



VCPLUS LIMITED

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

RESPONSES TO QUESTIONS RAISED BY SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

The Board of Directors (the “**Board**”) of VCPlus Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the annual report of the Company for the financial year ended 31 December 2021 (“**Annual Report**”).

The Company has prepared and is releasing with this announcement the responses to questions received from the Securities Investors Association (Singapore) (“**SIAS**”) on the Annual Report in advance of our Annual General Meeting. Please refer to Appendix A for the list of questions received from SIAS and the Management’s and the Board’s responses to these questions. In the Management’s and the Board’s responses, the Company refers to:-

- (a) the Company’s circular to shareholders dated 7 April 2021 in relation to the Group’s proposed diversification into activities within the financial technology and blockchain technology industry (“**Circular**”);
- (b) the Company’s announcement on 27 September 2021 in relation to the Company’s proposed acquisition of the entire issued share capital of APEC Solutions Pte. Ltd. (“**APEC Announcement**”); and
- (c) the Company’s circular to shareholders dated 14 April 2022 in relation to the Company’s proposed disposal of the Company’s wholly-owned subsidiary, GGTM Sdn. Bhd. (“**GGTM Circular**”).

Unless otherwise defined, all capitalised terms used in Appendix A bear the same meanings ascribed to them in the Circular, APEC Announcement and/or the GGTM Circular, as the case may be. The Company did not receive any questions from the shareholders of the Company as at the deadline stated in the Notice of Annual General Meeting and Notice of Extraordinary General Meeting.

By Order of the Board

Mr. Chua Ser Miang
Non-executive Chairman and Lead Independent Director
25 April 2022

*This announcement has been prepared by VCPlus Limited (formerly known as Anchor Resources Limited) (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 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.

Appendix A

Question 1

In May 2021, the Company announced a joint venture, Custody Plus Pte. Ltd, to provide custodial services for digital assets. Custody Plus applied to the Monetary Authority of Singapore for a capital markets services licence in respect of the regulated activity of providing custodial services. The application may take up to two years.

Some of the other developments in 2021 include:

- securing a two-year collaboration with Chartwell Compliance to provide fintech licensing and compliance consultancy services to businesses in North America and the Asia-Pacific region
- acquiring APEC Solutions Pte. Ltd, a technology consultancy firm that develops and integrates technology solutions for enterprises
- securing an advisory role to a landmark security token offering project with Tree Roots Entertainment Group
- being appointed to advise GENES Group on the development and adoption of blockchain and other technology solutions to help companies reduce their carbon footprint

Revenue for the year was RM632,000. The Group reported a loss of RM(7.64) million in FY2021, after losses of RM(18.18) million in FY2020 (restated) and RM(15.82) million in FY2019 (restated). Shareholders' equity was negative RM(7.08) million as at 31 December 2020 before a private placement raising RM33.5 million restored shareholders' equity to RM19.3 million.

- (i) Can management help shareholders understand the capabilities of APEC Solutions Pte. Ltd. (the "APEC")? How unique are their solutions?
- (ii) What is the expertise/experience/track record of APEC team in blockchain? Given that most companies in this space are private companies attracting VC or PE funding, has the Company done a strategic review?
- (iii) Can the Board confirm that APEC's revenue for the year was approximately RM1.7 million and it was loss-making?
- (iv) Has the acquisition met management's expectations?
- (v) What are the priorities for APEC in 2022? How does APEC intend to acquire new customers/projects and turn profitable?
- (vi) Separately, at the AGM, would management be giving shareholders a holistic overview of the Group's business model in financial and blockchain technology, clearly showing the key value drivers and the value proposition?

Response

- (i) Please refer to Section 2.1 of the APEC Announcement. APEC is a developer and aggregator of multiple technology solutions for companies from mainstream off-shelf solutions for quick adoption and implementation to customized platforms to manage day-to-day operational requirements. Its suite of solutions include blockchain and FinTech solution development and implementation, enterprise software solutions, e-commerce and digital marketing. In addition, APEC also advises companies on licensing and grant requirements and applications in Singapore.
- (ii) APEC collaborates with blockchain solutions companies to market their solutions to customers of APEC. This allows APEC to provide an expanded range of services and solutions to its customers without heavy capital investment to develop those technologies.
- (iii) Please refer to page 137 of the Annual Report on segment information. The FinTech business segment reported revenue of RM608,000 and loss of the financial year of RM440,000.
- (iv) Please refer to Section 4 of the APEC Announcement on the rationale of the acquisition of APEC. With the acquisition of APEC, the Company had acquired a revenue generating business and it enhances the Company's ability to expand its FinTech consultancy business for quicker time to market by securing and tapping APEC's resources and expertise.

