



## ZICO HOLDINGS INC.

Incorporated in Labuan, Malaysia

Company Registration No. LL07968

## ACQUISITION OF 40% OF EQUITY INTEREST IN PLATINUM TRUSTEE BERHAD

### 1. INTRODUCTION

- 1.1 The board of directors (the “**Board**”) of ZICO Holdings Inc. (the “**Company**”, and together with its subsidiaries and associated companies, the “**Group**”) wishes to announce that ZICO Consultancy Limited (“**Purchaser 1**”) and ZICO International Corporation (“**Purchaser 2**”, together with Purchaser 1, the “**Purchasers**”), both wholly-owned indirect subsidiaries of the Company), had on 27 July 2022 entered into a share sale and purchase agreement (the “**SPA**”) with Akash Neil Nandy (“**Vendor 1**”) and Shweta Nandy (“**Vendor 2**”, together with Vendor 1, the “**Vendors**”) for the acquisition of 20,000 ordinary shares (collectively, the “**Sale Shares**”), representing 40% of the entire issued share capital of Platinum Trustee Berhad (“**Platinum**”) (the “**Proposed Acquisition**”).
- 1.2 Upon completion of the Proposed Acquisition, Platinum will become an associated company of the Company and its name will be changed to “ZICO Trust (M) Berhad”.

### 2. PARTICULARS AND VALUE OF ASSETS ACQUIRED

*Information on the Vendors and Platinum are provided by the Vendors and Platinum respectively and/or extracted from publicly available sources and has not been independently verified. In respect of such information, the Company and the Directors have not independently verified the accuracy and correctness of the same, other than to the extent verified by way of due diligence conducted on the Vendors and Platinum, and the Company’s responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.*

- 2.1 Platinum is a private company incorporated in Malaysia on 4 June 2020 for the purposes of primarily carrying trustee services, and other services allowed under Section 8 of the Trust Companies Act 1949 of Malaysia (“**Authorised Services**”). It is the holder of the Trust Company Certificate (as defined below).
- 2.2 Platinum has an issued share capital of RM500,000 consisting of 50,000 ordinary shares (“**Shares**”). Each Share was issued at the price of RM10, of which only RM3 was called up, pursuant to the requirements under Section 3 of the Trust Companies Act 1949 of Malaysia, resulting in an issued share capital of RM500,000 and a paid up share capital of RM150,000.

- 2.3 The current shareholding structure of Platinum (prior to the completion of the Proposed Acquisition) is as follows:

| Shareholder   | Number of Shares held in Platinum | Shareholding Interest % |
|---|-----------------------------------|-------------------------|
| Vendor 1  | 10,000 (“V1 Sale Shares”)         | 20                      |
| Vendor 2  | 10,000 (“V2 Sale Shares”)         | 20                      |
| Bumi Malabar Sdn Bhd                                    | 10,000                            | 20                      |
| Manor Capital Sdn Bhd                                   | 10,000                            | 20                      |
| Jeevan Mohana Sundaram (the “Transferring Shareholder”) | 10,000                            | 20                      |
| Total   | 50,000                            | 100                     |

- 2.4 The Vendors are the registered holders of an aggregate of 20,000 Shares, comprising the V1 Sale Shares and the V2 Sale Shares, representing 40% of the total issued share capital of the Company as of the date of this announcement.
- 2.5 The Vendors are Malaysian citizens. Vendor 2 is a director of Platinum (and the other two directors of Platinum are Dato’ Muraly Daran A/L M. Narayana and the Transferring Shareholder).
- 2.6 The Vendors do not have any connection (including business relationship or dealings) with the Company, its directors and/or substantial shareholders. As at the date of this announcement, the Vendors do not have any interest, direct or indirect, in the shares of the Company.
- 2.7 The Vendors have agreed to sell, and the Purchasers have agreed to purchase, the V1 Sale Shares and the V2 Sale Shares held by the Vendors collectively (the “Sale Shares”), representing 40% of the total issued share capital of the Company, in the manner and on the terms and conditions of the SPA. They will cease to be shareholders of Platinum upon completion of the Proposed Acquisition.
- 2.8 The Transferring Shareholder will transfer all his equity interests amounting to 10,000 Shares in Platinum to two companies, Chan & Partners Advisory Sdn Bhd and CKL Success Ventures Sdn Bhd, at 5,000 Shares each. This transfer of equity interests from the Transferring Shareholder to Chan & Partners Advisory Sdn Bhd and CKL Success Ventures Sdn Bhd is not a condition precedent to completion of this Proposed Acquisition.

