



VCPLUS LIMITED

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(Formerly known as Anchor Resources Limited)
(Company Registration Number 201531549N)
(Incorporated in the Republic of Singapore)

ENTRY INTO CUSTODY WHITE LABEL LICENSE AND SERVICES AGREEMENT

1. INTRODUCTION

- 1.1. The board of directors (the "**Board**" or "**Directors**") of VCPlus Limited (formerly known as Anchor Resources Limited) (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 9 September 2021 entered into a custody white label license and services agreement ("**License Agreement**") with HydraX Pte. Ltd. ("**Hydra X**"), pursuant to which the Company has been granted a non-exclusive, non-transferable and non-sublicensable license of a digital asset custody technology solution ("**License**") for Ethereum-based digital tokens and associated services to carry on the business of provision of custodian services for digital assets ("**Business**"). The License has also been granted to Custody Plus Pte. Ltd. ("**Custody Plus**"), the new joint venture company to be incorporated to carry on the Business, as detailed in the Company's previous announcement dated 5 May 2021 ("**JV Announcement**"). For further information on Custody Plus, please refer to the JV Announcement, copies of which are accessible at www.sgx.com.
- 1.2. Pursuant to the License Agreement, part of the aggregate consideration payable, amounting to S\$600,000, is payable as follows:
- (a) S\$300,000 ("**Tranche 1 Consideration**") is payable via the issuance of 11,111,111 new ordinary shares in the capital of the Company ("**Shares**") at an issue price of S\$0.027 ("**Issue Price**") (the "**Tranche 1 Consideration Shares**") within fourteen (14) business days from the date of submission of an application to the Monetary Authority of Singapore ("**MAS**") for a license to carry out the Business (the "**MAS License**") (the "**Tranche 1 Share Issue**"); and
 - (b) S\$300,000 ("**Tranche 2 Consideration**") is payable via:
 - (i) the issuance of 11,111,111 new Shares at the Issue Price ("**Tranche 2 Consideration Shares**") and collectively, with the Tranche 1 Consideration Shares, the "**Consideration Shares**" and each a "**Consideration Share**") within fourteen (14) business days from the date of receipt of the approval in principle from MAS for the MAS License (the "**Tranche 2 Share Issue**" and collectively with the "**Tranche 1 Share Issue**", the "**Consideration Share Issue**"); or
 - (ii) in cash,

to be determined at the Company's sole discretion, except that should the share price of the Company close below the Issue Price on any of the five (5) trading days leading up to the date of the Tranche 2 Share Issue, the Tranche 2 Consideration shall be paid fully in cash.

The Company considers the terms of the License Agreement (including pricing information) to be proprietary and confidential. The purpose of this announcement is to give the shareholders of the Company ("**Shareholders**") information about the Consideration Share Issue.

1.3. Additional Listing Application

The Company will apply to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") through its sponsor, UOB Kay Hian Private Limited ("**Sponsor**") for, *inter alia*, the dealing in, listing of and quotation for the Consideration 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 ("**LQN**") from the SGX-ST.

1.4. Exemption from Prospectus Requirement

The Consideration Share Issue is not underwritten and there is no placement agent appointed for the purposes of the Consideration Share Issue. The offer, allotment and issue of the Consideration Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). As such, no prospectus or offer information statement will be issued by the Company in connection with the Consideration Share Issue.

2. INFORMATION ON HYDRA X

Shareholders should note that information relating to Hydra X and the Investors in this paragraph and elsewhere in this announcement was provided by Hydra X. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.

2.1. HydraX Pte. Ltd.

Hydra X is a company incorporated under the laws of Singapore. Its principal business is the provision of regulatory-compliant, enterprise-ready financial infrastructure for institutional clients. Hydra X's solutions support interoperability between traditional and digital assets, and are tailored to exchanges, banks, brokers and other financial institutions.

As at the date of this announcement, the issued and paid-up share capital of Hydra X is S\$191 divided into 10,000,001 ordinary shares and US\$6,521,000 divided into 3,518,556 ordinary shares. The directors of Hydra X are Mr. Low Junrui, Mr. Kwek Choon Yeow Julian, Mr. Mah Bow Tan, and Mr. Mah Gui Xuan Warren Nikolaus.

As at the date of this announcement, the three largest shareholders of Hydra X are Sigma Value Limited ("**Sigma Value**"), Mr. Low Junrui, and Hydra X Digital Technologies Limited ("**HDTL**"), which in aggregate hold approximately 70.98% of the total issued share capital of Hydra X.

