



VCPLUS LIMITED

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(Company Registration Number 201531549N)
(Incorporated in the Republic of Singapore)

**PROPOSED SUBSCRIPTIONS OF 2,220,000,000 NEW ORDINARY SHARES
IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.003 PER
SUBSCRIPTION SHARE**

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of VCPlus Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that on 6 December 2023 the Company had entered into three (3) separate subscription agreements (“**Subscription Agreements**”) with Hyper SN Pte. Ltd., QNX Partners Pte. Ltd. and Tang Zhengming (collectively the “**Subscribers**”).
- 1.2 Pursuant to the Subscription Agreements, the Subscribers have agreed to subscribe for an aggregate of 2,220,000,000 new ordinary shares (“**Shares**”) in the capital of the Company (the “**Subscription Shares**”) at an issue price of S\$0.003 (the “**Issue Price**”) per Subscription Share amounting to an aggregate cash consideration of S\$6,660,000 (the “**Aggregate Consideration**”), subject to and upon the terms and conditions of the Subscription Agreements (the “**Proposed Subscriptions**”).
- 1.3 The Proposed Subscriptions are not underwritten and will be undertaken pursuant to the exemption under Section 272B of the Securities and Futures Act 2001 of Singapore (as amended from time to time) (the “**SFA**”). Accordingly, no prospectus, offer document or offer information statement will be issued by the Company in connection with the Proposed Subscriptions.

2. THE PROPOSED SUBSCRIPTIONS

2.1. Issue Price

The Issue Price was arrived at pursuant to discussions between the Company and the Subscribers, taking into account, among others, the prevailing market price of the ordinary shares of the Company (the “**Shares**”). The Issue Price represents a premium of 42.9% to the volume weighted average price of S\$0.0021 per Share for trades done on the Shares on the Catalist board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full market day on 5 December 2023, being the last full market day on which the Shares were traded up to the entry into the Subscription Agreements.

2.2. Subscription Shares

Pursuant to the terms of the Subscription Agreements, the Subscribers shall subscribe for 2,220,000,000 Subscription Shares at the Issue Price per Subscription Share in the following proportions:

Subscribers	Number of Subscription Shares	Proportion of Aggregate Consideration (\$)	Percentage shareholding based on the existing issued and paid-up share capital of the Company ⁽¹⁾	Percentage shareholding based on the enlarged issued and paid-up share capital of the Company (prior to the issuance of the Incentive Consideration)⁽²⁾
Hyper SN Pte. Ltd.	870,000,000	2,610,000	18.15%	12.41%
QNX Partners Pte. Ltd	780,000,000	2,340,000	16.28%	11.12%
Tang Zhengming	570,000,000	1,710,000	11.90%	8.13%
TOTAL	2,220,000,000	6,660,000	46.33%	31.66%

Notes:

- (1) *The percentage shareholding interest is computed based on the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company comprising 4,791,832,101 Shares as at the date of this announcement.*
- (2) *The percentage shareholding interest is computed based on the enlarged issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company (before issuance of the Incentive Consideration) comprising 7,011,832,101 Shares.*
- (a) The Subscription Shares represent approximately 46.33% of the existing issued and paid-up share capital of the Company comprising 4,791,832,101 Shares as at the date of this announcement (excluding treasury shares). Assuming that completion of the Proposed Subscriptions occurs prior to issuance of the Incentive Consideration (as defined below), the Subscription Shares will represent approximately 31.66% of the enlarged issued and paid-up Shares of the Company of 7,011,832,101 Shares. Assuming that completion of the Proposed Subscriptions occurs after issuance of the Incentive Consideration, the Subscription Shares will represent approximately 31.34% of the enlarged issued and paid-up Shares of the Company of 7,083,832,101 Shares.
- (b) The Subscription Shares will be issued free from all claims, pledges, mortgages, charges, liens and encumbrances, and shall rank *pari passu* with the existing Shares and carry all rights similar to the existing Shares at the time of the issue, except that the Subscription Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of the issue of the Subscription Shares.

- (c) The Subscription Shares will not be placed to any person who is a Director or a substantial shareholder of the Company as at the date of this announcement, or any other person in the categories set out in Rule 812(1) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), unless such subscription is otherwise agreed to by the SGX-ST.
- (d) The Proposed Subscriptions will not result in any transfer of controlling interest in the Company.

2.3. General Mandate

The Subscription Shares shall be allotted and issued pursuant to the general share issue mandate granted by shareholders of the Company (“**Shareholders**”), by way of an ordinary resolution (“**General Mandate**”) at the annual general meeting of the Company held on 27 April 2023 (“**2023 AGM**”). The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM, of which the aggregate number of new Shares of the Company to be issued other than on a *pro-rata* basis to all existing Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM.

