

**ZICO HOLDINGS INC.**

Incorporated in Labuan, Malaysia

Company Registration No. LL07968

ENTRY INTO CONVERTIBLE LOAN AGREEMENTS**1. INTRODUCTION**

The board of directors (the **“Board”** or **“Directors”**) of ZICO Holdings Inc. (the **“Company”**, and together with its subsidiaries and associated companies, the **“Group”**) wishes to announce that the Company has on 8 April 2025 entered into convertible loan agreements (the **“Convertible Loan Agreements”**) with four (4) investors namely Yap Wee Chun, Kok Chee Kheong, Wong Kwok Yuen and Hamdan (L) Foundation (each an **“Investor”**, and collectively the **“Investors”**) pursuant to which the Investors have agreed to subscribe for the convertible note to be issued by the Company (the **“Convertible Loan”**) of up to S\$2,000,000.00 (the **“Convertible Loan Amount”**).

2. THE LOAN**2.1. The Convertible Loan Agreements**

Pursuant to the Convertible Loan Agreements, the Convertible Loan Amount which is disbursed (and all interest accruing thereon) may be converted into new ordinary shares of the Company (each a **“Share”**) on the terms and subject to the conditions of the Convertible Loan Agreements.

Based on the Conversion Price (as defined below), up to 49,261,083 new Shares (**“Conversion Shares”**) will be allotted and issued by the Company to the Investors pursuant to the subscription and upon full conversion of the Convertible Loan.

2.2. Salient Terms of the Convertible Loan Agreements

Drawdown	:	The Convertible Loan Amount shall be disbursed to the Company within seven (7) calendar days from receipt of the drawdown notice by the Investor from the Company (the “Drawdown Date”).
Purpose of the Loan	:	The Company shall use the Convertible Loan Amount for general working capital as well as to fund business growth and expansion initiatives.
Maturity Date	:	All outstanding principal Convertible Loan Amount, together with all unpaid Interest accrued on it (less any tax required to be withheld by law), shall be fully repaid by the Company to the Investors on the date twenty-four (24) months following the date upon which the Company has received the Convertible Loan Amount (the “Subscription Date”).
Repayment of the Convertible Loan Amount	:	The Company shall repay the outstanding Convertible Loan Amount or any part thereof not converted into the Conversion Shares as follows: (a) on the Maturity Date; or (b) upon occurrence of an event of default, with a demand being made.

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Early Repayment Period and Interest on the election of the Company	:	The Company can elect an early repayment of the Convertible Loan Amount at any time from the 13 th to the 15 th month from the Subscription Date. In such event, the Company shall pay the Investor a flat interest of 4.0% on the outstanding principal Convertible Loan Amount, in addition to any accrued interest on the Convertible Loan Amount for the first twelve (12) months from the Subscription Date.
Early Repayment Period and Interest on the election of the Investors	:	<p>The Investor can request for an early repayment of the Investment at any time from the 13th to the 15th month from the Subscription Date ("Investor Elected Repayment") with no penalties.</p> <p>For illustrative purposes only, in an Investor Elected Repayment scenario, the Investor will be paid the outstanding principal Convertible Loan Amount and any interest accrued on the Convertible Loan Amount, less any unearned interest paid upfront and in advanced by the Company for the 13th to 18th month period on a 365-day basis.</p>
Interest Rate	:	8.0% per annum calculated on a daily basis. Interest payments shall be due and payable by the Company to the Investor every six (6) months (" Interest Payment Date ") in advance commencing from the Subscription Date. If the Interest Payment Date falls on a day that is not a business day, the Interest Payment Date shall be due and payable on the business day immediately preceding the Interest Payment Date.
Conversion Right	:	The Investor shall have the right to elect, at any time after the disbursement of the Convertible Loan (or any part thereof), to convert all or any part of such Convertible Loan which is disbursed, including interest accrued thereon (such amount collectively, the " Outstanding Balance "), into Conversion Shares at the Conversion Price (as defined below).
Conversion Price	:	S\$0.0406 per Conversion Share (the " Conversion Price "). The Conversion Price represents a 10% premium to the volume weighted average price for trades done on the Singapore Exchange Securities Trading Limited (" SGX-ST ") on the last 3 months, prior to the date on which the Convertible Loan Agreements are signed.
Conversion Process	:	<p>(a) <u>Conversion Notice</u>: Subject to the terms stated in the Convertible Loan Agreements, the conversion may take place at any time within five (5) days after the Investor gives the Company a written notice of conversion ("Conversion Notice") of the Convertible Loan Amount. The Conversion Notice shall specify the date fixed for conversion, which shall be a date not earlier than 5 days after the date of the Conversion Notice and not later than thirty (30) days after the date of the Conversion Notice ("Conversion Date").</p> <p>(b) On the Conversion Date, the Company shall issue and allot the Conversion Shares, credited as fully paid to the Investor, subject always to the provisions of applicable laws, listing rules and any other regulations, practice directions</p>