- 2.2. Hydra X is subscribing for the Consideration Shares as part payment of the aggregate consideration payable under the License Agreement.
- 2.3. As at the date of this announcement, Hydra X does not hold, directly or indirectly, any Shares in the Company. Hydra X has confirmed that to the best of its knowledge none of its directors and/or its shareholders (including any corporate shareholder and its ultimate beneficial owners) holds, directly or indirectly, any Shares in the Company.
- 2.4. Hydra X is not an interested person as defined under Chapter 9 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited and does not fall under the class of restricted persons as specified in Rule 812 (1) of the Catalist Rules.
- 2.5. Hydra X has confirmed that it is subscribing for the Consideration Shares as principal and for 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 Take-overs and Mergers ("**Take-over Code**").
- 2.6. To the best of the knowledge of the Directors and save as disclosed above, Hydra X and/or any of its existing directors and/or shareholders (including any corporate shareholder and its ultimate beneficial owners) 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 CONSIDERATION SHARE ISSUE**

3.1. Consideration Shares

Pursuant to the terms of the License Agreement, and assuming that all of the Consideration Shares are issued, Hydra X shall subscribe for an aggregate of 22,222,222 Consideration Shares at the Issue Price per Consideration Share.

The Consideration 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 Consideration 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 Consideration Shares.

The Consideration Shares represent approximately 0.51% 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 0.51% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company following the completion of the Consideration Share Issue, assuming there are no changes to the number of Shares (excluding treasury shares and subsidiary holdings) of the Company before the completion of the Consideration Share Issue.

3.2. Issue Price

The Issue Price of S\$0.027 per Consideration Share represents a premium of approximately 12.03% to the volume weighted average price ("**VWAP**") of S\$0.0241

per Share for trades done on the SGX-ST on 9 September 2021, being the full market day on which the Shares were traded up to the entry into the License Agreement.

The Issue Price was commercially agreed between the Company and Hydra X 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 Consideration Shares will be allotted and issued pursuant to the general share issue mandate granted by the Shareholders by way of an ordinary resolution ("**General Mandate**") at the annual general meeting of the Company held on 29 April 2021 ("**2021 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 2021 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 2021 AGM, the Company had 4,267,460,901 Shares in issue and accordingly, the Company had 2,133,730,450 Shares available for issuance under the General Mandate on a non-*pro-rata* basis.

On 28 May 2021, pursuant to the General Mandate, the Company issued and allotted 99,096,296 new Shares to various investors pursuant to five (5) separate subscription agreements entered into with these investors ("**May 2021 Subscriptions**"). Please refer to the Company's announcements dated 5 May 2021, 26 May 2021 and 28 May 2021 for more information on the May 2021 Subscriptions, copies of which are available on www.sgx.com.

Accordingly, the Company has 2,034,634,154 Shares available for issuance under the General Mandate on a non-*pro-rata* basis. As such, the proposed allotment and issuance of the Consideration Shares falls within the limit of the General Mandate.

3.4. Compliance with Catalist Rules

The Consideration 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. Completion

It is anticipated that a member of the Group will be submitting an application to MAS for the MAS License to carry on the Business within the next six (6) months from the date of this announcement. As such, under the License Agreement, subject to the receipt of the LQN from the SGX-ST for the listing and quotation of the Consideration Shares, completion of the Tranche 1 Share Issue shall take place within fourteen (14) business days after the date of submission of the MAS License application.

Assuming that the Tranche 2 Consideration is paid via the issuance of the Tranche 2 Consideration Shares, completion of the Tranche 2 Share Issue shall take place within fourteen (14) business days from the date of receipt of the approval in principle from

MAS for the MAS License. The Company will make further announcements in respect of the Tranche 2 Share Issue and the status of the MAS License as and when appropriate.

3.6. Moratorium

Each tranche of the Consideration Shares shall be subject to a moratorium period consisting of: (i) first six (6) months after issuance for the Tranche 1 Consideration Shares ("**First Moratorium Period**"); and (ii) another six months thereafter for the Tranche 2 Consideration Shares ("**Second Moratorium Period**" and each, a "**Moratorium Period**"). Each Moratorium Period shall commence on the date of issuance of such tranche of Consideration Shares to the Company.

During each respective Moratorium Period, Hydra X shall not sell, transfer or otherwise dispose of any Consideration Shares, any other shareholding they have in the Company or any interest thereof, or attempt or propose to do any of the foregoing without the prior written approval of the Company.

