
INFORMATION MEMORANDUM

23RD DEC 2020

VENTURE ALLIANCE INVESTMENT FUND (L) BERHAD



INFORMATION MEMORANDUM



VENTURE ALLIANCE INVESTMENT FUND (L) BERHAD

**VENTURE ALLIANCE
INVESTMENT FUND (L) BERHAD**

(Company number: LL16930)

(Incorporated in Labuan, Malaysia under the Labuan Companies Act 1990)

This Information Memorandum is dated 23rd December 2020

This Information Memorandum is submitted to you on a confidential basis solely in connection with your consideration of an investment in the Fund. Due to the confidential nature of this Information Memorandum, its use for any other purpose might involve legal consequences. Consequently, this Information Memorandum may not be reproduced in whole or in part and may not be delivered to any person (other than your financial advisor) without the prior written consent of the Fund's directors.

Investors are advised to read and understand the Information Memorandum and if in doubt, to obtain professional advice before subscribing to units of the Venture Alliance Investment Fund

Units of the Venture Alliance Investment Fund shall not be offered to Malaysian residents in any part of Malaysia except in Labuan.

IMPORTANT NOTICES

Responsibility Statement

This Information Memorandum (hereinafter referred as “IM”) in relation to the Venture Alliance Investment Fund (L) Berhad has been seen and approved by the directors of Venture Alliance Investment Fund (L) Berhad and WCEI International Ltd (hereinafter referred as “Investment Manager”) and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

Statements of Disclaimer

A copy of this Information Memorandum has been lodged with the Labuan Financial Services Authority (hereinafter referred as “LFSA”) as a private mutual fund (hereinafter referred as “Private Fund”) and is governed under Labuan Financial Services and Securities Act 2010. The contents of this Information Memorandum may be changed to comply with relevant guidelines issued by the LFSA from time to time.

The lodgment of this Information Memorandum with the LFSA should not be taken as an indication that the LFSA recommends any investment in Venture Alliance Investment Fund (L) Berhad or assumes responsibility for the correctness of any statement made, or opinion or report expressed in this Information Memorandum.

The LFSA will not be liable for any non-disclosure on the part of Venture Alliance Investment Fund (L) Berhad and WCEI International Ltd and takes no responsibility for the contents of this Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the contents of this Information Memorandum.

Additionally, Prospective Investors should not treat the contents of this Information Memorandum as advice relating to investment, law or taxation and must rely on their own legal

counsel, accountants and/or other professional advisers as to legal, tax and related matters concerning the Fund and investments therein.

Private Fund risk warning

If you are in any doubt about the contents of this Information Memorandum you should consult your stockbroker, bank managers, lawyer, accountant or other professional advisor.

This Information Memorandum does not constitute an offer for sale of shares in the Fund. In particular, it does not constitute, and may not be used for the purposes of an offer or solicitation by any person in any jurisdiction (i) in which such offer or solicitation is not authorised; (ii) in which the person making such offer or solicitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or solicitation. It is the responsibility of any person wishing to make a subscription application in connection with this Information Memorandum to satisfy themselves as to full observance of the laws of the relevant jurisdiction in connection therewith, including any governmental or other consents which may be required, or to observe any other formalities required to be observed in such jurisdiction.

No person has been authorised to make any representations concerning the Fund or the Shares that are inconsistent with those contained in this Information Memorandum, and accordingly any such representations should be treated as unauthorised and may not be relied upon by the party to whom such representations are made.

Prospective Investors should not construe the contents of this Information Memorandum as legal, tax or financial advice. All Prospective Investors should consult their own professional advisors as to the legal, tax, financial or other matters relevant to the suitability of an investment in the Shares for such subscription.

The purchase of Shares is speculative and involves a high degree of risk. There is no assurance that the Fund will be profitable. See the section entitled "Risk Factors of the Fund" within this Information Memorandum for a description of certain risks involved in the purchase of Shares.

This Information Memorandum is intended solely for the use of the person to whom it has been delivered by the Fund for the purpose of evaluating a possible investment by the recipient in

the Shares, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Information Memorandum from the Fund).

The Fund is a private fund which is only suitable for "investors" as defined in this IM. The definition of an "investor" in this context is referring to a person or body who has certified that they are sufficiently experienced to understand the risks associated with an investment in a private fund, who subscribed with an initial amount of USD130,000.00, or otherwise any equivalent amount of not less than MYR500,000 as per the definition stated under the Act.

You are fully responsible for ensuring that this Fund is acceptable to you. Any investment in private funds may involve a degree of special risks that could lead to a loss of all or a substantial portion of the subscription and investment. Unless you are fully understand and accept the nature of this Fund and the potential risks inherent in this Fund, otherwise you should not invest in this Fund.

Foreign Jurisdictions

This IM does not constitute, and may not be used for the purpose of, an offer or solicitation in any jurisdiction other than the Federal Territory of Labuan or in circumstances in which such offer or solicitation is not authorized. No recipient of this IM in any jurisdiction other than Federal Territory of Labuan may treat it as constituting an offer to acquire shares in the Fund.

Malaysia

No approval of the Securities Commission of Malaysia has been or will be obtained in connection with the offer of Shares in Malaysia, nor will this IM be registered with the Securities Commission of Malaysia. Accordingly, the Shares are only being offered and sold in accordance with one or more of the excluded offers and excluded invitations set forth in Schedule 6 ("Schedule 6") of the Malaysia Capital Markets and Services Act 2007, as amended ("CMSA"), which includes, among others, offer and sales to accredited investors, high net worth entities and high net worth individuals (as such terms are used in Schedule 6) and with respect to the securities of a corporation which are not listed, an offer or invitation made to existing members of such corporation by means of a rights issue and is not an offer to which

section 237 of the CMSA applies, By purchasing Shares in the Fund, you will be deemed to represent that you are a person to whom the Shares may be offered and sold in accordance with Schedule 6.

Singapore

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (“MAS”) under the Securities and Futures Act (Chapter 289) of Singapore (“SFA”). Accordingly, the Shares may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an “institutional investor” within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Hong Kong

This Information Memorandum has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Information Memorandum has not been, and will not be, registered as a “prospectus” in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) (“CO”) nor has it been authorized by the Securities and Futures Commission (“SFC”) in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) (“SFO”). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of this Information Memorandum, they should obtain independent professional advice.

This Information Memorandum does not constitute an offer or invitation to the public in Hong Kong to acquire any Shares nor an advertisement of the Fund or the Shares in Hong Kong. This Information Memorandum must not be issued, circulated or distributed in Hong Kong other than:

- to “professional investors” within the meaning of the SFO and any rules made under that ordinance (“Professional Investors”); or
- in other circumstances which do not result in this Information Memorandum being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

The Directors and the Investment Manager reserve the right to require a potential investor in any jurisdiction to give it an opinion of legal counsel that the subscription for Shares by such potential investor in accordance with the terms of this Information Memorandum is permissible in accordance with the laws of such jurisdiction.

In particular, this product has not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold, delivered or transferred in the United States or to, or for the account of, any “US Person” (as defined in Regulation S under the US Securities Act). Neither this IM nor any Application Form or other material relating to this product may be distributed in the United States.

Forward-Looking Statements

This Information Memorandum contains forward -looking statements that are identified by words such as “believe”, “intend”, “estimate”, “expect” and other words of similar meaning that involve risks and uncertainties. All forward - looking statements, including those regarding the Fund’s financial position and investment strategy, are subject to factors that could cause the performance of the Fund to differ materially from that expressed or anticipated in these statements.

The forward-looking statements in this Information Memorandum are based on numerous assumptions regarding the Fund’s present and future operations and investment strategies and the markets in which the Fund operates. These forward-looking statements are current only at the date of this Information Memorandum. There is no assurance that such statements, estimates or projections will be realized or will apply in the future.

Independent Advice Recommended

Prospective Investors are not to construe the contents of this Information Memorandum as tax, legal or investment advice. The information provided in this Information Memorandum is general in nature and does not take into account your personal objectives, financial situation or needs. It does not constitute tax, legal or investment advice and is not a recommendation to invest. An investment in the Fund is speculative and may not be appropriate for all investors. You should seek independent legal, investment and tax advice tailored to your own needs before deciding whether to invest in the Fund. You should rely on your own enquiries, in particular in obtaining your own legal, investment and tax advice in determining whether to invest in the Fund.

No Guarantee

An investment in the Fund is subject to risks, including the loss of the capital you invest. Neither the Investment Manager nor any of their directors, officers, associates, employees, advisors or representatives guarantee the rate of return or performance of the Fund. Nor do they guarantee the Fund will meet its objectives or the repayment of your investment.

Nature of Investment

An investment in the Fund is illiquid and will provide infrequent income and capital returns. As such it is only suitable for long-term Investors who are experienced in providing capital toward a variety of property-related investments, including as equity and quasi-equity investments for the purposes of funding property developments.

Updated Information

The information contained in this Information Memorandum can change and the Information Memorandum may be updated or replaced from time -to -time. Unless the changed information is materially adverse to you, the Fund may not always update or replace this Information Memorandum to reflect the changed information. Updated information can be obtained by going to the Fund's website, www.vai-privatefund.com, or contact the Investment Manager via email: info@wcei-investment.com.

Confidentiality

This Information Memorandum is the property of the Fund. By receiving this information memorandum, the recipient agrees to keep its content confidential and agrees not to copy, supply, disseminate or disclose any information in relation to its content without the prior written consent of the Investment Manager.

Glossary and Currency

Certain capitalized words and expressions used in this Information Memorandum are defined in the Glossary. All dollar amounts are in United States Dollars (USD), unless otherwise stated.

(The remainder of this page is left black intentionally)

Table of Contents

Important Notices	3
Definitions.....	12
1.0 Key Data	20
1.1 Class A – Preference Shares.....	27
2.0 Investment Objective	28
3.0 Investment Strategy	28
3.1 Investment Strategy	28
3.2 Asset Allocation	29
3.3 Target Return	30
3.4 Tenure And Maturity.....	30
3.5 Financial Derivatives.....	30
3.6 Leverage	31
3.7 Investment Decision	31
3.8 Investment Process	31
3.9 Investment Policy	32
3.10 Investment Restrictions	34
3.11 Changes To Investment Objective And Strategy	35
4.0 Information On The Company.....	36
4.1 About The Company	36
4.2 Investment Objectives, Strategy And Policies Of The Company	40
4.3 Redemption Of Preference Shares Of The Company.....	42
4.4 Compulsory Redemption Of The Preference Shares Of The Company... 	43
4.5 Distribution Policy Of The Company And Performance Fee	45
5.0 Information On The Fund.....	47
5.1 Subscription Procedure	48
5.2 Measures To Combat Money Laundering And Terrorist Finance	49
5.3 Data Protection	50
5.4 Eligible Investors	51
6.0 Risk Factors Of The Fund.....	54
6.1 General Risks Of Investing In A Private Fund	54
6.2 Specific Risks When Investing In This Fund.....	54

6.3	Specific Risks Of Investment In The Company.....	55
7.0	Pricing Policy.....	71
8.0	Valuation Of Assets.....	72
9.0	Policy On Rebates And Soft Commission.....	73
10.0	Parties To The Fund	73
10.1	Investment Manager	73
10.1.1	Functions Of The Manager	74
10.2	Auditors Of The Manager And The Fund.....	74
11.0	Rights And Liabilities Of Preference Shareholders	74
11.1	Rights Of The Preference Shareholders.....	74
11.2	Liabilities Of Preference Shareholders	75
11.3	Power To Call For A Meeting By Preference Shareholders	75
11.4	Termination Of The Fund	76
12.0	Financial Projection.....	77

(The remainder of this page is left black intentionally)

DEFINITIONS

In this Information Memorandum, the following abbreviations or words shall have the following meaning unless otherwise stated.