		or guidelines of The Central Depository Pte Limited (“CDP”), requirements of the SGX-ST and the terms of the Convertible Loan Agreements, and the Investor shall have (and shall be deemed to have) accepted the Conversion Shares in satisfaction of the Outstanding Balance so converted. The Outstanding Balance so converted shall cease to carry Interest as at the Conversion Date.
Terms of Issue of Conversion Shares:	:	Any Conversion Shares are to be issued subject to the constitution or article of association of the Company in force as at the date of issue of the Conversion Shares. Conversion Shares issued as a consequence of a Conversion will rank for dividends from the date they are issued and will otherwise rank <i>pari passu</i> in all respects with the others Shares of the same class then in issue.
Ranking	:	The Convertible Loan will rank on par among themselves in all respects and in priority to the ordinary shares of the Company and any other shares issued from time to time subsequent to the issuance of the Convertible Loan, but after all secured obligations of the Company.
Events of Default	:	<p>Each of the following events shall be an “Event of Default”:</p> <ul style="list-style-type: none"> (a) the Company fails to pay any sum payable under the Convertible Loan Agreements and such failure is not remedied within a period of seven (7) business days; (b) the Company commits any breach of any of its/their obligations under the Convertible Loan Agreement or the terms of the Convertible Loan which is incapable of remedy or if capable of remedy, is not remedied within thirty (30) business days of the Company being given notice to do so; (c) the issuance of a notification of delisting by the SGX-ST to the Company or the announcement by the Company of a proposed voluntary delisting; (d) the suspension of trading of the Company’s shares or the issuance of a notice by any governmental authority having jurisdiction over the Company directing the Company to cease or suspend its business activities; (e) the Company (i) stops or threatens to stop payment of any of its debts or is otherwise unable to pay all or any part of its debts without reasonable cause or ceases or threatens to cease to carry on its business or takes proceedings or other steps with a view to rescheduling or deferring its indebtedness or any part of its indebtedness which it shall otherwise be unable to pay when due; (ii) makes a general assignment or an arrangement or composition with or for the benefit of its creditors generally; (iii) becomes insolvent or is unable or legally deemed unable to pay its debts or admits in writing its inability to pay its debts as and when they fall due; or (iv) has a distress or execution or other legal process levied or enforced upon or commenced against any material part of its business, property or assets and such distress, execution or legal process is not terminated or discharged within thirty (30) days; (f) an encumbrancer takes possession of, or a receiver, trustee, administrator, judicial manager or other similar officer is appointed over, the whole or any part of the property or assets of the Company;

		<p>(g) any petition is presented or other proceedings initiated for the winding-up, judicial management or administration of the Company which is not discharged for a period of thirty (30) days; or</p> <p>(h) the Convertible Loan Agreements or any provision thereof or the Convertible Loan ceases or cease for any reason to be in full force and effect or is/are terminated or jeopardised or becomes/become invalid or unenforceable or it becomes impossible or unlawful for the Company or any other party thereto to perform any of its obligations thereunder or for the Investor to exercise all or any of its rights, powers and remedies thereunder or in respect thereof.</p>
Rights and Remedies of the Investor on Default	:	<p>(a) In addition, and without prejudice to the rights, power and remedies of the Investor under the Convertible Loan Agreements, upon the occurrence of an Event of Default, the Investor shall by written notice ("Default Notice") to the Company declare the Convertible Loan Amount, together with all interest accrued thereon, due and payable ("Debts"). Following receipt of the Default Notice from the Investor, the Company must repay the Debts within thirty (30) calendar days to the Investor.</p> <p>(b) If an Event of Default occurs before the Drawdown Date, the Investor is not obliged to subscribe for the Convertible Note and the Convertible Loan Agreements shall become null and void and of no further force and effect, except that the Company shall reimburse the Investor's costs and expenses incurred including legal and due diligences fees.</p>

3. DETAILS OF THE INVESTORS

3.1. The details of the Investors are as follows:

- (a) Yap Wee Chun is an Executive Director of DutaLand Berhad, an investment holding company engaged in the oil palm and real estate industries;
- (b) Kok Chee Kheong is a businessman in the aviation industry;
- (c) Wong Kwok Yuen is a remiser in UOB Kay Hian; and
- (d) Hamdan (L) Foundation is a Labuan Foundation of which the ultimate beneficial owner is Tan Sri Hamdan.

