



Incorporated in Labuan, Malaysia

Company Registration No. LL07968

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## ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF (I) FINOVA SINGAPORE PTE. LTD. AND (II) FINOVA ASSOCIATES PTE. LTD.

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### 1. INTRODUCTION

1.1 The board of directors ("**Board**" or "**Directors**") of ZICO Holdings Inc. ("**Company**", and together with its subsidiaries and associated companies, the "**Group**") wishes to announce that the Company has on 29 May 2015 entered into a conditional sale and purchase agreement ("**Sale and Purchase Agreement**") with:-

- (a) Finova Asia Pte. Ltd., Stapfer Walter, Sean Lai Choong Chang, Inglepeak Holdings Ltd., and Hofstetter Bruno Joachim in relation to the acquisition by the Company of 100,000 ordinary shares ("**FS Sale Shares**") representing the entire issued and paid-up share capital of Finova Singapore Pte. Ltd. ("**FS**"); and
- (b) Finova Asia Pte. Ltd., Stapfer Walter, Sean Lai Choong Chang, Ng Geok Lan (Huang Yuluan) and Hofstetter Bruno Joachim in relation to the acquisition by the Company of 10,000 ordinary shares ("**FA Sale Shares**") representing the entire issued and paid-up share capital of Finova Associates Pte. Ltd. ("**FA**"),

hereinafter referred to as the "**Acquisitions**".

Finova Asia Pte. Ltd., Stapfer Walter, Sean Lai Choong Chang, Inglepeak Holdings Ltd., Hofstetter Bruno Joachim and Ng Geok Lan (Huang Yuluan) are hereinafter collectively referred to as the "**Vendors**".

1.2 The completion of the Acquisitions ("**Completion**") has simultaneously taken place on 29 May 2015 ("**Completion Date**") upon fulfilment of all conditions precedents of the Acquisitions. Following Completion, FS and FA (collectively, the "**Target Companies**") are now wholly-owned subsidiaries of the Company.

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**ZICO Holdings Inc.**

*(formerly known as ZICOlaw Holdings Inc.)*  
(Incorporated in the Federal Territory of Labuan,  
Malaysia with limited liability on 9 December 2010)  
(Company Registration No. LL07968)

**Corporate Headquarters:**  
**ZICO Holdings Inc. Singapore Branch**  
8 Robinson Road  
#03-00 ASO Building  
Singapore 048544  
GL: +65 6438 7929 Fax: +65 6438 7926  
(UEN: T14FC0130G)

- 1.3 The purchase consideration payable by the Company to the Vendors for the Acquisitions is up to US\$6,617,583.00 (equivalent to S\$8,839,105.61 applying the mid-day rate for 21 May 2015 as published by the Monetary Authority of Singapore, this being US\$1 = S\$1.3357 ("**Agreed Exchange Rate**")), which includes an earn-out consideration as more particularly set out in paragraph 3.2(b) below ("**Purchase Consideration**").

## **2. INFORMATION ON THE TARGET COMPANIES**

- 2.1 FS and FA are private limited liability companies incorporated under the laws of Singapore on 2 February 2008 and 19 March 2014 respectively. As at the date of this announcement, FS has an issued share capital of S\$100,000.00 comprising the FS Sale Shares, while FA has an issued share capital of S\$10,000.00 comprising the FA Sale Shares.
- 2.2 The Target Companies provide business and management consultancy services to high net-worth individuals as well as small and mid-sized business owners. FS is principally involved in the provision of incorporation, corporate secretarial, fiduciary services, and immigration-related support services, while FA is principally involved in the provision of tax administration, payroll and accounting support services. Following Completion, the Target Companies will continue to carry out the same businesses.
- 2.3 Prior to the Completion Date, the Vendors did not have any shareholding interests (direct or indirect) in the Company. The Vendors are not related to any of the Company's substantial shareholders or Directors, or their respective associates.

## **3. PURCHASE CONSIDERATION**

- 3.1 The Purchase Consideration was arrived at on a willing-buyer willing-seller basis, after taking into account, *inter alia*, the following:
- (a) the future earnings and growth potential of the Target Companies;
  - (b) the net tangible asset value of FS of S\$1,119,094 (equivalent to US\$837,833), based on the audited financial statements of FS for the financial year ended 31 December 2014 ("**FY2014**"); and
  - (c) the net tangible asset value of FA of S\$58,848 (equivalent to US\$44,058), based on the audited financial statements of FA for the financial period of 19 March 2014 (date of incorporation) to 31 December 2014.