- (v) APEC will continue its efforts to generate revenue growth by expanding its customer base and range of products and services. One of the strategies adopted by APEC is to collaborate with technology solutions companies to market their solutions to customers of APEC.
- (vi) The Company's vision is to be a leading player in the FinTech and digital assets ecosystem by accelerating the development and adoption of innovations in the FinTech and digital assets space. To this end, the Company described on pages 9 and 10 of the Circular the strategies that the Company would adopt, summarized below with progress update:
 - Collaboration with business partners – Our collaboration with Chartwell Compliance, a wholly owned subsidiary of MVB Bank in the United States of America, was announced on 29 July 2021;
 - Appointment of Experienced Management Team – The Company appointed Ms. Suriah Banu Binte Mohd Yunos, former Head of Department of Custody & Claims at RHB Securities Singapore Pte Ltd, to lead the set up and operation of the Custodian Business. The Company's Chief Executive Officer, Mr. Clarence Chong has extensive experience in banking and capital markets. The development of the Company's technology capability was further accelerated by the acquisition of APEC and the appointment of experienced advisors as announced on 29 November 2021;
 - Investment and/or development of hardware and/or software – Our collaboration with HydraX Pte Ltd on the development of custodian platform was announced on 9 September 2021; and
 - Application for CMS Licence from MAS – The submission by Custody Plus Pte. Ltd., our 55%-owned subsidiary of an application to the Monetary Authority of Singapore for a CMS Licence in respect of the regulated activity of providing custodial services, among others was made and announced in November 2021.

Question 2

On 14 March 2022, the Company announced the proposed disposal of GGTM Sdn. Bhd. which holds the mining rights for Bukit Machang to Mr Lim Chiau Woei, who is the managing director and one of the founder shareholders of the Company.

The consideration for the sale shares is RM2.022 million.

In FY2020, the Company carried out a review and recognised additional impairment loss of RM31,848,000 in the investment in GGTM (granite business segment).

- (i) How was the negotiation with the purchaser (Mr Lim Chiau Woei), who is an executive director of the Company, carried out?
- (ii) Did the Board consider a formal sale process facilitated by professional investment bankers? Would it be in the interest of the Company to carry out an auction to achieve the best outcome for shareholders?
- (iii) What is the timeline for the proposed disposal of the shares of GGTM Sdn Bhd?

Response

- (i) The negotiation with the purchaser was carried out on an arm's length and a "willing buyer willing seller" basis and taking into consideration the audited net tangible assets and the preliminary valuation of GGTM group of companies. Please refer to section 4.2 of the GGTM Circular for further information.
- (ii) Please refer to section 3.3 of the GGTM Circular. For the reasons described therein, the Board is of the view that the sale of the shares of GGTM to the Purchaser on the terms of the SPA is the preferred method of disposal. The Purchaser did not participate in the deliberation of the Board in respect of the proposed disposal and abstained from voting on the resolution of the Board

approving the proposed disposal.

- (iii) Based on the inputs from legal counsels in Singapore and Malaysia and barring any unforeseen circumstances, the proposed disposal of the shares of GGTM Sdn Bhd is expected to complete by June 2022.

Question 3

The profile of the Directors can be found on pages 9 to 11 of the annual report. On page 36, the Company showed some of the courses taken by the Directors, which include:

- An Insider Guide to Cryptocurrency and Blockchain
- Crypto Assets and Payment Regulations
- Blockchain: Embarking on the Journey

- (i) Has the Nominating Committee (NC) reviewed the overall desired competency matrix of the Board and identified any gaps in skills or competencies that could be addressed in future Director appointments?
- (ii) Can the NC help shareholders understand if the Independent Directors have the appropriate balance and mix of skills, knowledge and experience, especially in blockchain, crypto assets, fintech, to engage in effective and constructive debate with management?
- (iii) What assurance can the Board give to shareholders that they can be effective in providing leadership, setting appropriate strategic objectives, maintaining a robust risk management framework and ensuring accountability as the Group diversified into blockchain and cryptocurrencies when they are essentially attending beginner's level courses on Cryptocurrency and Blockchain at the same time?

Response

- (i) Please refer to page 40 of the Annual Report on diversity of the Board. Based on the assessment of the Board and NC, the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies of effective functioning and informed decision making. With a view to optimal utilization of our resources, our NC continues to reassess the collective character of our Board whenever necessary to evaluate the propriety or benefit of having more directors with a wide spectrum of experience and expertise, especially given the present volatility in macro environment and the evolving regulatory environment in relation to the FinTech industry globally.
- (ii) The Independent Directors of the Company collectively have extensive skills, knowledge and experience in areas such as business management, corporate governance and strategic planning. In addition, the Independent Directors had attended courses relating to blockchain or crypto assets as described on page 36 of the Annual Report to equip themselves with the knowledge of blockchain and/or crypto assets. Any further specialised knowledge and expertise required can be acquired by the Company by leveraging on the expertise of the appointed advisors of the Company and external consultants if necessary. We are committed to ensuring that each Board Committee, each Board member as well as the collective Board plays its respective role in contributing to, inter-alia, the long-term development of our Group's strategic plans and key operating initiatives through a diversity of experience and expertise that allows for useful exchange of ideas and views.
- (iii) Please refer to the reply to query 3(ii) above.