3.2. There is no lead manager, co-manager, placement agent or underwriter appointed for the Convertible Loan. The Investors were introduced by business or industry contacts of either the Company's Executive Director Mr Chew Seng Kok, or the Company's Chief Executive Officer Datuk Ng Hock Heng, as the case may be (each an "**Introducer**", and collectively the "**Introducers**"). In connection with the Convertible Loan, the Company will be paying a fee of 4% (inclusive of the applicable goods and services tax) of the gross fundraising proceeds from the respective Investors introduced to each of the Introducers (the "**Introducer Fee**").

- 3.3. Information on the subscription details of each Investor in relation to the Convertible Loan is set out below:

Investor	Amount of Convertible Loan to be extended (S\$)	Number of Conversion Shares to be issued upon full conversion	Shareholding interest in the Company immediately after the issue of Conversion Shares upon full conversion ⁽¹⁾ (%)
Yap Wee Chun	150,000	3,694,581	0.80
Kok Chee Kheong	500,000	12,315,271	2.68
Wong Kwok Yuen	100,000	2,463,054	0.54
Hamdan (L) Foundation	1,250,000	30,788,177	6.71
Total	2,000,000	49,261,083	10.73

Note:

(1) Based on the enlarged share issue capital of the Company of 459,028,377 Shares.

The issue of the Conversion Shares upon full conversion of the Convertible Loan will not result in the transfer of a controlling interest to any Investor. As at the date of this announcement, the Investors do not hold, directly or indirectly, any Shares in the Company.

- 3.4. None of the Investors falls within any of the categories as set out in Rule 812(1) of the SGX-ST Listing Manual Section B: Rules of Catalyst. None of the Investors and Introducers is related to any of the Directors, Chief Executive Officer, substantial shareholders or controlling shareholders of the Company.

4. RATIONALE AND USE OF PROCEEDS

- 4.1. The purpose of the Convertible Loan is to increase the working capital of the Company. The Board intends to apply the entire net proceeds ("**Net Proceeds**") from the issuance of the Convertible Loan, amounting to S\$1,809,000 (after deducting estimated expenses to be incurred in connection with the Convertible Loan of approximately S\$191,000 (inclusive of the Introducer Fee)), towards (i) working capital and general corporate purposes, mainly to strengthen its cash position to address operational cost requirements and further support the Group's working capital position; of the Group and (ii) opportunistic acquisition by the Group. As the Company has not ascertained an exact allocation of the Convertible Note Exercise's proceeds, the intended use of the Net Proceeds is set out on a percentage allocation basis below: -

Use of Proceeds	Percentage (%)
Working Capital and General Corporate Purpose (such as for the payment of professional fee/other office expenses)	75-85%
Opportunistic Acquisition	15-25%
Total	100%

- 4.2. Pursuant to Rule 704(30) and Rule 1204(22) of the Catalist Rules, the Company will make periodic announcements on the utilisation of the Net Proceeds, as and when such proceeds from the Placement are materially disbursed or utilised and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will provide a status report on the utilisation of such Net Proceeds in its interim and full year financial statement announcements and annual reports of the Company. Where the proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on the specific use of such proceeds for working capital in relevant announcements and the annual reports of the Company. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

5. DIRECTORS' OPINION

The Directors are of the opinion that:

- (a) after taking into consideration the Group's present banking facilities of approximately S\$9.5 million, the working capital available to the Group is sufficient to meet its present requirements; and
- (b) after taking into consideration the present banking facilities available to the Group of approximately S\$9.5 million and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, as set out in paragraph 4.1, the Company wishes to further strengthen its cash position to address operational cost requirements and further support the Group's working capital position through this issue of the Convertible Loan.

6. AUTHORITY TO ISSUE THE CONVERSION SHARES

6.1. The Conversion Shares

6.1.1 On the assumption that the Convertible Loan is converted in full, the Investors shall be issued and allotted an aggregate of 49,261,083 Conversion Shares representing 12.02% of the total issued Shares of the Company as at the date of this announcement of 409,767,294 and 10.73% of the enlarged issued Shares of the Company immediately after full conversion of the Convertible Loan.

6.1.2 The proposed issue of the Convertible Loan is conditional upon, *inter alia*, the listing and quotation notice being obtained from the SGX-ST for the listing of and quotation for the Conversion Shares on Catalist. The Company will apply to the SGX-ST, through its Sponsor, Novus Corporate Finance Pte. Ltd., for the listing and quotation of the Conversion Shares on the Catalist board of the SGX-ST in due course. The Company shall make the necessary announcement to notify the shareholders upon receipt of the listing and quotation notice from the SGX-ST in respect of the Conversion Shares.