The Purchase Consideration payable for the FS Sale Shares and FA Sale Shares shall be up to US\$6,293,178.00 (equivalent to S\$8,405,797.85, applying the Agreed Exchange Rate) and

US\$324,405.00 (equivalent to S\$433,307.76, applying the Agreed Exchange Rate) respectively.

3.2 The Purchase Consideration comprises:

- (a) the consideration at Completion which was satisfied in the following manner:
  - (i) US\$3,612,463.10 (equivalent to S\$4,825,166.96, applying the Agreed Exchange Rate) in cash, paid by the Company to the Vendors on Completion by way of a cashier's order in favour of the Vendors' representative;
  - (ii) by way of the allotment and issue by the Company to the Vendors (or their nominees, if any) on Completion, in proportion to their respective shareholdings in the Target Companies, of 7,522,498 new ordinary shares in the capital of the Company ("**Consideration Shares**") calculated based on US\$2,437,476.41 (equivalent to S\$3,255,737.24, applying the Agreed Exchange Rate) divided by the issue price of S\$0.4328 for each Consideration Share, this being the volume weighted average price of the ordinary shares in the capital of the Company quoted by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for five (5) market days preceding the Completion Date, and credited as fully paid up in the capital of the Company, subject to the moratorium restrictions as set out in paragraph 5 below; and
  - (iii) US\$200,000.00 (equivalent to S\$267,140.00, applying the Agreed Exchange Rate) being the retention sum ("**Retention Sum**") retained by the Company in a designated bank account and to be dealt with in accordance with the Sale and Purchase Agreement; and
- (b) the earn-out consideration of US\$367,643.50 (equivalent to S\$491,061.42 applying the Agreed Exchange Rate) ("**Earn-Out Consideration**") in cash, to be payable by the Company to the Vendors if the aggregate audited profit after tax of the Target Companies for the financial year ending 31 December 2015 is equal to or exceed US\$808,815.00.

4. **RANKING**

The Consideration Shares are issued free from encumbrances and rank *pari passu* in all respects with the existing issued ordinary shares in the capital of the Company and are entitled to all dividends, rights, allotments or other distributions save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Consideration Shares.

## 5. MORATORIUM

The Vendors have executed moratorium undertakings:-

- (a) not to, *inter alia*, sell, transfer, assign, dispose of, or realise or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any of the Consideration Shares which may be issued to them for a period commencing from the date of receipt of the Consideration Shares until 10 November 2015; and
- (b) for a period of twelve (12) months thereafter, not to, *inter alia*, sell, transfer, assign, dispose of, or realise or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of the Consideration Shares to below 50% of their original interest.

## 6. RATIONALE FOR THE ACQUISITIONS

The Board believes that the Acquisitions will:-

- (a) provide a stable stream of recurrent revenue to the Group and enlarge the recurrent income base of the Group;
- (b) complement the Company's existing businesses and allow the sharing of complementary skills, advertising, marketing and sales channels, technologies and management expertise;
- (c) create meaningful synergies between the principal activities of the Company and the Target Companies such as economies of scale, more efficient usage of resources through sharing of backroom operations and cross selling of other managed services and technology services through a larger customer base; and
- (d) enable the Company to establish a new business under its Advisory and Transactional Services division.

## 7. CHAPTER 10 OF THE LISTING MANUAL

### 7.1 Relative figures

The relative figures for the Acquisitions, computed on the bases set out in Rule 1006 of Section B: Rules of Catalist of the Listing Manual of the SGX-ST ("**Catalist Rules**") and based on the Company's latest announced unaudited consolidated financial statements for the first quarter ended 31 March 2015 ("**1Q2015**"), are set out below.

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	N.A.
(b)	Net profits attributable to the Target Companies, compared with the Group's net profits	29.52% <sup>(1)</sup>
(c)	Aggregate value of the consideration given compared with the market capitalisation of the Company	7.47% <sup>(2)</sup>
(d)	Number of equity securities issued by the Company as consideration for the Acquisitions, compared with the number of equity securities previously in issue	2.74% <sup>(3)</sup>
(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	N.A.