2.9 As such, the proposed ultimate shareholding structure of Platinum will be as follows:

| Shareholder  | Number of Shares held in Platinum | Shareholding Interest % |
|--|-----------------------------------|-------------------------|
| Purchaser 1  | 10,000                            | 20                      |
| Purchaser 2  | 10,000                            | 20                      |
| Bumi Malabar Sdn Bhd (existing shareholder of Platinum prior to the completion of the Proposed Acquisition)  | 10,000                            | 20                      |
| Manor Capital Sdn Bhd (existing shareholder of Platinum prior to the completion of the Proposed Acquisition) | 10,000                            | 20                      |
| Chan & Partners Advisory Sdn Bhd   | 5,000                             | 10                      |
| CKL Success Ventures Sdn Bhd   | 5,000                             | 10                      |
| Total  | 50,000                            | 100                     |

2.10 The Purchasers will have the right to director nomination post-acquisition.

2.11 Book value

Based on the audited accounts of Platinum as at 30 November 2021, the book value of the Target Company is approximately RM101,709 and the book value attributable to the Sale Shares is approximately RM40,684. No independent valuation was undertaken on the Sale Shares.

Given that the value of the Proposed Acquisition is relatively small, the Company is of the view that an independent valuation of Platinum is not required or necessary for the Proposed Acquisition.

2.12 Net tangible asset (“NTA”) value

Based on the audited accounts of Platinum as at 30 November 2021, the NTA value attributable to the Target Company is approximately RM101,709 and the NTA value attributable to the Sale Shares is approximately RM40,684.

2.13 Open market value

There is no applicable open market value attributable to the Sale Shares as Platinum is not a listed entity.

**3. PRINCIPAL TERMS OF THE SPA**

3.1 Purchase consideration

The total purchase consideration payable to the Vendors for the Sale Shares is RM800,000 (“**Consideration**”). The Proposed Acquisition will be funded by internal resources of the Group. The Consideration was arrived at on a willing-buyer willing-seller basis, after taking into consideration

the Vendors' incurred costs in establishing Platinum and the Group's potential savings in terms of time and monetary costs by acquiring an already-established Malaysian trust company, instead of having to establish one and acquiring a trust license for it.

The Consideration will be satisfied by cash in two tranches as set out below:

- (a) The first tranche Consideration shall be paid on the Completion Date (as defined below) as follows:
  - (i) RM10 to be paid by Purchaser 1 to Vendor 1 in respect of the V1 Sale Shares; and
  - (ii) RM10 to be paid by Purchaser 2 to Vendor 2 in respect of the V2 Sale Shares, by way of cheque(s) duly issued in favour of Manor Capital Sdn Bhd, the Vendors' authorised representative.
- (b) The second tranche Consideration shall be paid on the Second Tranche Consideration Date (as defined below) as follows:
  - (i) RM399,990 to be paid by Purchaser 1 to Vendor 1 in respect of V1 Sale Shares; and
  - (ii) RM399,990 to be paid by Purchaser 2 to Vendor 2 in respect of V2 Sale Shares, by way of cheque(s) duly issued in favour of Manor Capital Sdn Bhd, the Vendors' authorised representative.

**"Completion Date"** means such date (being a date no earlier than two (2) business days after the date on which the last of the conditions precedent set out in Paragraph 3.2 (**"Conditions Precedent"**) has been satisfied or waived) as determined by the Purchasers and notified to the Vendors by way of one (1) business day's prior written notice.

**"Second Tranche Consideration Date"** means such date no earlier than thirty (30) days after the Completion Date as determined by the Purchasers and notified to the Vendors by way of five (5) business days' prior written notice.

