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

RESPONSE TO QUESTIONS FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

The Board of Directors ("**Board**") of Versalink Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the questions received from the Securities Investors Association (Singapore) ("**SIAS**") in relation to, among others, the annual report of the Company for the financial year ended 28 February 2025 ("**FY2025**"). The Company did not receive any questions from its shareholders as at the date of this announcement.

The Company's responses to the questions received from SIAS are as follows:

Q1. For FY2025, the Group reported a net loss after tax of approximately RM(2.63) million, compared to RM(7.08) million in FY2024.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2025

	Note	2025 RM'000	2024 RM'000
Revenue	5	39,878	37,724
Cost of sales		(30,965)	(32,415)
Gross profit		8,913	5,309
Interest income		303	648
Reversal of allowance for impairment of trade receivables	18	–	1,541
Other income and gains	6	1,303	249
Marketing and distribution expenses	7	(3,066)	(3,767)
Administrative expenses	7	(9,095)	(7,828)
Other losses	6	(784)	(3,098)
Finance costs	8	(204)	(326)
Loss before income tax		(2,630)	(7,272)
Income tax credit	10	2	196
Net loss and total comprehensive loss for the financial year		(2,628)	(7,076)

(Source: Company's annual report; emphasis added)

Gross profit continues to be lower than administrative expenses, indicating structural cost challenges. The Group's accumulated losses have now increased to RM(18.2) million, eroding half of its share capital of RM36.4 million.

(i) For the benefit of shareholders, can management elaborate on the immediate priorities and key initiatives to restore profitability?

<u>Company's Response</u>

The Group's immediate priorities have been to implement prudent cost-saving measures identified by management that do not significantly impair the Group's competitive advantage, including but not limited to ensuring more stringent enforcement of policies to reduce material wastage, idle time and production bottlenecks. The Group will also consider adopting new technologies that may reduce the time spent or labour required to produce its product offerings.

The Group has also been focusing on markets that provide greater potential for growth, such as Asia (in particular, Malaysia) and Oceania (excluding Singapore and Malaysia). The Group will also redouble its efforts in product innovation, so as to increase the attractiveness of its product offerings. An example of the Group's recent product innovation would be its Utopia Pods, which was showcased at the ARCHIDEX – Architecture, Interior Design & Building Exhibition that was held in Kuala Lumpur in July 2025.

In view of the current efforts undertaken by the Group, the Group's gross profit and gross profit margin had increased from approximately RM 5.31 million and 14.07% in FY2024 to approximately RM 8.91 million and 22.35% in FY2025.

The Company is also considering additional revenue streams for the Group that extend beyond its system furniture business. In this regard, as disclosed in the Company's announcement dated 29 April 2025, the Company is evaluating and considering opportunities of generating additional revenue streams through the provision of services in support of mining operations including, but not limited to, the distribution and transport of extracted minerals, and other logistical or support services that may be required for such mining operations (the "**Mining Revenue Stream**"). The Company will provide an update to its shareholders when there are further material developments in relation to the Mining Revenue Stream.

(ii) Has the Board undertaken a thorough strategic review to evaluate whether the Group retains a competitive advantage, a sustainable cost structure, and a viable long-term business model that can generate shareholder value?

<u>Company's Response</u>

The Company is of the view that the Group's system furniture business continues to maintain its competitiveness advantage, especially with the growth in revenue in certain markets that have been identified as potential drivers of revenue generation and the introduction of new product innovation such as the Utopia Pods. The Group has also been focusing on the immediate priorities as set out in the Company's response to Question 1(i) above, especially its cost-saving measures. However, the Company acknowledges that the system furniture industry has become increasingly competitive and the Company is therefore looking into the possibility of entering into other area of business with higher margins and creating additional revenue streams, so as to enhance shareholders' value.

(iii) **What is the Board's assessment of the potential and actual impact of United States tariffs on the group's export business, and how is the Group positioning itself to mitigate these risks?**

Company's Response

The Company is of the view that the tariffs imposed by the United States of America on Malaysia could have an impact on its export business. This is considering that the Group's export to North America accounts for approximately 22.64% of the Group's revenue. As per the Company's response to Question 1(i) above, the Group is addressing these impacts by focusing on markets that provide greater potential for growth, such as Asia (in particular, Malaysia) and Oceania (excluding Singapore and Malaysia).