**Notes:**

- (1) Computed based on the Target Companies' unaudited profit before tax of approximately S\$0.31 million for 1Q2015, compared to the Group's unaudited profit before tax of approximately S\$1.05 million for 1Q2015.
- (2) Computed based on the Purchase Consideration of US\$6,617,583 (equivalent to S\$8.84 million applying the Agreed Rate) and the market capitalisation of the Company of approximately S\$118.34 million, which is determined by multiplying the issued share capital of the Company of 274,566,679 shares with the volume weighted average price of such shares transacted on 28 May 2015 of S\$0.431 per share.
- (3) Computed based on Consideration Shares to be issued by the Company, being 7,522,498 shares as compared to the issued share capital of the Company of 274,566,679 shares.

## 7.2 **Classification**

Based on the above, the relative figures for the Acquisitions, computed on the bases set out in Rule 1006 of the Catalist Rules, exceed 5% but are less than 75%. Accordingly, the Acquisitions constitute "discloseable transactions" under Rule 1010 of the Catalist Rules and do not require the approval of the shareholders of the Company.

## 8. **SOURCE OF FUNDS**

The Company has obtained external borrowings to fund the cash component of the Purchase Consideration.

## 9. FINANCIAL EFFECTS

### (a) Illustrative Nature of Financial Effects

The financial effects of the Acquisitions on the net tangible assets ("**NTA**") per share and earnings per share ("**EPS**") of the Group, prepared based on (a) the Group's audited consolidated financial statements for FY2014; and (b) the net profits of the Target Companies of US\$735,287 (equivalent to approximately RM2,405,271) for FY2014, are set out below. The financial effects below are purely for illustrative purposes and are therefore not necessarily indicative of the actual financial position of the Group after Completion.

### (b) NTA per share

Assuming that the Acquisitions had been effected on 31 December 2014, the effects of the Acquisitions on the NTA per share of the Group would be as follows:

	Before Acquisitions	After Acquisitions
NTA (RM million)	51.31	41.80
Number of shares ('000)	274,567	282,089
NTA per share (RM sen)	18.69	14.82

### (c) EPS

Assuming that the Acquisitions had been effected on 1 January 2014, the effects of the Acquisitions on the EPS of the Group would be as follows:

	Before Acquisitions	After Acquisitions
Profit after tax (RM million)	10.74	12.79
Number of shares ('000)	274,567	282,089
EPS (RM sen)	3.91	4.53

## 10. LISTING AND QUOTATION NOTICE

The Company had received the listing and quotation notice ("**LQN**") from the SGX-ST for the listing of and quotation for the Consideration Shares on the Catalist of the SGX-ST, subject to compliance with the listing requirements of the SGX-ST.

The LQN is not to be taken as an indication of the merits of the Acquisitions, the Consideration Shares, the Company, its subsidiaries or associated companies, and their securities.

Pursuant to the allotment and issuance of the Consideration Shares, the Company's issued share capital has increased from 274,566,679 ordinary shares to 282,089,177 ordinary shares. The Consideration Shares represents 2.7% of the enlarged issued and paid-up share capital of the Company following the allotment and issuance of the Consideration Shares.

#### **11. 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 Acquisitions, other than through their respective shareholdings in the Company.

#### **12. SERVICE CONTRACTS**

As one of the conditions precedent to the Completion, FS has on 29 May 2015 entered into a service agreement with Ng Geok Lan (Huang Yuluan), pursuant to which Ng Geok Lan (Huang Yuluan) has been appointed as an executive director of FS for a period of up to five (5) years commencing from 29 May 2015, which is renewable from time to time.

Saved as disclosed in this announcement, no service contract was entered into between the Company and any other person in connection with the Acquisitions.

#### **13. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Sale and Purchase Agreement will be available for inspection at the registered office of the Company's Singapore branch at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, during normal business hours on any weekday (public holidays excepted) for a period of three (3) months from the date of this announcement.

#### **BY ORDER OF THE BOARD**

Chew Seng Kok  
Managing Director  
29 May 2015

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ZICO Holdings Inc. ("**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 11 November 2014. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**").

*This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income At Raffles, Singapore 049318, telephone (65) 6229 8088.*