As at the date of the 2023 AGM, the Company had 4,728,832,101 Shares in issue and accordingly, the Company had 2,364,416,050 Shares available for issuance under the General Mandate other than on a *pro-rata* basis.

In July 2023, the Company had completed its acquisition of the remaining 45% stake in Custody Plus Pte. Ltd.. The consideration for the acquisition is to be satisfied by the issuance of up to 135,000,000 Shares (“**Consideration Shares**”) by the Company pursuant to the General Mandate. As of the date of this announcement, 63,000,000 Shares had been issued by the Company in July 2023 and up to 72,000,000 Shares may be issued by the Company to satisfy the balance of the purchase consideration subject to satisfaction of certain conditions (“**Incentive Consideration**”).

Accordingly, excluding the Consideration Shares, up to 2,229,416,050 new Shares may be issued under the General Mandate other than on a *pro-rata* basis. Therefore, the proposed 2,220,000,000 Subscription Shares falls within the limits of the General Mandate.

2.4. Additional Listing Application

The Company will be applying to the SGX-ST, through its sponsor, UOB Kay Hian Private Limited (“**Sponsor**”), for the dealing in, listing of and quotation for the Subscription Shares on the Catalist Board and will make the necessary announcement upon receipt of the listing and quotation notice (“**LQN**”) from the SGX-ST.

3. DISCLOSURES RELATING TO THE SUBSCRIBERS

3.1. Details of the Subscribers are set out in the table below.

Name of Subscribers	Background of Subscribers
Hyper SN Pte. Ltd. (“Hyper”)	<p>Hyper is a private company incorporated under the laws of Singapore on 22 November 2021. Its principal business activity is that of wholesale trading. As at the date of this announcement, Mr. Pei Zongle (“Mr. Pei”) holds the entire issued and paid-up share capital of Hyper and is its sole director.</p> <p>Mr. Pei is a Singapore citizen. He is an entrepreneur who is involved in various businesses and investments.</p>
QNX Partners Pte. Ltd. (“QNX”)	<p>QNX is a private company incorporated under the laws of Singapore on 29 October 2020. Its principal business activity is that of retailing. As at the date of this announcement, Dr. Qiao Yuzhi (“Dr. Qiao”) holds the entire issued and paid-up share capital of QNX and is its sole director.</p> <p>Dr. Qiao is a Singapore permanent resident. He is an entrepreneur who is involved in various businesses and investments.</p>
Tang Zhengming (“ Ms. Tang ”)	<p>Ms. Tang is an accomplished businesswoman in the Foods and Beverage Industry. Currently she has invested in various businesses such as Technology, Foods, Medical and Education.</p> <p>Ms. Tang, a Singapore citizen, currently holds a 1.32% stake in Veivo Web Technology Ltd (“Veivo Web”) with remaining 98.68% shareholding in Veivo Web held by Delta Investment Holding Group Ltd (“Delta”) whose sole shareholder and director is Mr. Gao Hong. On 5 October 2023, the Company entered into a strategic collaboration framework with Delta, pursuant to which the parties have agreed to explore the incorporation of a joint venture company as the exclusive distributor of the services of Veivo Web in Asia Pacific region (excluding China). Please refer to the Company’s announcement on 5 October 2023 for more information.</p> <p>Ms. Tang, a passive minority shareholder of Veivo Web, does not hold any executive role in Veivo Web.</p>

3.2. Each of the Subscribers was introduced to the Company by Delta (the “**Introducer**”) through its extended business network. No introducer fee or commission was paid or is payable to the Introducer in connection with the Proposed Subscriptions.

- 3.3. As at the date of this announcement, none of the Subscribers hold any shares in the Company.
- 3.4. The Subscribers have confirmed that, save as disclosed in this announcement:
- (a) they have no existing connection (including business relationships) with the Company, its Directors and substantial shareholders, and are not interested persons as defined under Chapter 9 of the Catalist Rules and do not fall under the class of restricted persons as specified in Rule 812(1) of the Catalist Rules;
 - (b) they are subscribing for the Subscription Shares as principal and for their own benefit and are not acting in concert with each other, any other person or company, and have not entered into any agreement, arrangement or understanding (whether oral or in writing) with any person or company to act as parties in concert in relation to the Company's Shares, within the definition of the Singapore Code on Take-overs and Mergers ("**Take-over Code**"); and
 - (c) no share borrowing arrangement has been entered into to facilitate the Proposed Subscriptions.