Act	the Labuan Financial Services and Securities Act 2010
Administration Fee	the fee paid to the Administrator;
Administrator	the administrator, registrar and transfer agent of the Fund from time to time;
Articles	the Articles of Association of the Fund as amended from time to time;
Board	the Board of Directors of the Fund;
Business Day	any day (except a Saturday and a Sunday) on which banks are open for normal banking business In the Labuan and/or such other day or days as the Directors may from time to time determine;
Commencement Date	the day of which the investments of the Fund may first be made and may be the next Business Day after the Initial Offer Period closing date
Company	Venture Alliance Investment Fund (L) Berhad.;
Class	each class of Shares created and designated by the Directors from time to time;
Class A Shares	A class of Shares denominated in USD and designated as “Class A Shares”;

Deposits	Unless otherwise stated, these are deposits that are not embedded with or linked to financial derivative instruments.
Financial Institution(s)	<p>(a) If the institution is in Malaysia –</p> <p style="padding-left: 40px;">(i) Institutions authorized to carry on banking business or investment banking business under the Financial Services Act 2013; or</p> <p style="padding-left: 40px;">(ii) Institutions authorized to carry on Islamic banking business under the Islamic Financial Services Act 2013; or</p> <p>(b) If the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised to provide financial services by the relevant banking regulator.</p>
Fund	Venture Alliance Investment Fund
Ineligible Investor	any person in respect of whom the Directors have imposed restrictions for the purpose of ensuring that no Shares are held by: (i) any person or persons in breach of the law or requirements of any country or governmental authority of (ii) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstance appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Fund incurring any liability to taxation or suffering any

	pecuniary, fiscal, regulatory or other disadvantage which the Fund might not otherwise incur or suffer;
Introducer's Fee	the fee payable by the Fund to any investor who refers a third party investor to the Fund, provided that such third party becomes a Shareholder as a result;
Investment Account	an investment account will be established in the accounts of the Fund in respect of a Class of Shares in accordance with the Articles;
Investment Management Agreement	the agreement between the Fund, and the Investment Managers in force from time to time pursuant to which the Fund has appointed the Investment Managers to act as the joint Investment Managers to the Fund;
Investment Managers	WCEI International Ltd or any persons is appointed by the Directors of the Fund.
Initial Offering	three (3) months period immediately after the Fund having lodged its first Information Memorandum with the Authority; However, the Board of Directors can at its sole discretion and without prior notification to investors shorten or extend the Initial Offer Period as the Board of Directors deemed fit;
LFSA	the Labuan Financial Services Authority;
Management Fee	the management fee received by the Investment Managers;

Management Shares	the voting, non-participating, non-redeemable shares in the capital of the Fund of US\$1.00 each;
Memorandum	the Memorandum of Association of the Fund, as may be amended from time to time;
Net Asset Value (NAV)	The net asset value of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point
Net Asset Value (NAV) per Unit	The net asset value of the Fund divided by the total number of Units in circulation at that valuation point.
Permitted Investment	<p>means:</p> <p>(a) any Quoted Investments;</p> <p>(b) any Unquoted Investments;</p> <p>(c) any Investment which is a unit in any unit trust scheme or a share or participation in an open-ended mutual fund or other collective investment scheme;</p> <p>(d) any Investment in any currency; or</p> <p>(e) any other investment not covered by paragraphs (a) to (c) of this definition but selected by the Investment Committee of the Fund for investment of the deposited property of the Fund, whereby,</p> <p>“Investments” means any share, stock, warrant, option or other stock purchase right, interest-bearing instrument, bond, convertible bond, discount bond,</p>

	<p>note, discount note, exchange fund note, debenture, debenture stock, banker's acceptance, debt security, loan, loan convertible into security, loan stock, money market instrument, certificate of deposit, currency deposit, commercial paper, promissory note, unit or sub -unit in any unit trust scheme, share or participation in a mutual fund, share or other interest in a real estate investment trust company, share or unit or sub-unit or participation or other interest in any collective investment scheme, treasury bill, trade bill, bill of exchange, fixed or floating rate debt instrument, limited partner or membership interests, futures, forward, swap, floor, cap, collar or other derivative or derivative transactions, index and forward currency exchange contract, futures contract, contract for derivatives or other derivative or financial transaction or any other instrument or security (all the foregoing denominated in any currency) which may be selected by the investment manager of the Company for the purpose of investment of the assets of the Company or which may for the time being form part thereof. For avoidance of doubt, any Investment which is a futures, option, forward, swap, collar, floor or other derivative, provided that any such investment in derivatives will only be for hedging of currency;</p> <p>“Quoted Investment” means any Investment which is listed, quoted or dealt with on any Recognised Stock Exchange or OTC Market;</p>
--	---

	<p>“Unquoted Investment” means any Investment which is not quoted, listed or dealt with on any Recognised Stock Exchange or OTC Market;</p> <p>“Recognised Stock Exchange” means any stock exchange, futures exchange and organised securities exchange on which securities are regularly invested in any part of the world and in relation to any particular Permitted Investment, shall be deemed to include any responsible firm, corporation or association in any part of the world dealing in the Permitted Investment which Singapore may from time to time elect; and</p> <p>“OTC Market” means any over-the-counter market or over-the-telephone market in any country in any part of the world, and in relation to any particular Permitted Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Permitted Investment which the Company may from time to time elect.</p>
Performance Fee	a performance-based fee payable to the Investment Managers by the Fund;
Placements of Cash	These are placements of cash in any deposits or investment accounts with any financial institution(s) that are not embedded with or linked to financial derivative instruments.
Principal Amount / Capital	in relation to each subscription for Shares (whether a Shareholder’s initial investment or an additional

	investment), the principal amount which is accepted into the Fund from an investor on a Subscription Day;
Redemption Day	the last Business Day of each calendar quarter and such other Business Day or Days as the Directors may, in their sole discretion, from time to time determine;
Related Parties	the respective affiliates, which shall be deemed to include, in each case, their respective officers, directors, employees and entities owned by, the Investment Managers and the Administrator (as the case may be);
RM	Ringgit Malaysia, the lawful currency of Malaysia.
Shares	the non-voting, redeemable, participating shares in the capital of the Fund of no par value;
Shareholder	a person who is entered on the register of members of the Fund as the holder of Shares;
Subscription Day	the first Business Day of each month and/or such other day or days as the Directors in their sole discretion may from time to time determine;
US and United States	the United States of America (including the states and District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;
US Person	Any “United States Person” as defined in Regulations promulgated under the 1933 Act, as amended from time to time;

USD and US\$	United States dollars, the lawful currency of the United States of America.
Valuation Day	the last Business Day of each calendar quarter commencing on the initial Subscription Day or such other Business Day or Days as the Directors, in their sole discretion, may from time to time determine; and
Valuation Time	the close of business in the Labuan on the relevant Valuation Day.

(The remainder of this page is left black intentionally)

1.0 KEY DATA

Fund Name	Venture Alliance Investment Fund (L) Berhad (“The Fund”)
Fund Size	The Fund is attempts to raise total fund size of United States Dollar One Hundred Million (USD100,000,000) through a single class of shares or multiple classes.
Initial Offer Price	USD1.00 each per Redeemable Preference Shares
Initial Subscription	United States Dollar One Hundred and Thirty Thousand (USD 130,000.00)
Investment Objective	<p>The Fund aims to provide medium to long term[^] capital appreciation and regular bonus, whilst providing capital repayment on the Maturity Date.</p> <p>[^]Note: “medium to long term” in this context refers to a period of 3 to 10 years.</p>
Asset Allocation	<p>At least 95% of NAV</p> <ul style="list-style-type: none"> - primarily invest in private equity and private debt investments, both direct investments and funds, including without limitation private equity funds, co-investments, secondaries, private debt investments and semi-liquid private equity investments (i.e. the portfolio investments). The portfolio investments may consist of collective investment schemes or funds managed and operated by various alternative investment managers. <p>Up to 5% of NAV</p> <ul style="list-style-type: none"> - Investments in liquid assets including money market instruments and Placements of Cash.
Principal Investment Strategy	The Principal investment objective of the Fund is to allow investors access to investment opportunities that target attractive risk-adjusted returns on its capital through direct investments into private businesses. The Fund intends to selectively invest in

established companies which in the Board's opinion represent reasonably liquid investments with potential for subsequent initial public offerings or buy-outs. Such investment includes but not limited to direct investment in private equity arrangements, private debt investments and funds.

Venture Alliance Investment Fund (L) Berhad is a Company with limited by shares incorporated in Labuan International Business and Financial Center as a Labuan company under the provisions of the Labuan Companies Act 1990 on 23rd of July 2020. The company is regulated by the Labuan Financial Services Authority.

The assets of the Company will be managed by the investment manager of the Company, WCEI International Ltd, a company incorporated in Republic of Seychelles on 21 August 2020 to carry out direct business investment recommendation and business potential evaluation studies.

The investment objective of the Fund is to achieve attractive risk-adjusted returns on its capital through direct investments into businesses, selectively investing in companies in the region where it can develop synergies across its portfolio, or drive geographic expansion through its global network, including but not limited to United States, Europe, Asia, which mainly involved but not limited to **consumer products, brands, retail and consumer technologies, financial technology and others.**

As the Fund invests at least 95% of NAV in the shares of the Fund, the investment strategy employed will be at the Company level. As the Fund is structured as an open-ended fund with different share classes which entails different lock in period, maturity tenure and investment returns, investment decisions will be made in accordance to them.

	<p>The Fund shall divest its assets and investments in the absolute discretion of the Management providing that it is based on the interest of the investors.</p> <p>As the Fund is principally invested directly in the shares of the Private Companies, investors in the Fund should note that redemption is strictly not allowed during the maturity date of the respective share class that the investors had invested in. This is due to the illiquid investment held by the Fund.</p> <p>The remaining assets of the Fund of up to 5% of NAV will be invested in liquid assets to defray expenses over the tenure of the Fund. The Investment Manager may trade in financial derivatives for the purpose of hedging the Fund’s exposure to the USD denominated Shares of the Company.</p> <p>Prospective Investors and Shareholders are advised to refer to section 4.2 to read and understand the Company’s investment objective, focus, and approach.</p>
<p>Investor’s Risk Barometer</p>	<p>Medium to High risk with investment horizon of more than 3 years</p>
<p>Locked-in Period / Tenure</p>	<p>Thirty-Six (36) months or Three (3) years</p>
<p>Management Fee</p>	<p>The Fund shall impose a management fee of two percent (2%) per annum, and subject to a minimum charge of USD 120,000 per annum, whichever higher.</p> <p>The Management Fee is payable by the Fund on a quarterly basis with the calculation as the above illustrated.</p>

	Board of Directors shall from time to time at their discretion to decide, review and revise the Management Fee agreed between the parties.
Target Return	<p>The Fund attempts to make an absolute return of up to 6% per annum, which will be distributed annually at year end.</p> <p>The additional distribution (bonus or performance) is subject to the Board of Directors' discretion.</p>
Types of Return	including but not limited to Dividends, Return of Investment Capital, absolute return of up to 6%, Excess from net proceeds attributable to the disposition of a portfolio investment.
Performance Fee	The Fund shall pay an additional forty percent (40%) of the excess return in the form of performance fee to the Investment Manager, subject to satisfaction of absolute return to provide Shareholders with a six percent (6%) of return on investment.
Pre-mature redemption	Any application for pre-mature redemption shall subject to penalty of ninety percent (90%) of the NAV of the Fund or otherwise at the sole discretion of the Board of Directors.
Redemption Fee	Any redemptions whether it is pre-mature redemption or upon maturity, there is redemption fee charge of USD500.00
Redemption Date	Investor must submit Redemption Notice to the Board of Directors at least 14 Business Days before the Maturity Day of the respective investment and/or Redeemable Preference Share class
Subscription fee	Upon subscription of investment, the Fund shall charge a upfront subscription fee of up to three percent (3%) while the Board of Directors has the discretion to waive or lower the Subscription Fee.

