VICPLAS INTERNATIONAL LTD
Incorporated in the Republic of Singapore
(Company Registration No. 199805362R)

ENTRY INTO SHARE PURCHASE AGREEMENT IN RELATION TO THE INVESTMENT IN XENTIQ (PTE.) LTD.

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1. INTRODUCTION

The Board of Directors of Vicplas International Ltd. (the "**Company**") refers to its announcement on 14 August 2015 (the "**Initial Announcement**") in relation to the entry into a non-binding term sheet (the "**Term Sheet**") with Tan Eng Khian Eugene ("**ET**"), Ulrich Johannes Schraudolph ("**UJS**" and, collectively with ET, the "**Sellers**" and, collectively with the Company, the "**Parties**"), in respect of the following proposed transactions:

(i) the acquisition by the Company of, and the sale by the Sellers of, approximately 81 per cent. of the issued shares in the capital of XentiQ (Pte.) Ltd. ("**XQPL**") (the "**XQPL Transaction**"); and

(ii) the acquisition by the Company of, and the sale by the Sellers of, approximately 19 per cent. of the issued shares in the capital of XentiQ Partners Pte. Ltd. ("**XQPPL**") (the "**XQPPL Transaction**").

Further to the Initial Announcement, the Board wishes to announce that the Parties have today entered into a binding, conditional share purchase agreement (the "**XQPL Share Purchase Agreement**") in respect of the XQPL Transaction. The Parties are still in discussions in respect of the XQPPL Transaction and will, in compliance with the requirements of the listing manual of the Singapore Exchange Securities Trading Limited, make further announcements (if necessary) at the appropriate time.

2. PRINCIPAL TERMS OF THE XQPL TRANSACTION

2.1 Acquisition of XQPL Sale Shares. The Company will acquire 458,460 ordinary shares in the capital of XQPL (the "**XQPL Sale Shares**") from the Sellers in equal proportions, representing 81 per cent. of the issued and paid-up share capital of XQPL, subject to the following conditions:

2.1.1 satisfactory completion of all legal, financial, operational, technical and such related due diligence in relation to XQPL required by the Company;

2.1.2 the delivery to the Company of the budgets of XQPL in respect of the 12-months ending 31 July 2016 and 31 July 2017, such budgets being satisfactory to the Company in its sole discretion;

2.1.3 where the terms of any contract to which XQPL is a party contains any restrictions or prohibition on the change in control of the shareholding and/or the board of directors of XQPL or includes any right to terminate exercisable prior to or as a

result of any matter contemplated by the XQPL Share Purchase Agreement, written confirmation in a form and on terms (if any) satisfactory to the Company by the counterparties thereto, of the waiver of such restrictions or prohibition in relation to any such change arising from the transactions under XQPL Share Purchase Agreement or of any such right to terminate; and

2.1.4 the licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals necessary or desirable for or in respect of the proposed acquisition of the XQPL Sale Shares by the Company having been obtained from appropriate governments, governmental, courts or other regulatory bodies on terms satisfactory to the Company (in its sole discretion) and such licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect.

2.2 **XQPL Consideration.** The aggregate consideration payable by the Company for the XQPL Sale Shares shall be up to S$1,870,000 (the "**XQPL Consideration**"), which shall be payable in three tranches to the Sellers in equal proportions as follows:

2.2.1 the payment of a sum of S$870,000 on the date of the XQPL Share Purchase Agreement;

2.2.2 the payment of a sum of S$500,000 on the date falling on the first anniversary of the date of the XQPL Share Purchase Agreement; and

2.2.3 the payment of a sum of S$500,000, subject to the satisfaction of the following conditions:

(i) the achievement by XQPL of New Revenues of S$2,500,000 (the "**Revenue Condition**")

(ii) XQPL remaining self-funding for the 24 month period after the date of the completion of the sale and purchase of the XQPL Sale Shares ("**Closing**", and such date being the "**Closing Date**");

(iii) there being no changes to the terms of the Sellers' employment agreements with XQPL (including remuneration) (the "**Employment Agreements**") applicable as at 31 December 2014, without the prior written consent of XQPL, at any time after the signing of the XQPL Share Purchase Agreement; and

(iv) the Sellers remaining actively employed by XQPL, and not resigning or retiring from their positions at XQPL as at the date of the XQPL Share Purchase Agreement, during the 36 month period after the Closing Date, and

for the avoidance of doubt, if any of the conditions referred to in paragraph 2.2.3 above are not satisfied by the Sellers for any reason whatsoever, the Sellers shall not be entitled to any payment pursuant to this paragraph 2.2.3.

For the purposes of this paragraph 2.2.3, the "**New Revenues**" refers to either (i) 100% of the revenues generated by Forefront Medical Investments Pte. Ltd.

("**Forefront**") in relation to any electro-mechanical (and not polymer) medical devices manufactured by Forefront with assistance from XQPL, or (ii) 81% of the revenues generated by XQPL in relation to any electro-mechanical (and not polymer) medical devices manufactured by XQPL in respect of projects approved, and under conditions (if any) imposed, by Forefront on a project by project basis.

In the event that Closing does not take place for any reason whatsoever (including termination of the XQPL Share Purchase Agreement) on or before 30 January 2016 (or such other date as may be agreed in writing between the Company and the Sellers), each Seller shall immediately, and in any event within one business day, repay to the Company any part of the XQPL Consideration which has been paid to such Seller in accordance with the XQPL Share Purchase Agreement. Any such repayment shall be in addition to and without prejudice to any other rights and remedies available to the Company, including the right to claim damages.

2.2.4 **Basis for XQPL Consideration.** The XQPL Consideration was arrived at on a "willing-buyer-willing-seller" basis, taking into consideration, the track record of XQPL in product design and industrial automation.

3. FINANCIAL INFORMATION

Based on the unaudited financial statements of XQPL for the twelve-month financial period ended 31 July 2015, the book value and the net tangible asset value of XQPL as at 31 July 2015 were S$208,393 and S$189,046, respectively, with the book value and net tangible value attributable to each XQPL Sale Share as at 31 July 2015 being approximately S$0.37 and approximately S$0.33, respectively; and XQPL recorded losses after tax of approximately S$232,538**.**

If the XQPL Transaction had taken effect as at 31 July 2015, it would not have any material impact on the net earnings per share or the net tangible assets per share of the Company and its subsidiaries (the "**Group**") in respect of the last financial year ended 31 July 2015.

4. RATIONALE FOR XQPL TRANSACTION

The XQPL Transaction will provide enhanced access to research and design capabilities to the Group. In the field of medical devices, the XQPL Transaction could potentially expand the manufacturing capabilities of the Group's medical devices segment beyond polymer devices to electro-mechanical devices. This expansion allows the Group's medical devices segment to seek new manufacturing opportunities from both new and existing customers.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Apart from their shareholdings through the Company, none of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the XQPL Transaction.

Shareholders should note that certain subsidiaries and associates of Venner Capital S.A., which is a controlling shareholder of the Company, are significant customers of XQPL and contributed close to 30 per cent. of XQPL's revenue in the twelve-month financial period ended 31 July 2015.

6. NO SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the XQPL Transaction. Accordingly no service contract is proposed to be entered into between the Company and any such person.

7. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the XQPL Share Purchase Agreement is available for inspection during normal business hours at the Company's registered office at 35 Joo Koon Circle Singapore 629110 for three months from the date of this Announcement.

BY ORDER OF THE BOARD

Cheng Liang
Acting Group Chief Executive Officer
Singapore
30 December 2015