### 3.2 Conditions Precedent

Completion of the Proposed Acquisition shall be conditional upon the satisfactory fulfilment (to be determined in the Purchasers' sole discretion, acting reasonably) or waiver (to be granted at the Purchasers' sole discretion) of the following Conditions Precedent:

- (a) completion of all business, financial, legal, accounting and regulatory due diligence on Platinum to the reasonable satisfaction of the Purchasers;
- (b) the proposed parties to the shareholders' agreement having agreed on the form of the shareholders' agreement to be executed by the Purchasers, the shareholders of Platinum (other than the Vendors) and Platinum on completion of the sale and purchase of the Sale Shares;

- (c) the Trust Company Certificate (as defined below) is valid and subsisting as well as not otherwise revoked, restricted or subject to conditions (including those which may be imposed on or after the date of the SPA) which are not acceptable to the Purchasers;
- (d) any and all necessary consents, approvals and waivers from government, administrative and regulatory authorities, bodies or courts, and third parties in respect of the Proposed Acquisition pursuant to any contractual arrangements or otherwise (where required) having been obtained and such consents, approvals and waivers not having been amended or revoked before the Completion Date provided that where the grant of any such consent, approval or waiver is subject to any condition, such condition shall be satisfactory to the Purchasers;
- (e) there being no material adverse change between the date of the SPA and the Completion Date; and
- (f) the representations and warranties of the parties being true, accurate and correct in all material respects as if made on the Completion Date, with references to the then existing circumstances and the parties having performed in all material respects of all his or its obligations under the SPA which are required to be performed on or before the Completion Date.

Each Vendor and Purchaser undertakes to use all reasonable efforts to ensure that the Conditions Precedent that apply to it are fulfilled as soon as possible and in any event on or before the long-stop date of 31 August 2022 (or such later date as the parties may agree in writing).

**“Trust Company Certificate”** means the trust company certificate issued by the Malaysian Registrar of Companies on 2 December 2020 in favour of Platinum that enables Platinum to operate as a trust company and to carry out the Authorised Services.

### 3.3 Material conditions

There are no other material conditions including a put, call or other option attached to the Proposed Acquisition.

## 4. RATIONALE FOR THE PROPOSED ACQUISITION

There is an increasing demand for trusts and estate planning services in Malaysia driven by greater public awareness of the importance of estate and succession planning. The size of the estate planning market in Malaysia is estimated to be about five million people.<sup>1</sup>

Datuk Chua Meng Min, who is the president of the Malaysia Will and Trust Association, recently expressed his views that there are inheritance monies worth more than RM 78 billion in Malaysia waiting to be claimed by beneficiaries. In the absence of any wills, the inheritance could not be

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<sup>1</sup> <https://www.theedgemarkets.com/article/cover-story-taking-estate-planning-next-level>

transferred to the beneficiaries swiftly and smoothly. There is therefore an increasing need for trusts and estate planning services in Malaysia.

Platinum is a company that is ready to start operations as a licensed trust company in Malaysia. It has yet to commence operations as of the date of this announcement. The other shareholders of Platinum are established players in the trust industry in Malaysia. They will be supporting Platinum’s business and will take an active management role in Platinum given their expertise and experience in this trusts industry. As such, the Company would also like the other shareholders (Manor Capital Sdn Bhd and Bumi Malabar Sdn Bhd) to retain their shareholdings as they are likely to play an important role in supporting the business of Platinum given their expertise in the trusts industry and the operation of trust companies in Malaysia.

Manor Capital Sdn Bhd is owned by the family of the principal advisors of UBB Amanah Bhd, a leading and established trust company in Malaysia. Bumi Malabar Sdn Bhd is a family-owned company of Dato’ Muraly Daran A/L M. Narayana, ex-CEO of Amanah Raya Berhad and current director of Platinum. He is well known in the trust industry in Malaysia.

With the Proposed Acquisition, the Company will be able to leverage on the opportunities identified in this sector by acquiring a licensed trust business in Malaysia, which will complement its existing trust and corporate services businesses in Labuan and Singapore. A Malaysian trust company will also enhance the delivery of services to clients of the Group, in particular the high net worth individuals.