Transfer fee	Any transfer of shares shall be charged a professional fee of USD500.00
Distribution Policy	The Board of Directors may pay dividends or other distributions with respect to this Redeemable Preference Shares, provided that such investment portfolio invested by the fund has generate sufficient returns. Net proceeds attributable to the disposition of a portfolio investment, distributions in kind of securities, and any dividends, interest or other income received with respect to a portfolio investment, will be distributed to all shareholder participating in such portfolio investment.
Frequency of Distribution	The Board of Directors reserves the rights to declare a yearly dividend on the Redeemable Preference Shares at any point of time when deem fit, provided that the Fund has generate positive return from its investments. The dividend policy of the Fund with respect of this Redeemable Preference Shares will be determined by the Board of Directors at its sole discretion.
Directors Fee	USD 2,500 per month for each director
Valuation Date	On every 31 st December
Expenses directly related to the Fund	Auditors' fee, custodial charges, other relevant professional fees, cost of distribution of quarterly and annual reports, tax certificates, distribution cheques and other notices to the Investors, and taxes.

<p>Other expenses indirectly paid by an investor when investing in the Fund</p>	<p>None levied by the Investment Manager.</p> <p>However, as this Fund will invest in the shares of the Company, there are fees indirectly incurred by this Fund such as performance fee¹, organizational expenses², other expenses⁴ and administrator and custodian fees³ which are incurred at the Company level. Details are as follows:</p> <p>¹ Please see section 4.5.</p> <p>² The Company shall pay for all organizational expenses in relation to the formation of the Company and all expenses related to the invitation to subscribe up to 100 million shares of the Company at USD1 per share, including but not limited to the cost and expenses incurred in relation to the marketing and promotion of the Invitation, legal, accounting, company secretarial, and other professional fees and expenses.</p> <p>³ Other expenses including, without limitation: expenses attributable to normal and extraordinary services provided to the Company by third parties, with respect to the Company's on-going operations and to the proposed investment or divestment by the Company (whether or not any such investment or divestment is consummated), liquidation expenses as well as all expenses relating to sourcing, analyzing, acquiring, monitoring, valuation and exiting investment deals, third party advisory fees, fees related to conferences and subscriptions to information services, travel expenses, and legal and due diligence costs, whether or not the investments are eventually completed or are aborted; any taxes, fees or government charges which may be assessed against the Company; the costs and expenses of communicating with the shareholder of the Company or prospective subscriber for shares of the Company (i.e. Investors) and hosting meetings or conferences with Investors; the costs and expenses (including travel-related expenses) of convening meetings of the</p>
--	---

	<p>investment committee, all expenses relating to litigation, threatened litigation, indemnification and insurance, fees, expenses for legal, auditing and consulting services, promotional expenses, filing and registration fees, renewal fees and other expenses due to supervisory authorities in various jurisdictions, insurance premiums in respect of the Company directors' and officers' liability insurance, legal fees of the directors of the Company pursuant to their performance of duties for the Company, the costs of publishing the net asset value of the Company, marketing expenses and traveling expenses incurred in relation to placement and marketing and the costs of printing and distributing the annual and any periodic reports and statements of or incidental to the Invitation, including the preparation and printing of the this Information Memorandum dated 30th November 2020 (and all updates thereof as may be necessary), all relevant agreements as may be referred to in the said Information Memorandum, and all other expenses properly chargeable to the activities of the Company. All costs relating to the establishment of the Company will be amortized over the first 36 months of the Company, or such other period as the directors of the Company may determine.</p> <p>⁵ The Company pays the administrator and the custodian fees for its services as agreed from time to time by the Company and the Company's administrator and custodian pursuant to the agreement entered between each other respectively. The Company's administrator and custodian are entitled to be reimbursed by the Company for all reasonable out-of-pocket expenses.</p>
--	--

1.1 Class A – Preference Shares

Name of Shares Class	Class A Preference Shares
Initial Offer Price	USD1.00 each per Redeemable Convertible Preference Shares
Initial Subscription	United States Dollar One Hundred and Thirty Thousand (USD 130,000.00)
Total Class A Preference Shares to be issued	One Hundred Million (100,000,000) Shares
Convertible	This class of shares may be convertible to public listed shares of investee companies or Class B shares of this Fund upon or after maturity
Investment Portfolio	The Fund will invest into unquoted equities of private companies which will be listed (Initial Public Offering) in 3 years on any recognized stock exchanges in any parts of the world.
Locked-in Period / Maturity	Thirty Six (36) months / Three (3) years
Investor’s Risk Barometer	Medium to High risk with more than 3 years investment horizon

Prospective Investors should read and understand the contents of the Information Memorandum and, if necessary, should consult their adviser(s).

There are fees involved and investors are advised to consider the fees before investing in the Fund.

For information concerning risk factors of the Fund which should be considered by Prospective Investors, see “Risk Factors of the Fund” commencing on page 56. Prospective Investors should also note risk factors relating to the Company.

2.0 INVESTMENT OBJECTIVE

The Fund aims to provide medium to long term[^] capital appreciation and regular bonus, whilst providing capital repayment on the Maturity Date.

^Note: “medium to long term” in this context refers to a period of 3 to 7 years.

3.0 INVESTMENT STRATEGY

3.1 Investment Strategy

The Company will invest principally into quoted or unquoted equities shares of businesses. Such investment includes but not limited to direct investment in private equity arrangements, private debt investments and funds. The Company will selectively invest in established companies which in the Board’s opinion represent reasonably liquid investments with potential for subsequent initial public offerings or buy-outs.

The Company may also invest in regulated funds, registered funds and securitisation structures, indirect exposure to other fund structures and through direct investment by invitation to participate in specific opportunities that meet the minimum requirements of the Company’s investment objective and strategy.

Venture Alliance Investment Fund (L) Berhad is a Company with limited by shares incorporated in Labuan International Business and Financial Center as a Labuan company under the provisions of the Labuan Companies Act 1990 on 23 July 2020. The assets of the Company will be managed by the investment manager of the Company, WCEI International Ltd, a limited liability company incorporated in Seychelles under the International Business Companies Act 2016 on 21st August 2020 to carry out direct business investment recommendation and business potential evaluation studies.

The investment objective of the Fund is to achieve attractive risk-adjusted returns on its capital through direct investments into businesses, selectively investing in companies in the region where it can develop synergies across its portfolio, or drive geographic expansion through its global network, including but not limited to United States, Europe,

Asia, mainly involved but not limited to **consumer products, brands, retail and consumer technologies, financial technology and others.**

As the Fund invests at least 95% of NAV in the shares of the Fund, the investment strategy employed will be at the Company level. As the Fund is structured as an open-ended fund with different share classes which entails different lock in period, maturity tenure and investment returns, investment decisions will be made in accordance to them. The Fund shall divest its assets and investments in the absolute discretion of the Management providing that it is based on the interest of the investors.

As the Fund is principally invested directly in the shares of the Private Companies, investors in the Fund should note that redemption is strictly not allowed during the maturity date of the respective share class that the investors had invested in. This is due to the illiquid investment held by the Fund.

The remaining assets of the Fund of up to 5% of NAV will be invested in liquid assets to defray expenses over the tenure of the Fund. The Manager may trade in financial derivatives for the purpose of hedging the Fund's exposure to the USD denominated Shares of the Company.

The Manager may participate in financial derivatives for the purpose of hedging the Fund's exposure to the currency of the denominated shares of the Company. The Fund's net market exposure to financial derivative instruments will not at any time exceed the NAV. The benefit of any upside of currency movement is limited when hedging the Fund's exposure to foreign currency risk as the primary interest is to protect the value of the Fund.

3.2 Asset Allocation

At least 95% of NAV

- primarily invest in private equity and private debt investments, both direct investments and funds, including without limitation private equity funds, co-investments, secondaries, private debt investments and semi-liquid private

equity investments (i.e. the portfolio investments). The portfolio investments may consist of collective investment schemes or funds managed and operated by various alternative investment managers.

Up to 5% of NAV

- Investments in liquid assets including money market instruments and Placements of Cash.

3.3 Target Return

The Fund attempts to make an absolute return* of 6% throughout tenure. The annual and final distribution of the dividend is subject to the Board of Directors' discretion.

*** Limitations of target return: There is no guarantee that returns targeted in any underwriting process will be realized or achieved or that an investment strategy will be successful, and actual returns may be significantly lower than those shown here. Investors should keep in mind that the securities markets are volatile and unpredictable. There are no guarantees that the historical performance of an investment, portfolio, or asset class will have a direct correlation with its future performance. Please see the Fund's risks in this Information Memorandum.**

3.4 Tenure and Maturity

The tenure of the Fund is thirty-six months (Refer to Section 1.1). The Investment Manager will determine the tenure of the Fund in line with investment horizon of different Preference Share Class.

3.5 Financial Derivatives

As the Fund will invest in shares of the Company which is denominated in currencies other than USD, the Investment Manager may participate in financial derivatives, which

include but is not limited to forwards, swaps, futures and options for the purpose of hedging the Fund's exposure to USD. The benefit of any upside of currency movement is limited as the sole interest is to protect the value of the portfolio. The Fund's net market exposure owing to its financial derivatives positions will not at any time exceed its NAV.

3.6 Leverage

The Fund may borrow cash on a temporary basis (i.e. not more than one (1) month) from financial institutions. Such borrowing shall not exceed ten (10) percent of the Fund's NAV at the time the borrowing is incurred and assets of the Fund may only be pledged as collateral with financial institutions for borrowing of this nature.

3.7 Investment Decision

The investment decisions in relation to the Fund will be taken and implemented by the Investment Managers in accordance with the investment objectives, policies and restrictions described in this Information Memorandum. All investment decisions will be taken under the overall supervision of the Board.

3.8 Investment Process

Risk parameters have been set and will be monitored independently by the Investment Managers' existing resources. The Investment Managers recognise the existence and interrelation of various forms of risk (market, credit, liquidity, operational and administrative) and have taken this into account when setting the investment parameters and determining the monitoring procedures.

There can be no assurance that the Investment Managers will be successful in pursuing the Fund's investment objectives or that the strategies used will be successful.

3.9 Investment Policy

The Investment Managers shall be responsible for identifying and screening all potential investments, and to perform thorough due diligence with respect to those potential investments.

Method of holding assets

The Board will determine, in its absolute discretion, the most effective manner for the Fund to hold investments. This may include the Fund acquiring assets directly in its own name, or via the use of special purpose vehicles (“SPVs”) in which the Fund has a controlling interest, or via other methods approved by the Board from time to time.

General Criteria

In relation to each proposed investment, the following matters will generally need to be complied with to the satisfaction of the Investment Managers:

- i. The principals behind the proposed investment shall demonstrate, and the due diligence investigations undertaken by the Investment Managers shall evidence, relevant experience in or directly applicable to the market(s) in which they propose to operate.
- ii. The principals behind the proposed investment shall demonstrate the requisite skills necessary to successfully execute the proposed strategy.
- iii. The principals behind the proposed investment shall be required to evidence that they are able to dedicate sufficient time and effort to the proposed investment and have made a meaningful personal financial commitment in relation to the proposed investment.
- iv. The proposed strategy and business plan relating to the proposed investment contain sufficient detail to permit substantive review of the opportunity, validation of the investment concept, and disclosure of associated risk factors.