Q2. The biographies of the directors and key management personnel (KMP) can be found on pages 4 to 6 of the annual report. The remuneration of the directors and KMPs is disclosed on pages 28 and 29. Based on the disclosure, the vice president, Mr Yu Liangbing, appears to receive remuneration that is higher than that of the executive directors.

(i) **Can the Board clarify whether there is any material overlap in the roles and responsibilities of the executive chairman, Mr Ge Shuming, the executive director, Mr Law Kian Siong (Matthew Law), and the vice president, Mr Yu Liangbing?**

Company's Response

There are no material or significant overlap in the roles and responsibilities of Mr Ge Shuming, Mr Law Kian Siong and Mr Yu Liangbing.

Mr Ge Shuming is primarily responsible for leading, strategising and managing the development of the Group's business as a whole, including the system furniture business and such other new business that may be identified and undertaken by the Group in the future.

Mr Law Kian Siong (Matthew Law) is primarily responsible for managing the system furniture business, including setting the strategic direction and determining the expansion plans of the Group's system furniture business, in consultation with Mr Ge Shuming.

Mr Yu Liangbing is primarily responsible for sourcing for, planning, proposing and implementing strategic investments, acquisitions and joint ventures for the Group, including investments to generate additional revenue streams for the Group such as the Mining Revenue Stream. Mr Yu Liangbing is also responsible for proposing any new innovations that may benefit the Group as a whole. These new investment and innovation initiatives are proposed to Mr Ge Shuming, and thereafter spearheaded by Mr Yu Liangbing, in consultation with Mr Ge Shuming.

(ii) What are the key deliverables for each of them?

<u>Company's Response</u>

Mr Ge Shuming's key deliverable is to improve the financial performance and profitability of the Group as a whole, whereas Mr Law Kian Siong (Matthew Law)'s key deliverable is to improve the financial performance and profitability of the Group's system furniture business. Mr Yu Liangbing's key deliverable is to identify, propose and implement viable new investments and innovations for the Group.

(iii) Who has overall accountability for the Group's profit and loss, and how is this responsibility linked to remuneration outcomes?

<u>Company's Response</u>

The Company's management as a whole is accountable for the Group's profit and loss, with each management personnel playing their respective roles in improving the Group's financial performance. The remuneration of the Company's management personnel will be adjusted depending on the performance of the Group's business.

(iv) With the change in controlling shareholders in 2023, what capital deployment strategies, including M&A, divestments or diversification, are under consideration to reposition the Group for sustainable growth?

<u>Company's Response</u>

Since the change in controlling shareholders in 2023, the Company has conducted a review of the Group's financial performance and is of the view that the Group should be channelling its efforts towards seeking additional revenue streams for the Group that extend beyond its existing system furniture business. This is in consideration of the fact that the Group's existing system furniture business has faced headwinds from global macrotrends including, but not limited to, geopolitical tensions and the competitiveness of the system furniture industry due to rising costs and greater access to alternative products through e-commerce platforms. The Group also notes that consumer demand remains weak notwithstanding the Group's attempts to reduce costs and to ramp up its marketing efforts.

Accordingly, the Group had announced on 29 April 2025 that it is considering the inclusion of the Mining Revenue Stream as part of the Group's business.

Q3. The Company was listed on the Catalist board on 24 September 2014 and has just marked its first decade as a listed company.

(Source: https://sg.finance.yahoo.com/quote/40N.SI/)

(i) Has the Board tracked the total shareholder return over the past 10 years or since its IPO and is it satisfied with the long-term value created?

<u>Company's Response</u>

The Company acknowledges that long-term value creation and returns to shareholders could be improved upon. Whilst the Group's business continues to face headwinds, the Company intends to focus its attention on the immediate priorities highlighted above, so as to provide greater value creation for its shareholders.

(ii) Has the Board assessed whether the Group's current leadership and talent pool are adequate to execute its long-term strategy, or is there a need to refresh and strengthen management capabilities?

<u>Company's Response</u>

The Company is of the view that the Group's current leadership and talent pool are adequate to execute its long-term strategy. However, the Company is open to adjustments and strengthening of its management capabilities in the future so as to achieve its strategic objectives.

By Order of the Board

Ge Shuming
Executive Director and Chairman
22 August 2025

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*This announcement has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this* *announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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