Hydra X shall also not, during each Moratorium Period, mortgage, pledge, charge, grant an option over or otherwise encumber any Consideration Shares, any other shareholding they have in the Company or an interest thereof, or attempt or propose to do any of the foregoing unless prior written consent of the Company is obtained.

4. **RATIONALE AND USE OF PROCEEDS**

As disclosed in the Company's circular to Shareholders dated 7 April 2021 ("**Circular**"), the Company intends to diversify the Group's core business to include, *inter alia*, the Business, and the provision of advisory, consultancy and/or management services related to fintech regulation and licencing, as well as adoption of fintech strategies and technology (collectively, the "**Proposed New Business**").

The Company's entry into the License Agreement is the next step undertaken by the Company in developing the Proposed New Business. The technology solutions and services provided by Hydra X will be a core part of the Business to be carried out by the Company.

The Consideration Share Issue will also allow the Company to conserve cash for the Proposed New Business. Further, the management of the Company is of the view that the Consideration Share Issue will help align the interests of Hydra X with that of the Company.

Taking into account all of the above factors, the Board is of the view that the Consideration Share Issue is in the best interests of the Company and its Shareholders.

5. **DIRECTORS' CONFIRMATION**

5.1. 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; and

- (b) the Consideration Share Issue will not result in any net proceeds being raised as it is in satisfaction of the Tranche 1 Consideration and the Tranche 2 Consideration under the License Agreement.

6. FINANCIAL EFFECTS

6.1. Bases and assumptions

The financial effects of the Consideration Share Issue on the consolidated net tangible assets (“NTA”) per Share are based on the audited financial statements of the Group for the full financial year ended 31 December 2020. The *pro forma* financial effects of the Consideration Share Issue are for illustration only and do not reflect the actual financial effects or the future financial performance and condition of the Group after the Consideration Share Issue.

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

- (a) each of the Tranche 1 Consideration and the Tranche 2 Consideration shall be satisfied via the issuance of the Consideration Shares;
- (b) all of the Consideration Shares are issued;
- (c) the financial effects of the Consideration Share Issue on the NTA per Share of the Group are computed based on the assumption that the Consideration Share Issue was completed on 31 December 2020;
- (d) the expenses incurred in connection with the Consideration Share Issue amount to approximately S\$40,000; and
- (e) an exchange rate of S\$1.00 to RM0.3294.

6.2. Share Capital

	Before the Consideration Share Issue	After the Consideration Share Issue
Total number of issued Shares	4,366,557,197	4,388,779,419

6.3. NTA per Share

The illustrative effects of the Consideration Share Issue on the NTA per Share of the Group as at 31 December 2020 are as follows:

	Before the Consideration Share Issue ⁽²⁾	After the Consideration Share Issue
NTA ⁽¹⁾ of the Group (RM'000)	12,598	14,298
Number of Shares	4,366,557,197	4,388,779,419
NTA per Share	0.29	0.33

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Notes:-

- (1) NTA means total assets less the sum of total liabilities and intangible assets.
- (2) Assuming that (i) the Company has issued an aggregate of 2,427,293,288 new Shares at an issue price of S\$0.00149 to Lim Beng Chew, Tang Yao Zhi, Tan Soo Kia and Lee Teck (collectively, the "Lenders") for the settlement of a S\$3,500,000 loan extended to the Lenders and all accrued interest thereon of S\$116,667; (ii) the Company has issued an aggregate of 176,174,497 new Shares at an issue price of S\$0.00149 to Cedric Yap Kun Hao for the payment of an introducer fee of S\$262,500 as detailed in the Company's circular to shareholders dated 25 January 2021; and (iii) the Company has issued an aggregate of 99,096,296 new Shares at an issue price of S\$0.0270 to Desmond Tan Ghee Teong, Hong Eng Leong Jeffrey, One Light Holdings Pte. Ltd., Foo Kok Chye and Yip Chee Hoong. NTA before the Consideration Share Issue as at 31 December 2020, has been adjusted accordingly.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company or their respective associates have any interest, direct or indirect in the Consideration Share Issue, other than in their capacity as Director or Shareholder.

8. 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 Consideration Share Issue 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.

By Order of the Board

Mr. Chua Ser Miang
 Non-Executive Chairman and Lead Independent Director
 9 September 2021

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 ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

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 correctness of

any of the 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.