- v. The proposed strategy and business plan relating to the proposed investment shall provide reasonable assurance that the investment process can produce the required return.

One or more of the criteria set out above may be waived in relation to a particular investment with the prior consent of the Directors.

Evaluation and Selection Criteria

Without prejudice to the general criteria set out above, the Investment Managers shall consider the following factors, among other things, in its evaluation of each potential investment:

- i. "Fit" of the investment within the Fund's portfolio,
- ii. Skills, experience and integrity of the management team and employees behind the relevant investment.
- iii. Quality of business operations of, or relating to the relevant investment, including risk management and governance.
- iv. Quality of the valuation process in relation to the relevant investment.
- v. In relation to an investment in an underlying fund, the ability of the underlying fund to meet liquidity needs, taking into account the anticipated liquidity of underlying securities.
- vi. Reasonable investment terms and conditions, and alignment of interests of principals behind the investment with those of investors into such investment.

Risk Management and Monitoring

The Investment Managers shall employ processes to monitor performance, risk, and efficiency of the Fund.

General Management of the Fund

Each investment within the Fund's portfolio shall be regularly assessed against the following criteria:

- i. performance according to stated targets;
- ii. compliance with the stated objectives of the Fund.

3.10 Investment Restrictions

Investments. The Fund may invest up to 95% of its Net Asset Value.

Diversification. The Investment Managers shall regularly assess the level of diversification of the Fund's portfolio, including the level of diversification across investment styles, strategies, and across other ranges as appropriate.

Liquidity. At its discretion, the Fund may with the intention of preserving assets, cash management purposes, or when suitable investments in proposed investments are not currently available or deemed unsuitable by the Investment Managers, invest up to 5% of the Net Asset Value of the Shares in money market funds or other liquidity funds. Cash will generally only be used as an asset class for short term or working capital requirements, unless the Directors determine that unusually difficult expected or actual market conditions require a holding in cash to protect Shareholder returns.

Foreign Exchange Hedging. Foreign exchange hedging arrangements may be entered into on behalf of the Fund. Derivative instruments may be used for this purpose. It will not be the intention of the Fund to use hedging arrangements to generate a profit for the Fund.

Hedging. The Fund may perform currency hedging operations in relation to subscription monies received in any other currency other than USD with a view to mitigating as much as possible the effect of currency movements between the relevant currency and USD. The Fund may enter into forward currency contracts to purchase or sell a specific

currency at a future date at a price set at the time of the contract. The Fund may enter into these contracts to hedge against changes in currency exchange rates. The Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

The Directors may, in their sole discretion, engage an advisor in relation to any hedging operations (including, for the avoidance of doubt, any person appointed to act as an investment advisor to the Fund). The costs and benefits relating to such hedging and for converting subscriptions received in any currency other than the USD shall be for the account of the relevant Class of Shares.

Whilst the Fund may enter into such transactions to seek to reduce currency and exchange rate risks, unanticipated changes in currency may result in a poorer overall performance of the Fund. There can be no assurance that a given currency exposure will be hedged at any given time or, even if the currency exposure is hedged, that such hedge will be effective or required by market conditions.

3.11 Changes to Investment Objective and Strategy

The Directors, in consultation with the Investment Managers, may make changes to the investment objective and strategy from time to time. If changes are proposed to be made to the investment objective and strategy, the Fund will give notice to Investors of the changes.

The description above is general and is not intended to be exhaustive. Investors must recognise that there are inherent limitations on all descriptions of investment processes due to the complexity, confidentiality and subjectivity of such processes. In addition, the description of virtually every strategy must be qualified by the fact that investment approaches are continually changing, as are the markets invested in by the Fund.

INVESTMENT IN THE FUND IS A HIGHLY SPECULATIVE INVESTMENT AND IS NOT INTENDED AS A COMPLETE INVESTMENT PROGRAM. IT IS DESIGNED ONLY FOR SOPHISTICATED PERSONS WHO CAN BEAR THE ECONOMIC RISK OF THE LOSS OF THEIR ENTIRE INVESTMENT IN THE FUND AND WHO HAVE A LIMITED NEED FOR LIQUIDITY IN THEIR INVESTMENT. THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACHIEVE ITS INVESTMENT OBJECTIVE

4.0 INFORMATION ON THE COMPANY

4.1 About the Company

Venture Alliance Investment Fund (L) Berhad is a Company with limited by shares incorporated in Labuan International Business and Financial Center as a Labuan company under the provisions of the Labuan Companies Act 1990 on 23rd July 2020.

The assets of the Company will be managed by the investment manager of the Fund, WCEI International Ltd, a limited liability company incorporated in Seychelles under the International Business Companies Act 2016 on 21st August 2020 to carry out direct business investment recommendation and business potential evaluation studies.

Directors of the Company

The directors of the Company are vested with the primary responsibility for the formulation of corporate policies and long-term strategic plans. In particular, the directors of the Company shall review and monitor the investments at regular intervals and where necessary, update or amend the investment policies of the Company and specify the manner in which it wishes the investment manager of the Company to operate within such limits.

The directors of the Company are Mr Choo Siew Horng, Mr Lee Zhi Chern and Mr Tan Guan Hong.

Mr. Choo Siew Horng (Chairman)

Identified as a highly driven individual, Choo Siew Horng (“Mr. Choo”) started of his career as a real estate agent with GS Realty, he achieved a monthly income of RM50,000 whilst he was only 5 months into his role. Mr. Choo was a participant in an international financial market workshop organized by the prestigious CEIBS Lujiazui Institute of International Finance in Shanghai, China.

He dropped his comfortable life and the great deal of salary in Malaysia and accepted a job offer from Shengji Financial Software, a fin-tech company as a financial analyst. Mr. Choo is sharp and pragmatic as he was put in responsible to analyse and interpret thoroughly the rationale behind the trade volume and market movements. He equipped himself with a vast knowledge in regard to the trends and growth factors across different industries in the market as well as the regular behavioural traits on various categories of investors.

After spending 2 years in Hangzhou, China with Shengji Financial Software; Mr. Choo was head hunted by Fugal Rich Fruit in Taiwan. Fugle Rich Fruit is an online platform that provides information to help investors to make and build investment strategies. Mr. Choo’s ample comprehension in the financial market and familiarity in customer behaviour has induced his position as a team leader to spearhead various marketing and promotional campaigns to escalate international market presence of the company. Credits are to be given to Mr. Choo’s bold and drastic strategy as Fugal Rich Fruit is currently a commonly and widely used platform among majority Taiwanese investors.

Mr. Lee Zhi Chern

Lee Zhi Chern (“Mr. Lee”) is an aspiring financial trader where he began to pursue his interest back in 2013 whilst being in high school. Mr. Lee had officially joined the financial industry in January 2014 as a Junior Financial Analyst with Globalworldfx, Kuala Lumpur. In January 2016, Mr. Lee joined HotForex as an introducing broker where he actively participated in managing trade accounts and constructing comprehensive risk portfolios for his clients. Mr. Lee and his team now manages more than USD 300,000 worth of investments, they also showcased their ability in client acquisition by managing

to secure a minimum of 5 VIP clients per annum. Mr. Lee has been elected as one of the Top 10 Introducing Broker in the company as an affirmation of his capabilities in both financial management and customer servicing.

On account on his broad comprehension on gold trading and the industry, he was appointed as one of the Board of Director as well as a gold trader in CLLT Sdn Bhd in May 2016. Mr. Lee has developed great risk management techniques while serving in CLLT Sdn Bhd. Mr. Lee was holistically involved in the business operation, from strategic planning to acquiring potential clients. Apart from being an expert in the financial trading industry, Mr. Lee is also equipped with relevant digital marketing skills and is holding a position in Migou Enterprise as a digital marketeer.

As an ambitious trader and entrepreneur, Mr. Lim and his team aims to educate their clients by offering webinars to provide guidance in relation to investments and financial management. Mr. Lee is actively utilising on cutting edge technologies such as big data and robo-advisors in order to achieve higher-than-normal profit margins. To further introduce the concept of the said technology trends, Mr. Lim and his team has established a platform named I-Falcon Sdn Bhd in objective to participate in the revolution of the financial market.

Mr. Tan Guan Hong

Upon graduating with a bachelor's degree in Business & Commerce (International Trade) from Sunway University, Tan Guan Hong ("Mr. Tan") was introduced into the financial industry as a financial analyst junior in Globalworldfx, Kuala Lumpur in 2014. During the course of his responsibility, Mr. Tan was involved in financial performance evaluation and trend studies where he picked up fundamental skills that a successful fund manager is ought to have. For instance, the ability to diligently analyse, interpret and forecast movements within the financial market.

CLLTBROTHERS Sdn Bhd, a subsidiary of Brotherhood Trading Group has appointed Mr. Tan to sit in the company's Board as one of their Board of Directors and financial trader. Mr. Tan plays a role as a investment strategist in the company, he strives in developing the optimum investment portfolio according to each of his client's risk appetite

and preference. Mr. Tan is exceedingly literate in the use of financial software and models to simulate anticipated market conditions. Mr. Tan's ability is highly recognised among his pool of clients due to his ample proficiency in the financial industry. His familiarity and sensitivity regarding the significant financial trends and inquisitive nature enables him to present to his clients the most accurate and comprehensive analysis and forecast to facilitate a prime investment decision.

The Company's investment manager, WCEI International Ltd

The Company has entered into an investment management agreement with WCEI International Ltd, pursuant to which, WCEI International Ltd is given full discretionary power and authority (subject to the investment policies of the Company and supervision, directives and instructions of the directors of the Company) to manage, supervise, select and evaluate investments of the Company. WCEI International Ltd shall also be responsible for back-end processing related to administrative and secretarial services of the Company.

WCEI was established in objective to provide a knowledge interchange platform for fellow investors and entrepreneurs to be able to discuss and express opinions to achieve a pool of valuable and accessible resources. WCEI organises financial related seminars, workshops and trainings to the public as part of their operations. WCEI's participants ranges from students, working professionals to business owners. WCEI was founded by Stephen Choo.

Stephen Choo ("Stephen") proved his competency by making himself a millionaire during the first year of the establishment of his start-up in Shanghai, China. His team grew extensively from 7 members to approximately 10,000 members within a short span of only 7 months. Stephen's capability was recognised by a founder of a fund management company who has invested a capital of RMB30 million in Stephen's start-up. Other than that, Stephen was invited as a guest participant in Warren Buffet's shareholders meeting in the United States, and he was the only representative from Southeast Asia that had an opportunity for a photograph with Warren Buffet. Today, Stephen's dedication and

experience will build WCEI as a bridge, connecting aspiring entrepreneurs to interested investors and achieve mutual goals.

4.2 Investment Objectives, Strategy and Policies of the Company (Further Elaboration)

The investment objective of the Fund is to achieve attractive risk-adjusted returns on its capital through direct investments into businesses, selectively investing in companies in the region where it can develop synergies across its portfolio, or drive geographic expansion through its global network, including but not limited to United States, Europe, Asia, which mainly involved but not limited to consumer products, brands, retail, consumer technologies, financial technologies and others.

The Company's investment strategy is to primarily invest in private equity and private debt investments via direct investments*¹, including without limitation private equity funds, co-investments*², secondaries*⁴ and semi-liquid private equity investments (the "Portfolio Investments"). Portfolio Investments may consist of collective investment schemes of funds managed and operated by various alternative investment managers. (the "Portfolio Managers")

Notwithstanding the above, the Company may invest from time to time in other Permitted Investments (as defined under Definitions) as determined by the investment committee of the Company.

