



VCPLUS LIMITED

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

PROPOSED SUBSCRIPTION OF 170,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.01 PER 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 the Company had on 7 December 2022 entered into five (5) separate subscription agreements (the "**Subscription Agreements**") with Aw Hui Bing, Gan Fong Jek, Lim Seop Huang, Tan Kim Seng and Thong Xin Pte. Ltd. (the "**Investors**").
- 1.2. Pursuant to the Subscription Agreements, the Investors have agreed to subscribe for an aggregate of 170,000,000 new ordinary shares ("**Shares**") in the capital of the Company (the "**Subscription Shares**") at an issue price of S\$0.01 (the "**Issue Price**") per Subscription Share amounting to an aggregate cash consideration of S\$1,700,000 (the "**Aggregate Consideration**"), subject to and upon the terms and conditions of the Subscription Agreements (the "**Proposed Subscriptions**"). Please refer to paragraph 3 of this announcement for more information on the Proposed Subscriptions.
- 1.3. The Company will apply to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") through its sponsor, UOB Kay Hian Private Limited ("**Sponsor**"), for, *inter alia*, the dealing in, listing of and quotation for the Subscription Shares on the Catalist board of the SGX-ST (the "**Catalist**"). The Company will make the necessary announcements upon receipt of the listing and quotation notice (the "**LQN**") from the SGX-ST.
- 1.4. The Proposed Subscriptions are not underwritten and there is no placement agent appointed for the purposes of the Proposed Subscriptions. The offer, allotment and issue of the Subscription Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act 2001 of Singapore (the "**SFA**"). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscriptions.

2. DISCLOSURES RELATING TO THE INVESTORS

- 2.1. The details of the Investors are as follows:

Name of Investor	Background of Investor
Aw Hui Bing	An individual investor.

Gan Fong Jek	An individual investor.
Lim Seop Huang	An individual investor.
Tan Kim Seng	An individual investor.
Thong Xin Pte. Ltd.	An investment holding company. Its sole director is Mr Lim Soon Heng and it is wholly owned by Seng Lee Holdings Pte. Ltd. The ultimate beneficiaries of Thong Xin Pte. Ltd. are Mr Lim Soon Huat, Mr Lim Soon Heng and Ms Leong Quee Ching Karen.

Each of the Investors is subscribing for the Subscription Shares for investment purposes.

2.2. Each of the Investors was introduced to the Company by the Company's Chief Executive Officer, Mr Clarence Chong (the "**Introducer**") through his extended business network. For the avoidance of doubt, no introducer fee or commission was paid or payable to the Introducer in connection with the Proposed Subscriptions.

2.3. As at the date of this announcement, Lim Seop Huang holds 1,000,000 Shares representing 0.02% of the existing total issued and paid-up share capital of the Company of 4,550,082,101 Shares.

Save as disclosed herein, as at the date of this announcement, the remaining Investors do not hold, directly or indirectly, any Shares in the Company.

2.4. The Investors are not interested persons as defined under Chapter 9 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the SGX-ST and do not fall under the class of restricted persons as specified in Rule 812(1) of the Catalist Rules.

2.5. Each of the Investors has confirmed that he/it is subscribing for the Subscription Shares as principal and for his/its own benefit and is not acting in concert with 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 Takeovers and Mergers.

2.6. To the best of the knowledge of the Directors, the Investors do not have any other connections (including business relationships) with the Company, the Group, the Directors and substantial shareholders of the Company.

3. **SALIENT TERMS OF THE SUBSCRIPTION AGREEMENTS**

3.1. Subscription Shares

Pursuant to the terms of the Subscription Agreements, the Investors shall subscribe for 170,000,000 Subscription Shares at the Issue Price per Subscription Share in the following proportions:

Investor	Number of Subscription Shares	Proportion of Aggregate Consideration	Percentage shareholding in the Company before the Proposed Subscriptions (1)	Percentage shareholding in the Company after the Proposed Subscriptions (2)
Aw Hui Bing	20,000,000	S\$200,000	-	0.42%
Gan Fong Jek	5,000,000	S\$50,000	-	0.11%
Lim Seop Huang	10,000,000	S\$100,000	0.02%	0.23%
Tan Kim Seng	45,000,000	S\$450,000	-	0.95%
Thong Xin Pte. Ltd.	90,000,000	S\$900,000	-	1.91%
TOTAL	170,000,000	S\$1,700,000	0.02%	3.62%

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 of 4,550,082,101 Shares as at the date of this announcement.
- (2) The percentage shareholding interest is computed based on the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company of 4,720,082,101 Shares following the Proposed Subscriptions, assuming there are no changes to the number of Shares (excluding treasury shares and subsidiary holdings) before the completion of the Proposed Subscriptions.

The Subscription Shares shall be issued free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* with and shall carry all rights similar to the existing Shares 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 allotment and issue of the Subscription Shares.

The Subscription Shares represent approximately 3.74% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company as at the date of this announcement and approximately 3.60% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company following the completion of the Proposed Subscriptions, assuming there are no changes to the number of Shares (excluding treasury shares and subsidiary holdings) of the Company before the completion of the Proposed Subscriptions.

