxy form, will not be sent to members. Instead, the Circular dated 3 November 2022, together with the Notice of EGM and accompanying proxy form, will be sent to members by electronic means via publication on SGXNet at <https://www.sgx.com/securities/company-announcements> and on the Company's corporate website at <https://versalink.com/ir-page/>.
2. A member will not be able to attend the EGM in person. Alternative arrangements relating to participation in the EGM proceedings via electronic means, submission of questions in advance of the EGM or during the EGM, and voting during the EGM or by appointing a proxy or proxies (including the Chairman of the Meeting as proxy) at the EGM, are set out in the Notice of EGM.
3. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) (including those who hold shares under the Supplementary Retirement Scheme) and who wish to participate in the EGM proceedings via electronic means or to appoint proxies to vote must approach their respective relevant intermediaries (including SRS Operators) to submit their instructions by **15 November 2022**, to enable their respective relevant intermediaries to submit proxy forms so that they are received no later than **11.00 a.m. on 23 November 2022**.

I/We _____ (Name) _____ (NRIC/Passport/Registration Number)
of _____ (Address)
being a member/members of VERSALINK HOLDINGS LIMITED (the "Company") hereby appoint:

Name	Address	NRIC / Passport Number	Email Address	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC / Passport Number	Email Address	Proportion of Shareholdings (%)

or failing the person or both of the persons above, the Chairman of the Meeting as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf, at the EGM of the Company to be held by electronic means on 25 November 2022 at 11.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting or to abstain from voting, as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies (save where the Chairman of the Meeting has been appointed as proxy) will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

	For	Against	Abstain
ORDINARY RESOLUTION 1			
To approve the Proposed Sale			
SPECIAL RESOLUTION 2			
To approve the Proposed Capital Reduction and Proposed Cash Distribution			

(Please indicate with a cross [X] in the space provided whether you wish to cast all your votes for or against or to abstain from voting on each resolution as set out in the Notice of EGM. Alternatively, if you wish to exercise your votes both for and against any resolution and/or to abstain from voting on any resolution, please indicate the number of shares in the respective spaces provided.)

Dated this _____ day of _____ 2022

Total number of shares held:	
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Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:-

1. Please insert the total number of shares in the capital of the Company (“**Shares**”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this proxy form shall be deemed to relate to all the Shares held by you.
2. Members (whether individual or corporate) who wish to exercise their voting rights at the EGM may cast their votes remotely in real-time during the EGM or appoint proxies to vote on their behalf remotely in real-time during the EGM. Members may also appoint the Chairman of the Meeting as their proxy to vote on their behalf at the EGM.
3. Unless otherwise permitted under the Companies Act 1967 of Singapore, a member of the Company entitled to attend and vote at the EGM) may appoint not more than two proxies to attend and vote instead of him. A proxy (including the Chairman of the Meeting as proxy) need not be a member of the Company. A member who is a relevant intermediary (as defined in the Companies Act 1967 of Singapore) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.
4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the proxy form. Where a member appoints the Chairman of the Meeting as his proxy, he must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in this proxy form, failing which the appointment of the Chairman of the Meeting as proxy for the resolution will be treated as invalid.
5. Investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) (including those who hold Shares under the Supplementary Retirement Scheme) and who wish to participate in the EGM proceedings via electronic means or to appoint proxies to vote must approach their respective relevant intermediaries (including SRS Operators) to submit their instructions by **15 November 2022**, to enable their respective relevant intermediaries to submit proxy forms so that they are received no later than **11.00 a.m. on 23 November 2022**.
6. A member who wishes to submit a proxy form to appoint a proxy or proxies (including the Chairman of the Meeting as proxy) must first download, complete and sign this proxy form, before submitting it:
 - (a) by post or sent personally to the office of the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue #14-07 Keppel Bay Tower, Singapore 098632 (Opening Hours are 9.00 a.m. to 5.30 p.m., Mondays to Fridays (excluding Public Holidays)); or
 - (b) by electronic mail to the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teamd@boardroomlimited.com,in either case, to be received not later than **11.00 a.m. on 23 November 2022** (being not less than 48 hours before the time appointed for holding the EGM and at any adjournment thereof), failing which the proxy form will be treated as invalid. Members are strongly encouraged to submit completed proxy forms electronically via email.
7. This proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.
8. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
9. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 3 November 2022.