The Company will seek to build a portfolio using a best relative value approach to invest across private equity opportunities with an emphasis on short to medium duration investments

The Investment Manager of the Company has broad powers of investment within the investment objectives and approach of the Company, subject to the following limited investment guidelines/restrictions in respect of the management of the assets of the Company:

- The Company can only invest up to 80% of its assets in direct equity investments*¹ and specialty strategies*⁵. The focus will be on short to medium duration investments.
- The Company can only invest up to 30% of its assets in direct debt investments*¹. The focus will be on short to medium duration investments.
- The Company can only invest up to 50% of its assets in opportunistic*³ investments (primary*⁶ and secondary*⁴). The focus will be on shorter duration investments.

The Investment Manager of the Company may exceed these investment guidelines/restrictions with the approval of the directors of the Company from time to time. In addition, the directors of the Company may further define the investment guidelines/restrictions and specify the manner in which it wishes the investment manager of the Company to operate within such limits.

Note:

- * ¹ The term ‘direct’ (as in ‘direct investment’, ‘direct equity investments’, ‘direct debt investments’) is used to distinguish investments made directly in equities and debt instruments from fund investments.
- * ² ‘co-investments’ – means any of the following (1) leveraging the global platform of the Company’s investment manager to source, evaluate and execute co-investment opportunities; (2) partnering with premier private equity firms in their core areas of expertise and (3) invest on favorable terms alongside lead financial sponsors.
- * ³ The term ‘opportunistic’ is used to mean that some investment opportunities may develop as a result of a market shift or proprietary relationship. These investments are usually only available or attractive for a limited time period.
- * ⁴ A ‘secondary’ investment or ‘secondaries’ refer to a limited partnership interest acquired in a private equity fund after that fund has had its final close (i.e. purchase on the ‘secondary market’). In addition to acquiring traditional limited partnership interests, the investment manager of the Company may also acquire direct co-investments from investors seeking early liquidity. Thus, a ‘secondary’ could take

the form of a portfolio of direct investments, structured secondary solutions, royalties, hedge fund side pockets or credit opportunities.

- * ⁵ The term ‘Specialty strategies/ Specialty investments’ refers to differentiated investments that Investment Manager is able to source, develop and/or design e.g. strategies focused on minority stakes in asset management firms, brand licensing or healthcare-oriented investments.
- * ⁶ A ‘primary’ investment is when an investor invests directly into a private equity fund as a limited partner.

The Directors of the Company will appoint an investment committee to review and approve potential Permitted Investment opportunities. Investment strategy, asset allocation, portfolio construction and all investment decisions will be made by the investment committee. The investment committee will be supported by additional investment professionals who will participate in the investment process and lead a comprehensive due diligence process for each potential Permitted Investment opportunity.

4.3 Redemption of Preference Shares of the Company

Shareholders of the Company are not able to redeem their shares in the Company unless otherwise the maturity on their investment in preference share class. The shares of the Company may only be redeemed at the option of the Company. Due to the illiquid nature of the Company’s investment, any pre-mature redemption shall subject to a penalty of ninety (90%) of the NAV of the Fund.

However, the Directors of the Company may, from time to time, in their sole and absolute discretion redeem any and all of the shares of the Company, by issuing a notice of redemption of shares to a shareholder or shareholders indicating the Company’s intention to redeem all or any part of such shareholder’s or shareholders’ holding of shares in the Company on a specified redemption date. The redemption price of a share of the Company shall be at the last available half yearly net asset value of the Company.

4.4 Compulsory Redemption of the Preference Shares of the Company

The directors of the Company may compulsorily redeem all or part of any shareholder's holding of preference shares of the Company at any time without assigning any reason upon not less than **five (5)** business days' prior written notice. The compulsory redemption only applies in extreme and unforeseen circumstances other than as detailed in the following paragraph and compulsory redemption is only made when determined to be in the best interests of the Company.

But if the Directors of the Company, in their sole discretion, determine that the preference shares of the Company are acquired or held by a person in the circumstances set out below, they may compulsorily redeem the relevant shares without prior written notice:

- (a) any person in breach of the law or requirements of any country or governmental authority; or
- (b) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the directors of the Company to be relevant) which in the opinion of the directors of the Company might result in the Company or the associates or agents of the Company or any shareholder of the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered; or
- (c) any person which may result in the Company being required to comply with any registration or filing requirement in any jurisdiction with which it would not otherwise be required to comply; or
- (d) any person such as to be harmful or injurious to the business or reputation of the Company or any of its service providers; or

- (e) any shareholder of the Company who (a) refuses to provide information or documents as may be required by the Company or the administrator of the Company, or (b) breaches any of the representations or warranties in the subscription application form of the Company, in connection with the shares of the Company; or
- (f) any person who is not or who ceases to be an “sophisticated investor”, as described below:

An “sophisticated investor” means:

- (a) a high-net-worth individual whose:
 - (aa) An individual whose total net personal assets, or total net joint assets with his or her spouse, exceeds RM3 million or its equivalent in foreign currencies, excluding the value of the individual’s primary residence;
 - (bb) An individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months;
 - (cc) An individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding 12 months.
- (b) A high-net-worth corporation whose:
 - (aa) A corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts
 - (bb) A partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies.
 - (cc) A company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies.
 - (dd) A corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the CMSA

and has assets under management exceeding RM10 million or its equivalent in foreign currencies.

- (ee) A pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967.
- (ff) A statutory body established by an Act of Parliament or an enactment of any State.

The redemption price of a share of the Company shall be the last available half yearly net asset value per share of the Company. If the Company compulsorily redeems all or part of the preference shares, the Company will receive the cash and may make a capital repayment on a capital distribution date.

4.5 Distribution Policy of the Company and Performance Fee

Upon any sale or disposition of any Portfolio Investment, the realized income (including coupon income if any) after deduction of any cost, expenses, fees, commissions, debts, and taxes incurred, subject to provisions for any liabilities, cost, expenses, fees, commissions, debts, and taxes incurred by the Company, shall be distributed to the shareholders of the Company. For the avoidance of doubt, the capital will be retained and deployed for investment by the investment manager of the Company.

Distributions may be made by the Company to the shareholders of the Company by way of dividend distributions and/or redemption of shares of the Company at the discretion of the directors of the Company and in accordance with the articles of the Company and any applicable laws of the Federal Territory of Labuan, Malaysia.

Distribution Policy At the end of the tenure of each classes of Preference Shares:

At the end of the tenure of each classes of Preference Shares, the Company shall divest its assets and investments up to the total net asset value of the relevant preference share class in an orderly manner and distribute its net assets (after deducting or provisioning for all relevant costs and expenses in relation to the liquidation of the Company) to the

shareholders of the Company, in cash or in specie, according to their respective shareholdings.

Notwithstanding the foregoing, the Company's investments would be expected to progressively mature and appropriate opportunities for partial or full liquidation of Portfolio Investments may be identified by the investment manager of the Company.

Performance fee payable to the Investment Manager by the Company

The Investment Manager is entitled to receive a performance fee from the Company provided that the Shareholders in the Company have received a return above six percent (6%) per annum (the “Preferred Return”). Should the Investment Manager have successfully generate total return more than the Preferred Return in the year, the Investment Manager is entitled to will receive performance fee, which amount is equal to forty percent (40%) of the additional return in excess of the preferred return (the “Excess Return”).

For the sake of clarity, an illustration as below:

Should the total return of the year is 15.00%, the Investment Manager is entitled to receive 3.60% from the total return as *performance fee*.

Calculation of Performance Fee:

$$\begin{aligned} \text{Performance Fee} &= \text{Total Return} - \text{Preferred Return ("Excess Return")} \times 40\% \\ &= (15\% - 6\%) \times 40\% \\ &= \mathbf{3.6\%} \end{aligned}$$

The performance fee is calculated on a deal-by- deal basis as and when the investments of the Company are realised and shall be paid to the Investment Manager at the end of each financial year.

If there has been any Realised Loss by the investors of the Company at the end of the Charter Life of the Company, the Investment Manager has agreed to return, and the Company will distribute any performance fee received by the Investment Manager less any taxes paid by the Investment Manager on the said performance fee to the investors of

the Company up to the Investment Sum less any distributions received by the investors of the Company per the Company's distribution policy stated herein (the "Investment Loss Clawback").

Investors are advised that this performance fee is an indirect fee payable by the investor.

For the purpose of this section,

"Investment Sum" means the amount paid or to be paid to the Company by an investor for the subscription of preference shares in the Company, excluding the subscription charge and net of bank and handling charges.

"Half Yearly" means each 6-month period ending on the last calendar day of June and December of each calendar year respectively; and

"Realised Loss" means the loss (if any) realised by an investor in the Company at the end of the charter life of the Company in relation to the investor's Investment Sum.

5.0 INFORMATION ON THE FUND

Shares in the Fund are available for subscription to selected Prospective Investors during the Initial Offering period at a price of US\$1.00 per Share and, subsequently, on each Subscription Day at a price equal to the Net Asset value per Share as at the immediately preceding Valuation Day.

The Initial Offer Period for Class A Shares will close on the day which is twelve calendar months after the Shares are initially offered for subscription (or such earlier or later date in relation to each Class as the Directors may determine). During the Initial Offer Period, investors may apply to subscribe for Class A Shares on the initial Subscription Day at a subscription price per Share of US\$1.00.

After the closing of the Initial Offer Period, Shares may be purchased on any subsequent Subscription Day at a subscription price based on the Net Asset Value per Share/Unit.

The minimum initial investment amount may be waived, increased or reduced at the discretion of the Directors generally on a case by case basis. However, initial investment amounts must be at least the regulatory minimum which is RM500,000 of foreign equivalent amount..

Subscriptions for Shares will be made in cash or, in the discretion of the Fund, in securities or partly in cash and partly in securities.

5.1 Subscription Procedure

Applications for Shares may be made prior to each Subscription Day.

Applications for Shares should be made by completing and signing the Application Form enclosed with this Information Memorandum and mailing the same to the Investment Manager at the address listed in the Directory.

Alternatively, application may be made by fax or by email by completing and signing the Application Form and returning the same to the Investment Manager by via email to investorservices@vai-privatefund.com. In the event that application is made email, the applicant must send the signed original application to the Investment Manager immediately thereafter. Payment for Shares must be made by wire transfer.

Class A Shares will generally be available for subscription in accordance with this Information Memorandum.

The Fund has the right to accept or reject (in whole or part) any subscription application for Shares.

Applicants should be aware of the risks associated with sending applications by email and post and that the Investment Manager accepts no responsibility for any loss caused due to the non-receipt of any email or post.

Unless otherwise agreed by the Fund, applications for the issuance of Shares on a particular Subscription Day must be received by 5:00 p.m. in Labuan at least 5 Business Days immediately preceding the relevant Subscription Day with cleared funds to be received not later than 5:00 pm Labuan time on the Business Day prior to the relevant Subscription Day.

Shares will be held in book entry form only and a contract note only will be sent to the applicant upon receipt of cleared funds and the properly completed subscription form and acceptance of such funds by the Fund.

Application monies received after this time will be held in an account and treated as an application for the next Subscription Day. Payment may only be made in cash and no equivalent forms of payment will be accepted.

Applicants subscribing for Shares are advised that the Shares are issued subject to the provisions of the Fund's Memorandum and Articles.

5.2 Measures to combat money laundering and terrorist finance

As part of the Investment Managers' responsibility for the prevention of money laundering and terrorist financing, it will be required to identify each applicant for Shares (whether by way of subscription or transfer), including any underlying controllers and beneficial owners in relation to any legal structure or arrangement and their purpose in investing in the Fund and will generally be required to undertake a detailed verification of the identity and source of wealth of each applicant Identity (including any controllers and beneficial owners, as described above) and of the source of payment for the Shares, all in accordance with Its risk assessment and management procedures. Details of the initial information and documentation requirements of the Investment Manager in relation to the Fund (depending on the legal status of the applicant and the circumstances of its application of the applicants and the certification requirements in relation to copy documents, are described in the Application Form; although it should be noted that the Investment Manager may request further or additional information or documents in its

discretion in any case and will do in circumstances where it determines that enhanced due diligence procedures are required.