## 5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

### 5.1 Bases and assumptions

The financial effects of the Proposed Acquisition are prepared based on the Group’s latest announced consolidated financial statements for financial year ended 31 December 2021 (“FY2021”). The financial effects of the Proposed Acquisition set out below are purely for illustrative purposes and do not reflect the future actual financial results or positions of the Group after the Completion of the Proposed Acquisition.

### 5.2 Effect on NTA

Assuming that the Proposed Acquisition had been completed on 31 December 2021, the effect on the NTA of the Group would have been:

|                         | Before the Proposed Acquisition | After the Proposed Acquisition |
|-------------------------|---------------------------------|--------------------------------|
| NTA (RM’000)            | 74,866                          | 74,866                         |
| Number of shares (’000) | 349,462                         | 349,462                        |
| NTA per share (RM Sen)  | 21.42                           | 21.42                          |

### 5.3 Earnings per share (“EPS”)

Assuming that the Proposed Acquisition had been completed on 1 January 2021, the effect on the EPS of the Group would have been:

|                           | Before the Proposed Acquisition | After the Proposed Acquisition |
|---------------------------|---------------------------------|--------------------------------|
| Profit after tax (RM’000) | 882                             | 882                            |
| Number of shares (‘000)   | 349,462                         | 349,462                        |
| EPS (RM Sen)              | 0.25                            | 0.25                           |

### 5.4 Share capital

There is no change in the share capital of the Company resulting from the Proposed Acquisition.

## 6. **RELATIVE FIGURES**

The relative figures for the Proposed Acquisition, computed on the bases set out in Rule 1006 of the Catalist Rules are set out below. The computations are based on (a) the latest announced consolidated financial statements for 31 December 2021 of the Group; and (b) the latest audited financial statements of Platinum.

| Rule 1006 | Bases  | Relative Figures (%)   |
|-----------|--|------------------------|
| (a)       | Net asset value of the assets to be disposed of, compared with the Group’s net asset value.  | Not applicable         |
| (b)       | Net profits attributable to the assets acquired or disposed of, compared with the Group’s net profits  | (0.35)% <sup>(1)</sup> |
| (c)       | Aggregate value of the purchase consideration given compared with the market capitalisation of the Company   | 1.03% <sup>(2)</sup>   |
| (d)       | Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue | Not applicable         |
| (e)       | Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves              | Not applicable         |

#### Notes:

(1) The relative figure for Rule 1006(b) has been computed based on 40% of net losses of Platinum for FY2021 of approximately RM48,291, as compared to the Group’s net profits for FY2021 of approximately RM5,580,000. The absolute relative figure is indicated in the table above.

(2) Based on the Consideration of RM800,000, and the Company’s market capitalisation of SGD24,213,000, which is determined by multiplying the issued share capital of the Company of

349,461,791 shares with the volume weighted average price of such shares transacted on 26 July 2022, being the market day preceding the SPA, of S\$0.069 per share.

Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances. As the relative figure computed under Catalist Rule 1006(c) is less than 5% and the net loss attributable to the asset to be acquired amounts to less than 5% of the consolidated net profit of the Group, paragraph 4.3(a) of Practice Note 10A is applicable and the Proposed Acquisition is deemed as a non-discloseable transaction.

Notwithstanding the above, the Company is disclosing the Proposed Acquisition, given that it will result in Platinum becoming an associated company of the Company.

**7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the SPA, other than through their respective directorships and/or shareholdings in the Company.

**8. SERVICE CONTRACTS**

No service contract was or will be entered into between the Company and any person in connection with the Proposed Acquisition. No person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition.

**9. CAUTION IN TRADING**

Shareholders are advised to exercise caution when dealing in the securities of the Company. The Proposed Acquisition is subject to numerous conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed, or that no changes will be made to the terms thereof. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

**10. FURTHER ANNOUNCEMENTS**

The Company will make further announcements to keep shareholders informed as and when there are further material updates and developments in respect of the Proposed Acquisition.

**11. DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the SPA will be available for inspection at the registered office of the Company's Singapore branch at 77 Robinson Road #06-03 Robinson 77 Singapore 068896, during normal business hours on any weekday (public holidays excepted) for a period of 3 months from the date of this announcement.





**BY ORDER OF THE BOARD**

Chew Seng Kok

Managing Director

27 July 2022

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*This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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