



ZICO HOLDINGS INC.

Incorporated in Labuan, Malaysia

Company Registration No. LL07968

- (1) PROPOSED ACQUISITION OF 50% OF EQUITY INTEREST IN FRAGOMEN (MALAYSIA) SDN. BHD.**
- (2) PROPOSED INCORPORATION OF A JOINT VENTURE COMPANY**

1. INTRODUCTION

The Board of Directors ("**Board**") of ZICO Holdings Inc. (the "**Company**" and together with its subsidiaries and associated companies, the "**Group**") wishes to announce that the Company has on 22 January 2018, entered into a heads of agreement ("**HOA**") with Fragomen Global LLP and Fragomen Global Immigration Services, LLC ("**FGIS**") (together, "**Fragomen**"), in relation to a proposed acquisition in Malaysia and exploration of the feasibility of a future extension in countries comprising the Association of Southeast Asian Nations ("**ASEAN**").

2. THE MAIN PROPOSALS UNDER THE HOA

2.1 Proposed acquisition

FGIS will sell and transfer 50% of the equity interest of Fragomen (Malaysia) Sdn. Bhd. ("**Fragomen Malaysia**") to the Company (or its nominee, being the joint venture company stated in paragraph 2.2 ("**JV Co**")) ("**Proposed Acquisition**").

2.2 Incorporation of a JV Co

The Company and Fragomen will incorporate a JV Co, by transferring each of their 50% ownership in Fragomen Malaysia to the JV Co. The JV Co will be incorporated as a private limited company in a tax efficient jurisdiction. The JV Co's principal business will be investment holding.

2.3 Expansion Project and Marketing Initiative

ZICO and Fragomen will consider the feasibility, desirability, and effectiveness of (i) extending its collaboration into the ASEAN jurisdictions; and (ii) establishing a marketing initiative in relevant ASEAN jurisdictions.

3. **INFORMATION ON FRAGOMEN MALAYSIA**

Fragomen Malaysia provides a broad range of immigration services to help clients with their employee mobility needs in Malaysia. These services are designed to support their clients' compliance with Malaysian regulations and procedures. Fragomen Malaysia also develops clients' corporate immigration policies and programs by devoting considerable time and effort to understanding each client's unique strategies and preferences, as well as the role employee mobility plays in executing those strategies.

4. **RATIONALE FOR THE PROPOSED ACQUISITION**

The Board believes the Proposed Acquisition:

- (a) will enlarge the income base of the Group;
- (b) will complement the Company's existing businesses;
- (c) will result in several potential areas of synergies such as economies of scale, more efficient usage of resources and cross selling through a larger customer base;
- (d) will enable the Company to establish a new business under its Advisory and Transactional Services, as Immigration Services in Malaysia.

5. **PURCHASE CONSIDERATION**

- 5.1 The purchase consideration payable by the Company to FGIS for the Proposed Acquisition is equal to 50% of 1.03 times the Total Billing Revenue (as defined below) of Fragomen Malaysia for the financial year ended 31 December 2016 ("**Purchase Consideration**").

“Total Billing Revenue” means total professional fees billed on cases handled by Fragomen Malaysia but excludes disbursements.

- 5.2 The Purchase Consideration was arrived at on a willing-buyer willing-seller basis, after taking into account historical earnings and growth potential of Fragomen Malaysia.
- 5.3 The Purchase Consideration will be determined based on the audited financial statements of Fragomen Malaysia for the financial year ended 31 December 2016 and will be subject to due diligence findings.
- 5.4 The Purchase Consideration will be satisfied by cash.

6. SALIENT TERMS OF THE PROPOSED ACQUISITION

The Proposed Acquisition shall be conditional upon, *inter alia*:

- (a) the Company conducting and being satisfied with the results of financial, legal, taxation and commercial investigations into Fragomen Malaysia;
 - (b) Fragomen conducting and being satisfied with the results of financial, legal, taxation and commercial investigations into the Company;
 - (c) execution of a joint venture agreement, share purchase agreement, and any other agreements as the parties may agree on (**“Transaction Documents”**) by 15 April 2018;
 - (d) all necessary corporate approvals to the Proposed Acquisition and/or Transaction Documents being obtained;
 - (e) all necessary anti-trust, regulatory, and other consents being granted in a form satisfactory to the Company, Fragomen, and FGIS;
 - (f) all necessary third-party consents to change of control/the assignment or transfer of contracts being granted in a form satisfactory to the Company, Fragomen, and FGIS;
- and

- (g) such other conditions as the Company, Fragomen, or FGIS may reasonably consider necessary.

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 Proposed Acquisition, other than through their respective shareholdings in the Company.

8. FURTHER ANNOUNCEMENT

The Company will make such further announcement to disclose the details of the Proposed Acquisition upon the execution of the Transaction Documents and/or appropriate update announcement(s) on the Proposed Acquisition at the relevant time.

9. CAUTIONARY STATEMENT

Shareholders of the Company and potential investors should exercise caution when trading in the Shares of the Company in relation to this announcement, as there is no certainty that the Proposed Acquisition will be completed as they are subject to the fulfillment of terms and conditions set out in the HOA. When in doubt as to the action they should take, shareholders and potential investors should consult their financial, tax, or other advisers.

BY ORDER OF THE BOARD

Chew Seng Kok

Managing Director

22 January 2018



*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

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

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