The Investment Manager reserves the right to request such information as it considers to be necessary to verify the identity of the applicant (including the matters referred to above). In the event of delay or failure by the applicant to produce any information required for verification purposes, the Fund or the Investment Manager may refuse to accept the application and all subscription monies relating thereto or may refuse to process a redemption request until proper information has been provided.

Each applicant is required to make such representations to the Fund and the Investment Manager as the Fund or the Investment Manager shall require in connection with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“AMLATFA”) and any other legal requirements, including, without limitation, representations that the applicant is not a prohibited country, territory, individual or entity listed on any list maintained by any department of the Malaysian Government or any other body specified from time to time by the Investment Manager, and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on any such list or prohibited by any sanctions programs. Each applicant must also represent to the Fund and the Investment Manager that amounts contributed by it to the Fund were not directly or indirectly derived from activities that may contravene any laws and regulations, including, without limitation, AMLATFA 2001.

5.3 Data Protection

Processing of the information detailed in the Application Form is governed by the Personal Data Protection Act 2010 (“PDPA”). The PDPA sets out the rules and principles under which the processing of personal data is permitted. The information contained in the Application Form is required by the Investment Manager (and any other third party acting on the Fund's behalf including, but not limited to, the Investment Managers) for the processing of the application and, if the application is successful, in administering and servicing the consequent investment in the Fund.

After the Shares have been redeemed, where the application is successful, or where the application is unsuccessful, the Investment Manager will retain a record of the information to enable it to satisfy its regulatory, audit and statutory accounting requirements for such period as may be deemed necessary from time to time to satisfy its requirements and responsibilities under PDPA.

The rights in respect of the protection of personal data are defined in the PDPA. These rights include the right of an Investor to access all the personal data relating to that investor held by the Investment Manager.

5.4 Eligible Investors

Any prospective investor acting in any fiduciary capacity may be required to certify the number of beneficial owners for whom Shares are being purchased. Unless otherwise agreed to by the Fund, each prospective investor is required to certify that the Shares are not being acquired directly or indirectly for the account or benefit of any person who is not an Eligible Investor. Shares are not intended to be offered for subscription by US Persons, and other persons from time to time designated as an Ineligible Investor by the Fund. Furthermore, it is the responsibility of each investor to verify that the purchase and payment for the Shares is in compliance with all relevant laws of the investor's jurisdiction or residence.

In order to be an Eligible Investor, a prospective investor must comply with the requirements of the Regulations, as described below:

An Eligible Investor means a person or body who has certified that they are sufficiently experienced to understand the risks associated with an investment in the Fund, who invests an initial amount of at least US\$130,000 and who, at the time of the initial investment in the Fund falls into one of the following categories:

- (a) a high-net-worth individual whose:
 - (aa) An individual whose total net personal assets, or total net joint assets with his or her spouse, exceeds RM3 million or its

- equivalent in foreign currencies, excluding the value of the individual's primary residence;
- (bb) An individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months;
 - (cc) An individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding 12 months.
- (b) A high-net-worth corporation whose:
- (aa) A corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts
 - (bb) A partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies.
 - (cc) A company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies.
 - (dd) A corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the CMSA and has assets under management exceeding RM10 million or its equivalent in foreign currencies.
 - (ee) A pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967.
 - (ff) A statutory body established by an Act of Parliament or an enactment of any State.

An investor in the Fund, either by subscription or transfer, will only be accepted if (among other things) he/she/it has completed and signed the Part 1 Certification set out in the Application Form.

The Fund reserves the right to offer Shares to investors who are not Eligible Investors upon compliance with applicable rules and regulations. The Fund reserves the right to reject subscriptions for Shares, in whole or in part, in its absolute discretion for any reason or for no reason.

The Directors may, in their discretion, agree to accept subscriptions in kind. In the event of the Directors so agreeing, the assets to be received will be valued by the Directors in their discretion, with the assistance of the Investment Managers, and Shares to that value issued accordingly.

No Shares shall be issued, redeemed or transferred (except those for which applications have been previously received and accepted by the Fund) during any period when the determination of the Net Asset Value is suspended pursuant to the Articles.

The Directors shall issue Shares on terms that the persons to whom they are issued shall bear any fiscal charges which may be incurred outside Labuan.

The proceeds of the allotment and issue of Shares by the Fund, after deduction of expenses, as appropriate, shall be applied in accordance with the investment objectives, policy and restrictions of the Fund.

Save as otherwise provided in this Information Memorandum, the Fund shall be entitled to treat the registered holder of any Share as the absolute owner thereof, and accordingly shall not, except as by law required, be bound to recognise any equitable or other claim or interest in such Share on the part of any other person.

If two or more persons are registered as joint holders of any Shares, then any one of such joint holders may give effectual receipts for moneys payable in respect of the Shares held by them as joint holders.

The Fund shall not be bound to register more than four persons as the joint holders of any Share.

6.0 RISK FACTORS OF THE FUND

6.1 General Risks of Investing in a Private Fund

(a) Redemption risk

The Fund does not allow for redemption as 95% of NAV is invested in the Company which does not allow for redemption and there is no secondary market for the shares of the Company.

(b) Returns are not guaranteed

There is no guarantee on the investment returns to Unit Holders.

6.2 Specific Risks when investing in this Fund

(a) Management risk

As this Fund invests at least 95% of its NAV in the shares of the Company, it is subject to the expertise of the Company's investment manager, WCEI International Ltd.

Poor management of the Company by WCEI International Ltd may jeopardise the investments in the Company and in turn, the preference shareholder's investment through the risk of reduced returns and in some cases the shareholders may also lose their capital invested in this Fund.

(b) Currency risk

As the Company will invest in the quoted or unquoted shares of the targeted businesses which may be denominated in various currencies other than USD, the Fund is subject to currency risk. The fluctuation in foreign exchange rates between the currencies and USD (i.e. the currency denomination of the shares of the Company) may cause the value of the Fund's investments in the shares of the Company to diminish or increase which in turn would affect the value of shareholder's investments in the Company.

(c) Country risk

As the Company is domiciled in the Federal Territory of Labuan, Malaysia, the Fund is subject to country risk.

The Company may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in the Federal Territory of Labuan, Malaysia.

(d) Suitability standards

Investing in the Fund which invests principally in the Company is only suitable for Investors who understand the degree of risks involved and believe that the investment is suitable based upon their investment objectives and financial needs; accept the investment strategy of the Company according to their risk appetite; have no need for liquidity of the investment monies; and who are able to bear the loss of a substantial portion or even all of the money they invest in. Investors are therefore advised to seek independent professional advice on the implications of investing in the Company.

(e) No redemption is allowed by the Fund

REDEMPTION OF SHARES BY THE SHAREHOLDER AT ANY TIME PRIOR TO THE FUND'S MATURITY DATE IS NOT ALLOWED. This is because the Fund will not be able to redeem its shareholdings in the Company. Due to the illiquid investment held by the Company, it would not be practical to allow for redemption of shares held in the Company by the Fund. Moreover, shares are only transferable to other Sophisticated Investors.

6.3 Specific Risks of Investment in the Company

Investments in the Company are associated to the following risks:

(a) Nature of investments generally

All investments risk the loss of capital (i.e. investment capital). No guarantee or representation is made that the Company will achieve its investment objective. An investment in the Company may be considered speculative and involves certain considerations and risk factors which Prospective Investors should consider before subscribing.

(b) General economic and market conditions

Notwithstanding the amount of due diligence which may be carried out by the Investment Manager prior to investments in any portfolio or company, such portfolio or company may nevertheless fail for a variety of reasons which may not be foreseeable by the Investment Manager.

General economic conditions may affect the Company's activities and the portfolio or company's performance which may not be foreseeable by the Investment Manager. Interest rates, general levels of economic activity, the price of securities and participation by the other investors in the financial market may affect the value of the Company's investment.

Portfolios or companies invested are subject to operating and financial risks. Over the period of investment, portfolios or companies will be subject to changes in economic environment, technology, regulatory environment, market conditions and competition, and potential management execution shortcomings.

(c) Increased regulatory oversight

The financial services industry, including the activities of alternative investment vehicles and their managers, have been subject to increasing regulation and oversight. This may increase the Company's and WCEI International Ltd's exposure to legal, compliance and other related costs. Increased regulatory oversight can also impose administrative burdens on WCEI International Ltd, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert WCEI International Ltd's time, attention and resources from portfolio management activities.

(d) Currency risk

The Company may invest in securities denominated in currencies other than USD and any income from those investments will be received in those currencies, some of which may fall in value against the USD. The Company will value its assets in USD and there is therefore a currency exchange risk which may affect the value of the Company's assets. The Company may invest its assets in countries which have exchange control restrictions, which may cause difficulties or delay in the receipt of its divestments.

(e) Investment strategy

Successful implementation of the Investment Manager's strategy requires accurate assessments of general market conditions. Even with the most careful analysis, the direction of the financial markets is often driven by unforeseeable economic, political and other events and the reaction of market participants to these events. There can be no assurance that WCEI International Ltd's strategy will be successful and an unsuccessful strategy may result in significant losses to the Company.

Past results are not necessarily indicative of future performance. No assurance can be given that profits will be achieved or that substantial losses will not be incurred.

(f) Currency exchange exposure and currency hedging

To the extent the Company seeks to hedge its currency exposure, it may not always be practicable to do so. Moreover, hedging may not alleviate all currency risks. Furthermore, the Company may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer will normally offer to sell currency to the Company at one rate, while offering a lesser rate of exchange should the Company desire immediately to resell that currency to the dealer. The Company conducts its currency exchange transactions either

on a spot (i.e. cash) basis at the spot rate prevailing in the currency exchange market, or through entering into a number of different types of hedging transactions including, without limitation, forward, futures or commodity options contracts to purchase or sell currencies, and entering into foreign currency borrowings.

Techniques used to hedge currency exposure may reduce but will not eliminate the risk of loss due to unfavourable currency fluctuations and they tend to limit any potential gain that might result from favourable currency fluctuations. Some countries restrict conversion of their currency into other currencies, including the USD, and for some currencies, there is no significant foreign exchange market.

There can be no guarantee that instruments suitable for hedging currency or market shifts will be available at the time the Company wishes to use them, or will be able to be liquidated when the Company wishes to do so. In addition, the Company may choose not to enter into hedging transactions with respect to some or all of its positions.

(g) Market volatility for portfolio investments

Investments in private companies involve a higher degree of business and financial risk that can result in substantial losses. Some of the companies invested may lack fully developed products, cash resources, proven markets for their products or distribution alliances. Such companies may fail or significantly decline in value at any stage of operation.

(h) Acts of God, acts of war, epidemics and geopolitical events

Geopolitical events, such as natural disasters, man-made disasters, terrorist attacks and outbreaks of diseases may cause disruptions to commerce, reduced economic activity or market liquidity and continued volatility in markets throughout the world. Such events could have an adverse impact on instruments held by the Company. WCEI International Ltd cannot predict the manner in which and the extent to which the instruments held by the Company would be affected by such events. Such

events could also result in incidents or circumstances that would disrupt the normal operations of WCEI International Ltd, the administrator, the brokers, the custodian, the prime brokers (if any) or any of the Company's broker-dealers, which could also have negative effects on the investment performance of the Company.