3.2. Issue Price

The Issue Price of S\$0.01 per Subscription Share represents a premium of approximately 12.36% to the volume weighted average price ("**VWAP**") of S\$0.0089

per Share for trades done on the SGX-ST on 7 December 2022, being the full market day on which the Shares were traded up to the entry into the Subscription Agreements.

The Issue Price was commercially agreed between the Company and the Investors after arm's length negotiations and taking into account historical trading performance of the Company, prevailing market conditions and future prospects of the Group.

3.3. General Mandate

The Subscription Shares will be allotted and issued pursuant to the general share issue mandate granted by the shareholders of the Company ("**Shareholders**") by way of an ordinary resolution (the "**General Mandate**") at the annual general meeting of the Company held on 29 April 2022 (the "**2022 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 2022 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 2022 AGM, the Company had 4,550,082,101 Shares in issue and accordingly, the Company had 2,275,041,050 Shares available for issuance under the General Mandate on a non-*pro-rata* basis. As at the date of this announcement, the Company had not utilised the General Mandate in any way. Accordingly, the proposed allotment and issue of the Subscription Shares falls within the limit of the General Mandate.

3.4. Compliance with Catalist Rules

The Subscription Shares (i) will not be placed to any person who is a director or a substantial shareholder of the Company or any other person in the categories set out in Rule 812(1) of the Catalist Rules, and (ii) will not result in any transfer of controlling interest in the Company.

3.5. Conditions Precedent

Under the Subscription Agreements, the obligations of the Company and the Investors are conditional upon the following conditions (the "**Conditions Precedent**"):

- (a) 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 (as defined below), they are so fulfilled;
- (b) the exemption under Section 272B of the SFA being applicable to the allotment and issue of Subscription Shares under the Subscription Agreements;
- (c) the allotment and issue of Subscription Shares to the Investors 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 Investors; and
- (d) 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.

3.6. Long-Stop Date

Under the Subscription Agreements, if the Conditions Precedent are not satisfied on or before the date falling eight (8) weeks after the date of the Subscription Agreements (i.e. on or before 1 February 2023 (or such later date as the parties thereto may mutually agree)) (the "**Long-Stop Date**"), the Subscription Agreements shall terminate and be of no further effect and no party thereto shall not be under any liability to the other in respect of the Subscription Agreements save for any antecedent breach thereof.

3.7. Completion

Completion of the Proposed Subscriptions under the Subscription Agreements shall take place on the date falling three (3) business days after the date on which the SGX-ST issues the LQN (or such other date as the Company and the Investors may agree) (the "**Completion Date**").

4. RATIONALE AND USE OF PROCEEDS

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

The Proposed Subscriptions will allow the Company to strengthen its financial position by raising net cash proceeds (after deducting estimates expenses of approximately S\$30,000) of approximately S\$1,670,000 (the "**Net Proceeds**"), which is intended to be utilised by the Company in the following manner:

Use of Net Proceeds	Proportion (%)	Amount of Net Proceeds
To fund the commencement of the business of custodial services after receiving the in-principle approval from the Monetary Authority of Singapore	40	S\$668,000
Working capital including, <i>inter alia</i> , professional fees, staff salaries and general overheads	60	S\$1,002,000
Total	100	S\$1,670,000

Pending the deployment of the Net Proceeds, the Net 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 the 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.

5. 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 commencement of the custodian business 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.

6. FINANCIAL EFFECTS

6.1. Bases and assumptions

The financial effects of the Proposed Subscriptions on the consolidated net tangible assets ("**NTA**") per Share have been prepared based on the audited financial statements of the Group for the full year ended 31 December 2021. The *pro forma* financial effects of the Proposed Subscriptions are for illustration only and do not reflect the actual financial effects or the future financial performance and condition of the Group after the Proposed Subscriptions.

The *pro forma* financial effects are based on the following assumptions:

- (a) the financial effects of the Proposed Subscriptions on the NTA per Share of the Group are computed based on the assumption that the Proposed Subscriptions completed on 31 December 2021;
- (b) the expenses incurred in connection with the Proposed Subscriptions amount to approximately S\$30,000; and
- (c) an exchange rate of S\$1.00 to RM3.2588.

6.2. Share Capital

	Before the Proposed Subscriptions	After the Proposed Subscriptions
Total number of issued Shares	4,550,082,101	4,720,082,101

6.3. NTA per Share

The illustrative effects of the Proposed Subscriptions on the NTA per Share of the Group as at 31 December 2021 are as follows:

	Before the Proposed Subscriptions	After the Proposed Subscriptions
NTA ⁽¹⁾ of the Group (RM'000)	7,768	13,210
Number of Shares	4,550,082,101	4,720,082,101
NTA per Share (RM Cent)	0.1707	0.2799

Notes:

(1) NTA means total assets less the sum of total liabilities and intangible assets.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of each Subscription Agreement are available for inspection by the Shareholders at the registered office of the Company at 138 Robinson Road #26-03 Oxley Tower Singapore 068906 during normal office hours for three (3) months from the date of this announcement.

9. 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.

10. TRADING CAUTION

Shareholders 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, as completion is subject to, *inter alia*, fulfilment of the Conditions Precedent. 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 Chua Ser Miang
Non-Executive Chairman and Lead Independent Director
7 December 2022

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

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

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