6.2 Mandate for issue of Conversion Shares

The existing share issue mandate passed at the annual general meeting of the Company held on 27 April 2024 (the "**General Mandate**") authorises, among others, the Directors to issue Shares, whether by way of rights, bonus or otherwise, and/or to make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, of not more than 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date the General Mandate was passed (the "**Mandate Date**"), after adjusting for, among other things, any subsequent bonus issue after the Mandate Date (the "**Relevant Share Capital**"), provided that the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 50% of the Relevant Share Capital.

As at the Mandate Date, the Company had 379,885,557 Shares (excluding treasury Shares and subsidiary holdings) in issue. Between the Mandate Date and the date of this announcement:

- (a) 29,100,000 Shares were allotted and issued on 24 June 2024 in connection with the proposed placements announced on 11 June 2024; and
- (b) 781,737 Shares were granted to an employee of the Company on 15 August 2024 pursuant to the

ZICO Holdings Performance Share Plan.

Save for the above, there has not been any other issue of Shares or Instruments between the Mandate Date and the date of this announcement. Accordingly, the balance number of new Shares (and Instruments) that can still be issued under the General Mandate (other than on a *pro rata* basis) is **160,061,041** Shares. The issue of the Convertible Loan which upon full conversion would result in the allotment and issuance of up to 49,261,083 Conversion Shares falls within the limits of the General Mandate.

Accordingly, the allotment and issuance of the Conversion Shares are proposed to be made pursuant to the authority granted under the General Mandate.

7. PRO FORMA FINANCIAL EFFECTS OF THE ISSUANCE OF THE CONVERTIBLE LOAN

- 7.1. The *pro forma* financial effects of the issue of the Convertible Loan are set out below. The *pro forma* financial effects are theoretical in nature and only for illustrative purposes, they do not represent the actual financial position and/or results of the Group's operation after the issuance and allotment of the Conversion Shares and are not indicative of the future financial position and earnings of the Group.
- 7.2. The *pro forma* financial effects of the issue of the Convertible Loan are computed based on the Group's unaudited consolidated financial statements for the financial year ended 31 December 2024 ("**FY2024**") and the following bases and assumptions:

(a) Effect on Share Capital

For the purpose of illustration and assuming that the full disbursement of the Convertible Loan and the issuance and allotment of the Conversion Shares had been completed on 31 December 2024 being the end of the most recently completed financial year, and based on the Group's FY2024 unaudited consolidated financial statements, the effect on the Share capital of the Company as at 31 December 2024 would be as follows:

	Before issue of the Convertible Loan	After issue of the Convertible Loan and assuming maximum conversion
Number of Shares including treasury Shares (in thousands)	409,767	459,028

Number of treasury Shares (in thousands)	0	0
Number of Shares excluding treasury Shares (in thousands)	409,767	459,028
Share Capital (S\$'000)	41,734	43,734

(b) Effect on Net Tangible Asset (“NTA”)

For the purpose of illustration and assuming that the full disbursement of the Convertible Loan and the issuance and allotment of the Conversion Shares had been completed on 31 December 2024 being the end of the most recently completed financial year, and based on the Group’s FY2024 unaudited consolidated financial statements, the effect on the NTA per share of the Company as at 31 December 2024 would be as follows:

	Before issue of the Convertible Loan	After issue of the Convertible Loan and assuming maximum conversion
NTA (S\$'000)	15,882	17,691
Total number of Shares (in thousands)	409,767	459,028
NTA per share (S\$ cents)	3.88	3.85

(c) Effect on Earnings Per Share (“EPS”)

Assuming that the full disbursement of the Convertible Loan and the issuance and allotment of the Conversion Shares had been completed on 1 January 2024 being the beginning of the most recently completed financial year, the effect on the EPS of the Company for FY2024 would be as follows:

	Before issuance and allotment of the Conversion Shares	After issuance and allotment of the Conversion Shares
(Losses) attributable to equity holders of	(5,572)	(5,763)

the Company (S\$'000))		
Weighted average number of shares on fully diluted basis (in thousands)	397,321	446,582
Diluted losses per share (S\$ cents)	(1.4)	(1.25)

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

To the best knowledge of the Directors, save as disclosed in this announcement, none of the Directors or controlling shareholders or their associates of the Company has any interest, direct or indirect, in the Investor or any other transaction contemplated under the Convertible Loan Agreements, other than through their respective shareholding interests in the Company (if any).

9. DOCUMENTS AVAILABLE FOR INSPECTION

Shareholders should note that copies of the Convertible Loan Agreements shall be made available for inspection during normal business hours at the Company's registered office at Unit Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Federal Territory of Labuan, Malaysia for a period of three (3) months from the date of this announcement.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Convertible Loan, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. TRADING CAUTION

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

BY ORDER OF THE BOARD

Datuk Ng Hock Heng

Group Chief Executive Officer

8 April 2025

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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