(i) Legal, regulatory and judicial environment

The net asset value of the Company may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, imposition of confiscatory taxation and/or withholding taxes on interest payments, changes in interest rates and other political and economic developments in law or regulations and, in particular, the risk of, and change in, legislation relating to the level of foreign ownership, including nationalisation and expropriation of assets.

(j) Political, economic, social, and diplomatic factors

The Company will be exposed to the direct and indirect consequences of potential political, economic, social, or diplomatic conflicts in the countries in which it invests.

(k) Repatriation of capital, interest and other income risks

It may not be possible for the Company to repatriate capital, interest and other income from certain countries, or it may require government consent to do so. The Company could be adversely affected by the introduction of the requirement for any such consent, or delays in or the failure to grant any such consent, for the repatriation of funds or by any official intervention affecting the process of settlement of transactions which may in turn affect the repatriation of funds. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

(l) Settlement, clearing and registration risks

Some of the countries in which the Company may invest are undergoing rapid expansion. There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in some of these markets. Where organised securities markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to the local postal and banking systems in many less developed markets, no guarantee can be given that all entitlements attaching to quoted and over-the-counter traded securities acquired by the Company, can be realised. Some markets currently dictate that a local broker receives monies for settlement by a number of days in advance of settlement, and that assets are not transferred until a number of days after settlement.

(m) Market risk

Financial markets are increasingly more volatile. Wide swings in market prices that have been a feature of smaller and less developed markets are also becoming common in major financial markets. In many instances, market prices defy rational analysis or expectation for prolonged periods and are influenced by movements of large funds as a result of short-term factors, counter-speculative measures or other reasons. Market volatility of large enough magnitude can sometimes weaken what is deemed a sound fundamental basis for investing in a particular market. Investment expectations may therefore fail to be realised in such instances.

(n) Inflation

Some of the countries in which the Company intends to invest have experienced extremely high rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have negative effects on the economies and securities markets of certain

emerging countries. Therefore, the performance of the Company could be affected by rates of inflation in countries in which the Company invests.

(o) Counterparty risk

The Company, through the Investment Manager, will transact most of its investments through financial institutions including but not limited to brokers, dealers and banks. All transactions will carry counterparty risks until the transactions have settled. All deposits of securities or cash with a custodian, bank or financial institution will carry counterparty risk. Upon default by a counterparty the Company may be forced to unwind certain transactions and the Company may encounter delays and difficulties with respect to court procedures in seeking recovery of the Company's assets.

(p) Broker insolvency

The Company's assets may be held in one or more accounts maintained for the Company by its brokers, prime brokers (if any) or at other broker-dealers. There is a risk that any such brokers, prime brokers or broker-dealers (including any of their affiliates) may become insolvent. There is a possibility that the insolvency of a broker, prime broker or broker-dealer may significantly impair the operational capabilities of the Company and the Company's assets. Although it is the intention of WCEI International Ltd to regularly monitor the financial condition of the brokers, prime brokers or broker-dealers, if any of the brokers, prime brokers or broker-dealers (or their respective affiliates) were to become insolvent under applicable laws, there is a risk that the recovery of the Company's securities and other assets from such brokers, prime brokers or broker-dealers may become protracted and/or be of a value less than the value of the securities or assets originally entrusted to such brokers, prime brokers or broker-dealers.

(q) Default of broker or custodian

Certain brokerages and banks may from time to time have custody of the Company's assets. Bankruptcy or fraud at any of these institutions may

impair the operational capabilities or the capital position of the Company. The Company's brokers, custodian or prime broker (if engaged) may not be required to segregate the Company's assets deposited with it, in which case the Company's assets may be subject to the claims of such brokers', custodian's or such prime broker's general creditors if such brokers, custodian or prime broker (as the case may be) becomes insolvent.

(r) Amortisation of establishment expenses

The financial statements of the Company will be prepared in accordance with the International Financial Reporting Standards ("IFRS"). Notwithstanding this, the Company will be amortising the establishment expenses over its first 36 months. The policy of amortisation is not in accordance with IFRS and may result in difference between the net asset value of the Company derived by the Company and the reported net asset value of the Company in the financial statements of the Company.

(s) Reliance on investment manager and/or sub-investment manager of the Company

The success of the Company may depend in part upon the skill and expertise of the members of WCEI International Ltd. Shareholders of the Company have no right to participate in the management of the Company or to make any decisions with respect to the investments to be made by the Company. There can be no assurance that such professionals may continue to be associated with WCEI International Ltd for an indefinite period, and any departure or resignation of any of these professionals or other key employee of WCEI International Ltd could have an adverse impact on the performance of the Company.

(t) Preference Shareholders will not participate in management

A preference shareholder of the Company has no right to participate in the management of the Company or in the conduct of its business. There exists broad discretion to expand, revise, or contract the Company's business without the consent of the shareholders of the Company. Any

decision to engage in a new activity could result in the exposure of the Company's capital to additional risks which may be substantial.

(u) Conflicts of interest

WCEI International Ltd may in future establish other Funds with similar investment objectives or strategies to those of the Company.

The directors, the administrator, the brokers, the custodian (if any), the prime brokers (if any) and WCEI International Ltd may from time to time act as directors, investment managers and/or sub-investment manager, brokers, administrators or custodians in relation to or otherwise be involved in other companies established by parties other than WCEI International Ltd that have similar objectives to those of the Company. In such event should a conflict of interest arise, the directors of the Company will endeavour to ensure that it is resolved fairly.

WCEI International Ltd may have a conflict of interest when allocating and/or recommending investment opportunities between the Company and other clients. However, when making investments where a conflict of interest may arise, WCEI International Ltd will endeavour to act in a fair and equitable manner as between the Company and other clients.

There will be no limitation with respect to other activities and investments of WCEI International Ltd or with respect to the activities of other investment portfolios managed by WCEI International Ltd. Accordingly, conflicts of interest may occur.

(v) Performance fee

The payment to the Investment Manager of the performance fee may create an incentive for WCEI International Ltd to cause the Company to make investments that are riskier or more speculative than would be the case if the performance fee were based solely on a flat percentage of assets under management or in the absence of such performance-based compensation.

(w) Lack of liquidity and illiquidity of investments

The Company will invest in assets that are subject to legal or other restrictions on transfer and which are illiquid. The Company may not be able to sell them when it desires to do so or to realize their fair value.

(x) Lack of transparency

The Company may not have access to reliable or detailed information, including both general economic data and information concerning the operations, financial results, capitalization and financial obligations of companies invested in certain countries. The quality and reliability of information available to the Company might be less than what might be available when investing in developed countries. Certain countries may limit the obligations on companies to publish information, which would further restrict the ability of WCEI International Ltd to carry out due diligence. WCEI International Ltd may be compelled to make investment decisions on the basis of financial information that will be less complete and reliable than that customarily available in developed countries.

(y) No voluntary redemption or transfer

The Company does not allow for voluntary redemption by any preference shareholder of the Company. There is no guarantee on the liquidity events for the shareholders of the Company. There is no secondary market for the shares of the Company. No shareholder, including the Fund, may transfer its shares without the consent of the directors of the Company, whose consent may be withheld in the directors' sole and absolute discretion. Preference Shareholders of the Company will have to hold onto their shares for the entire tenure of the respective classes of Preference Shares of the Company unless the directors of the Company determine to liquidate the Company or compulsorily redeem any shareholder in accordance with the provisions of the private placement memorandum of the Company, the articles of the Company and the laws of the Federal Territory of Labuan, Malaysia.

(z) *Compulsory redemption of a shareholder's preference shares of the Company*

The directors of the Company may compulsorily redeem a shareholder's preference shares in the Company without any notice in certain circumstances, for example, if they, in their sole discretion, determine that the continued participation of such shareholder in the Company may, amongst other reasons, result in the Company or its shareholders as a whole incurring any legal, tax, regulatory, pecuniary or material administrative disadvantage. The directors of the Company may also compulsorily redeem a shareholder's shares by giving not less than five (5) business days' written notice.

The directors of the Company have the right to compulsorily redeem the shares held by any shareholder who is not an "accredited investor" or a "qualifying investor" based on applicable taxation and regulatory considerations.

(aa) *Possible indemnification obligations*

The Company is generally obliged to indemnify the administrator, the Investment Manager, the directors and possibly other parties under the various agreements entered into with such persons against any liability they or their respective affiliates may incur in connection with their relationship with the Company.

(bb) *Possible adverse tax consequences*

No assurance may be given that the manner in which the Company will be managed and operated, or that the composition of its direct and indirect portfolio investments, will be tax efficient for any particular shareholder or group of shareholders. The Company does not intend to provide its shareholders with information regarding the percentage ownership of its shares held by residents of any country. The Company's books and records might be audited by the tax authorities of countries where the Company's portfolio is managed, or where a portion of its direct and indirect portfolio investments are made, or where a particular shareholder

or group of shareholders reside. Any such audits could subject the Company to tax, interest and penalties, as well as incremental accounting and legal expenses. Should the Company be required to incur additional taxes or expenses as a result of the subscriptions made by any shareholder, or become subject to any record keeping or reporting obligations as a result of permitting any person to remain or be admitted as a shareholder of the Company, the Company will seek reimbursement of the costs of such taxes, expenses or obligations from such person.

(cc) Suitability standards

Because of the risks involved, investment in the Company is only suitable for investors who are able to bear the loss of a substantial portion or even all of the money they invest in the Company, who understand the degree of risk involved, believe that the investment is suitable based upon their investment objectives and financial needs and have no need for liquidity of investment. Investors in the Company are therefore advised to seek independent professional advice on the implications of investing in the Company. In addition, as the Company's investment programme develops and changes over time, an investment in the Company may be subject to additional and different risk factors.

(dd) Risk of private equity investments

The Company may be subject to the risks inherent in private equity investing. The task of identifying good companies that may become successful and generate good capital gains is difficult. The future performance of any entity into which any part of the Company is invested and therefore the value of the

Company's investment portfolio may be subject to many factors over which the Company may have limited or no control.

(ee) Time required for maturity of investments

There can be no assurance as to when investments in the companies invested by the Company may mature so that gains, if any, can be realised.

Successful private equity investments generally take from three to five years from the date of investment before any liquidity event with good capital gain occurs. There may be a number of years when the Company may not receive any income from its investments. Any income received during the initial years of the charter life of the Company may not be significant which may not be able to cover operating expenses of the Company. In addition, there could be faster realisation of losses on unsuccessful investments normally.

(ff) Effect of competition

The Company will be competing for investment opportunities with a large number of other funds, as well as other investors and corporate buyers. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available and adversely affecting the terms upon which such investment can be made.

(gg) Risks related to valuation of the Company's assets

The Company's assets will consist of illiquid, unlisted and unquoted securities for which no public market exists, and for which no price quotation may be available from exchanges, brokers or other third party sources. However, these values may not reflect the actual prices which would be realised upon a sale of a particular asset. Valuations of assets undertaken or provided by the Company will be conclusive and binding on all investors. Prospective Investors should be aware that the valuation or pricing of certain asset classes, particularly hard-to-price assets such as illiquid, unlisted and unquoted securities, may result in subjective prices being applied to the Investment Manager's calculations of the net asset value of the Company. This could materially affect the net asset value of the Company, particularly if the judgments of the Investment Manager or their third party valuation agents regarding appropriate valuations or pricing should prove incorrect.

(hh) Additional funding resources

Most of the investee companies (i.e. any entity into which any part of the Company is invested in) may require financing in addition to that provided by the Company. If such additional financing was to be unavailable or more at a higher cost than anticipated, the investee companies' performance may be affected.

(ii) Operating history

The Company has not yet commenced operations and has no performance history. Any performance track record or past achievements of the management team of the Investment Manager do not indicate that it could be repeated or could achieve similar profits or losses for the Company.