4. SALIENT TERMS OF THE SUBSCRIPTION AGREEMENTS

4.1. Completion

Completion of the Proposed Subscriptions under the Subscription Agreements shall take place on the date falling seven (7) business days after the date on which the SGX-ST issues the LQN (or other such date as the Company and the Subscribers may agree) ("**Completion Date**").

Under the Subscription Agreements, if the Conditions Precedents as described in Paragraph 4.2 below are not satisfied on the date falling five (5) weeks after date of the Subscription Agreements (i.e. on or before 9 January 2024 (or such later date as the parties may mutually agree)) (the "**Long-Stop Date**"), the Subscription Agreements shall terminate and be of no further effect and no party shall be under any liability to the other in respect of the Subscription Agreements save for any antecedent breach thereof.

4.2. Conditions Precedent

Under the Subscription Agreements, completion of the Proposed Subscriptions is conditional upon the satisfaction or waiver of, *inter alia*, the following conditions ("**Conditions Precedent**"):

- (a) the General Mandate approved by Shareholders at the 2023 AGM not having been revoked or amended;
- (b) the LQN being obtained from the SGX-ST and not having been revoked or amended and, where the LQN is subject to conditions, to the extent that any conditions of the LQN are required to be fulfilled on or before the Completion Date, they are so fulfilled;

- (c) the exemption under Section 272B of the SFA being applicable to the allotment and issue of Subscription Shares under the Subscription Agreements;
- (d) the allotment and issue of the Subscription Shares to the Subscribers not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Subscribers;
- (e) there not having occurred, in the opinion of the Subscribers, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Subscription Agreements which, in the opinion of the Subscribers, is or is reasonably likely to be materially adverse in the context of the Proposed Subscriptions or is reasonably likely to prejudice materially the success of the Proposed Subscriptions or dealings in the Subscription Shares; and
- (f) the warranties and undertakings set out in the Subscription Agreements remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations under the Subscription Agreements to be performed on or before the Completion Date.

4.3. **Undertaking**

Subject to the satisfaction of necessary due diligence and compliance with all applicable laws and regulations, amongst others, the Company has undertaken:-

- (a) to appoint Ms. Tang to its Board; and
- (b) to appoint a director nominated by QNX to its Board.

For the avoidance of doubt, the Company's undertaking above shall apply only to the maiden appointment of such director until the next annual general meeting of the Company and the obligation on the Company will extinguish thereafter.

5. **RATIONALE FOR THE PROPOSED SUBSCRIPTIONS AND USE OF PROCEEDS**

5.1. Rationale

The Company announced on 5 October 2023 that it had entered into a Strategic Collaboration Framework agreement with Delta to incorporate a joint venture company as the exclusive distributor of the services of Veivo Web in the Asia Pacific region (excluding China). Amongst other things, the funds from the Proposed Subscriptions will be used to fund the incorporation, working capital and other operational expenses of the new joint venture company.

In addition, the Company intends to tap on the expertise and business network of the Subscribers to explore commercial opportunities to support and strengthen the Company's business growth in the future.

The Proposed Subscriptions will also allow the Group to strengthen its financial position, improve the Group's cash flow and increase working capital available to the Group. Therefore, the Directors are of the view that the Proposed Subscriptions are beneficial to and in the interest of the Group.

Assuming the completion of the Proposed Subscriptions, it will allow the Company to strengthen its financial position by raising net cash proceeds (after deducting estimated expenses of approximately S\$40,000) of approximately S\$6,620,000 ("**Net Proceeds**"), which is intended to be utilised by the Company in the following manner:

Use of Net Proceeds	Proportion (%)	Amount of Net Proceeds (S\$)
To fund business expansion including but not limited to the joint venture company with Delta ⁽¹⁾	45.3%	3,000,000
To fund the business of custodial services for digital asset	15.1%	1,000,000
Working capital including, <i>inter alia</i> , professional fees, staff salaries and general overheads	39.6%	2,620,000
Total	100.0%	6,620,000

Note:

(1) For more information, please refer to the Company's announcement dated 5 October 2023.

Pending the deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. As the Net Proceeds will be used for working capital purposes, the Company will disclose a breakdown with specific details on how the Net Proceeds have been applied. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of Net Proceeds in the Company's periodic financial statements issued under Rule 705 of the Catalist Rules and its annual reports.

Taking into account all of the above factors, the Board is of the view that the Proposed Subscriptions are in the best interests of the Company and its Shareholders.