(jj) Credit/Default risk

The Company may invest in debt instruments which may be subject to risk relating to the creditworthiness of the issuers and its expected ability to make timely payment of interest and principal. Default happens when the issuers are not able to make timely payments of interest and principal. Debt instruments are subject to both actual and perceived measures of creditworthiness.

(kk) Custody risk

There are risks involved in dealing with custodians or prime brokers who hold assets of the Company and who settle the Company's trades. Securities and other assets deposited with custodians or prime brokers may not be clearly identified as being assets of the Company, and hence the Company may be exposed to a credit risk with regard to such parties. In some jurisdictions, the Company may only be an unsecured creditor of its prime broker or custodian in the event of bankruptcy or administration of such broker. Further, there may be practical or time problems associated with enforcing the Company's rights to its assets in the event of the insolvency of any such party (including sub-custodians or agents appointed by the custodian in jurisdictions where sub-custodians are not available).

Recent apparently significant losses incurred by many hedge funds in relation to the bankruptcy and/or administration of financial institutions illustrate the risks incurred in both derivatives trading and custody and prime brokerage arrangements. Assets deposited with prime brokers or custodians which are fully paid (being those not held by the prime broker as margin) may be held in segregated safe custody in accordance with the prime brokerage and custodian agreements. Assets held as collateral by the prime brokers or custodians in relation to facilities offered to the Company and assets deposited as margin with the custodians and prime brokers may therefore be available to the creditors of such persons in the event of their insolvency.

(ll) Absence of regulatory oversight

Neither Labuan Financial Services Authority nor any other government or regulatory authority any jurisdiction has evaluated the value of these securities, made any recommendations as to their purchase, approved or disapproved the offering of the shares of the Company, or evaluated the adequacy or accuracy of the private placement memorandum (i.e. the Information Memorandum) of the Company.

(mm) Lack of independent experts representing investors

The legal advisors serve as legal counsel for the Company and WCEI International Ltd and certain of the principals of WCEI International Ltd. The legal advisors have not been engaged to act and has not acted on behalf of the Prospective Investors of the Company or conducted a review or investigation on their behalf. If a conflict should arise, consideration will be given to the extent to which the interests of the Company diverges from those of WCEI International Ltd, or the principals of WCEI International Ltd, and, if necessary, separate legal counsel will be retained by the Company. In addition, WCEI International Ltd has consulted with counsels, accountants and other experts regarding the formation of the Company and the preparation of the private placement memorandum of the Company. Each prospective investor of the Company should consult

his own legal, tax and financial advisors regarding the desirability of an investment in the Company.

(nn) Sector risk

The Company may make a limited number of investments. As such, their returns as a whole may be substantially affected by the unfavourable performance of a single investment. In addition, certain investments may exclusively or primarily be made in a particular asset type or category, which may reduce the Company's overall diversity of assets and increase risk.

(oo) Leverage risk

The Company will not use leverage. However the investment managers of the underlying investments may utilize leverage within the underlying investment vehicles. The use of leverage involves a high degree of financial risk and may increase the exposure of such investments to factors such as rising interest rates, downturns in the economy or deterioration in the condition of assets underlying such investments.

(pp) Interest rate risk

The market value of many types of investments is sensitive to changes in interest rates. In general, when interest rates rise, the fixed-income security's market value declines and when interest rates decline, its value rises. Normally, the longer the remaining maturity of a security, the greater the effect of interest rate changes on the market value of the security. In addition, changes in the ability of an issuer to make payments of interest and principal and in the market's perception of an issuer's creditworthiness affect the market value of an issuer's investments.

(qq) Fees and expense risk

The Company may pay certain fees while making investments in underlying funds. These fees are in addition to the fees paid by investors to the Company. Accordingly, investors in the Company will bear more fees (i.e. paid to the Company and indirectly by the Company to the

underlying funds) as compared to investors who invest directly into the same underlying funds.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Company.

Investors are advised to read the Information Memorandum and obtain professional advice before subscribing to the Preference Shares.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect your investment against all risks.

The investments of the Fund carry risks and we recommend that you read the whole Information Memorandum to assess the risks of the Fund.

7.0 PRICING POLICY

Selling Price is the price (before adding any sales charge) payable by an investor or a Shareholder for the purchase of a preference share. The Selling Price is fixed at USD1.00 per share.

A sales charge will be computed separately based on the investment amount/purchase amount, net of bank charges, if any.

THERE WILL BE NO REDEMPTION BY THE PREFERENCE SHAREHOLDERS AS REDEMPTION BY PREFERENCE SHAREHOLDERS IS NOT ALLOWED AT ANY TIME PRIOR TO THE FUND'S MATURITY DATE.

Due to the illiquid investment held by the Company, it would not be practical for the Company to allow for redemption of shares by the investors in the Company.

The NAV is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point. The NAV per Unit is determined when the NAV is divided by the total number of the preference shares in circulation at that valuation point.

The NAV per Share will be published in the newspapers and will also be available to Unit Holders upon request.

8.0 VALUATION OF ASSETS

The asset of the Fund will be valued at least once every six months on the last Business Day of the month ("Valuation Day")

On each Valuation Day, the last available net asset value per share of the Company shall be used for valuation of the Company.

Further, as the Company's assets are valued on each Valuation Day, the published price of the Shares (the NAV per Share) of each Valuation Day will remain the same until the next Valuation Day. Nonetheless will be available to investors upon request.

In undertaking any of the Company's investments, the Manager will ensure that all the assets of the Fund will be valued appropriately, that is, at market value, failing which, such assets will be valued at fair value and at all times in compliance with the relevant laws (including approved accounting standards).

Accordingly:

- (i) The shares of the Company will be valued by reference to the investment manager's last published net asset value per share of the Company for the relevant Valuation Day.

- (ii) Financial derivatives positions will be “marked-to-market” at the close of each Valuation Day.
- (iii) Placements of Cash will be valued each Valuation Day by reference to the principal value of such investments and the interest accrued thereon for the relevant period.
- (iv) Money market instruments will be valued each Valuation Day based on the accretion of discount or amortisation of premium or on a yield to maturity basis.
- (v) Foreign exchange translation of investments not denominated in the base currency of the Fund into USD (i.e. the base currency of the Company) for a particular Valuation Day is determined based on the bid rate quoted by Bloomberg at 4.00 p.m. (United Kingdom time) or such other time as may be prescribed from time to time by the relevant laws.

9.0 POLICY ON REBATES AND SOFT COMMISSION

Any rebate on brokerage fees or shared commissions is to be credited into the accounts of the Fund. Goods and services (“soft commission”) received are retained by the Manager or its delegate only if the goods and services are of demonstrable benefit to the Unit Holders such as research materials and computer software incidental to the investment management of the Fund.

10.0 PARTIES TO THE FUND

10.1 Investment Manager

WCEI INTERNATIONAL LTD (Co. No. 222845)

Registered and principal office:

Room B11, First Floor, Providence Complex, Providence, Mahe, Seychelles

E-mail: info@wcei-investment.com

Website: www.wcei-investment.com

Board of directors:

Mr Choo Siew Horng (Managing Director)

10.1.1 Functions of the Manager

The Manager is responsible for the day -to-day administration of the Fund in accordance with the provisions of the Investment Management Agreement. The main responsibilities of the Manager include:

- Selecting and managing investments of the Company;
- Executing, supervising and valuing investments of the Fund;
- Keeping of proper records of the Company;
- Issuing the Fund's annual and half yearly reports to Shareholders;
- Distribution of income to Shareholders (if any); and
- Marketing the Fund to potential investors.

In fulfilling these functions, the Manager has in place a strong and cohesive team of staff who are experienced in various aspects of the industry, i.e. in the administration, marketing and fund management functions.

10.2 Auditors of the Manager and the Fund

To be appointed.

11.0 RIGHTS AND LIABILITIES OF PREFERENCE SHAREHOLDERS

11.1 Rights of the Preference Shareholders

Preference Shareholders shall have the right in respect of the Fund in which they hold shares, amongst others, to the following:

- (a) to receive distributions of the Fund (if any), participate in any increase in the capital value of the shares and to other rights and privileges as set out in this Information Memorandum;

- (b) to receive half yearly and annual reports of the Fund.

No Preference Shareholder shall be entitled to require the transfer to him of any assets comprised in the Fund or be entitled to interfere with or question the exercise by the Manager on his behalf of the rights of the Trustee as owner of such assets.

11.2 Liabilities of Preference Shareholders

The liability of Shareholders shall be limited to their investment participation in the Fund. Shareholders shall not be liable to indemnify the Manager against any liabilities whatsoever arising in respect of their duties and obligations as trustee and manager of the Fund which exceeds the value of the assets of the Fund. Any claims against the Fund shall be entirely restricted to the Fund.

11.3 Power to Call for a Meeting by Preference Shareholders

Shareholders have the right to request the Manager to call for a Shareholders' meeting provided any such request is made in writing by not less than fifty (50) or one-tenth (1/10) of all the preference shareholders, and the request must state the purpose of the proposed meeting.

11.4 Termination of the Fund

The directors of the Company terminate the Fund by giving written notice to investors if at any time after the Commencement Date, the NAV of the Fund falls below 0.2% of original amount invested by investors or such other amount as we deem to be uneconomical to continue with the Fund.

Investors will be paid an amount in accordance with the NAV per Unit of the Fund at the point of termination as calculated by the Auditors of the Fund. For the avoidance of doubt, investors will not be charged any redemption charge if the aforesaid is done.

(The remainder of this page is left black intentionally)

12.0 FINANCIAL PROJECTION

Venture Alliance Investment Fund (L) Berhad

Profoma Income Statement for the financial year ended 31 December

(All Figure are in USD)

	Proforma Income Statement		
	Year 1	Year 2	Year 3
Return - Capital Market	3,562,500	7,125,000	3,562,500
Return - Money Market	100,000	200,000	100,000
Total Income	3,662,500	7,325,000	3,662,500
(-) Return to Investors	1,500,000	3,000,000	1,500,000
Gross Profit	2,162,500	4,325,000	2,162,500
Expenses			
Administrative Expenses	(30,000)	(30,000)	(30,000)
Auditors' Remuneration	(10,000)	(10,500)	(20,000)
Director Fees	(90,000)	(90,000)	(90,000)
Fund Administration	(750,000)	(1,500,000)	(750,000)
Management Fee	(500,000)	(1,000,000)	(500,000)
Marketing Expenses	(50,000)	(50,000)	(50,000)
Other Operating Expenses	(10,000)	(10,000)	(10,000)
Professional Fees	(60,000)	(30,000)	(30,000)
Total Operating Expenses	(1,500,000)	(2,720,500)	(1,480,000)
Profit Before Tax	662,500	1,604,500	682,500
Taxation	19,875	48,135	20,475

Venture Alliance Investment Fund (L) Berhad
Projected Balance Sheet as at financial year ended 31 December
(All figures are in USD)

	YEAR 1	YEAR 2	YEAR 3
<u>ASSETS</u>			
Non Current Assets			
Investment	23,750,000	71,250,000	95,000,000
Total Non-Current Assets	23,750,000	71,250,000	95,000,000
Current Assets			
Bank and Cash Equivalents	1,893,625	5,949,990	7,862,015
Total Current Assets	1,893,625	5,949,990	7,862,015
TOTAL ASSETS	25,643,625	77,199,990	102,862,015
<u>EQUITY AND LIABILITIES</u>			
Equity			
Ordinary Shares	1,000	1,000	1,000
Preference Shares	25,000,000	75,000,000	100,000,000
Retained Earnings	642,625	2,198,990	2,861,015
Total Equity	25,643,625	77,199,990	102,862,015
TOTAL EQUITY AND LIABILITIES	25,643,625	77,199,990	102,862,015