6. FINANCIAL EFFECTS

6.1. Bases and assumptions

The *pro forma* financial effects of the Proposed Subscriptions on the consolidated net tangible assets ("NTA") per Share, Share capital and loss per Share of the Group have been prepared for illustration only and do not reflect the actual financial effects or the future financial performance and condition of the Group after completion of the Proposed Subscriptions.

For illustrative purposes only, the *pro forma* financial effects of the Proposed Subscriptions set out below were prepared based on the Group's latest audited financial statements for the full year ended 31 December 2022 ("FY2022") and subject to the following assumptions:

- (a) for purposes of computing the effect of the NTA per Share of the Group, it is assumed that the Proposed Subscriptions had been completed on 31 December 2022;
- (b) for purposes of computing the effect of the Proposed Subscriptions on the loss per Share, it is assumed that the Proposed Subscriptions were completed on 1 January 2022; and
- (c) the expenses incurred in connection with the Proposed Subscriptions amount to approximately S\$40,000.

6.2. Share Capital

	Before the Proposed Subscriptions	After the Proposed Subscriptions
Issued Share capital (S\$'000)	98,941	105,561
Number of Shares	4,791,832,101	7,011,832,101

6.3. NTA per Share

	Before the Proposed Subscriptions	After the Proposed Subscriptions
NTA attributable to the owners of the Group (S\$000)	2,220	8,840
Number of Shares	4,720,082,101	6,940,082,101
NTA per Share (cents)	0.047	0.127

6.4. Loss per Share

	Before the Proposed Subscriptions	After the Proposed Subscriptions
Loss attributable to the owners of the Group (S\$000)	(2,749) ⁽¹⁾	(2,749)
Weighted average number of issued Shares	4,556,136,896	6,776,136,896
Loss per share (cents)	(0.0603)	(0.0406)

Note:

(1) The loss attributable to the owners of the Group excludes the loss from discontinued operations (net of tax).

7. DIRECTORS' CONFIRMATION

The Directors are of the opinion that, as at the date of this announcement:

- (a) after taking into consideration the Group's present internal resources and present bank facilities available to the Group, the Group has sufficient working capital to meet its present requirements. Notwithstanding the above, the purpose of the Proposed Subscriptions is to raise funds for the Company to embark on the joint venture with Delta as well as to strengthen its general working capital; and
- (b) after taking into consideration the Group's present internal resources, present bank facilities available to the Group, and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

8.1 None of the Directors or substantial shareholders of the Company or their respective associates have any interest, direct or indirect in the Proposed Subscriptions, other than in their capacity as Director or Shareholder.

8.2 For illustration, the interests of the Directors, substantial Shareholders and the Subscribers in the share capital of the Company as at the date of this announcement and after the Proposed Subscriptions are set out below:

	As at the date of announcement		After the Proposed Subscriptions	
	Number of Shares	Percentage (%) ⁽¹⁾	Number of Shares	Percentage (%) ⁽²⁾
Directors				
Lim Beng Chew	1,234,452,015	25.76	1,234,452,015	17.61
Chong Heng Loong	8,750,000	0.18	8,750,000	0.12
Chua Ser Miang	-	-	-	-
Gavin Mark McIntyre	-	-	-	-
Lee Kim Lian, Juliana	-	-	-	-
Ong Choon Yi	-	-	-	-

Thomas Chun Pai	-	-	-	-
Substantial Shareholders (other than Directors)				
Tang Yao Zhi (Chen Yaozhi)	617,226,008	12.88	617,226,008	8.80
Tan Soo Kia	365,472,206	7.63	365,472,206	5.21
Subscribers				
Hyper SN Pte. Ltd.	-	-	870,000,000	12.41
QNX Partners Pte. Ltd.	-	-	780,000,000	11.12
Tang Zhengming	-	-	570,000,000	8.13

Notes:

- (1) *The percentage shareholding interest is computed based on the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company comprising 4,791,832,101 Shares as at the date of this announcement;*
- (2) *The percentage shareholding interest is computed based on the enlarged issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company (before issuance of the Incentive Consideration) comprising 7,011,832,101 Shares.*

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreements are available for inspection by the Shareholders at the registered office of the Company at 223 Mountbatten Road, #03-10, Singapore 398008 during normal office hours for three (3) months from the date of this announcement.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Subscriptions, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

11. TRADING CAUTION

Shareholders and potential investors are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this announcement that the Proposed Subscriptions will proceed to completion. Shareholders are advised to read this announcement, and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

By Order of the Board

Mr. Chong Heng Loong
Chief Executive Officer and Executive Director
6 December 2023

This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor").

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

The contact person for the Sponsor is Mr. Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.