



ZICO HOLDINGS INC.

Incorporated in Labuan, Malaysia
Company Registration No. LL07968

PROPOSED PLACEMENT OF 30,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF ZICO HOLDINGS INC.

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of ZICO Holdings Inc. (the “**Company**”, and together with its subsidiaries and associates, the “**Group**”) wishes to announce that the Company has on 14 April 2023 entered into a conditional placement agreement (“**Placement Agreement**”) with a Placee (as defined and described in Section 2 below), pursuant to which the Company shall allot and issue an aggregate of 30,000,000 ordinary shares in the capital of the Company (“**Placement Shares**”) at the issue price of S\$0.090 per Placement Share (“**Issue Price**”) to the Placee for an aggregate subscription amount of S\$2,700,000 upon the terms and conditions of the Placement Agreement (“**Placement**”).

2. INFORMATION RELATING TO THE PLACEE

Shareholders should note that information relating to the Placee in this paragraph was provided by the Placee. The Company and the Directors have not independently verified the accuracy and correctness of such information herein and the Company’s responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

Placee	No. of Placement Shares	% of Placement Shares based on Existing Share Capital ⁽¹⁾	% of Placement Shares based on Enlarged Share Capital ⁽²⁾	Subscription Amount
Datuk Seri Dr. Nik Norzrul Thani Bin N. Hassan Thani (“ Placee ”) The Placee is practising with Malaysia’s largest law firm, Zaid Ibrahim & Co. (in association with KPMG Law). The firm is also a member of KPMG’s Global Legal Services network, spanning across 84 jurisdictions and comprise of 3,200 lawyers with deep expertise and experience to provide top quality legal advice as part of an integrated solution. The Placee is the Chairman of Malaysian Rating Corporation Berhad (MARC) and T7 Global Berhad. He was appointed by the Minister of	30,000,000	8.57%	7.90%	S\$2,700,000

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<p>International Trade & Industry as the Chairman of Malaysia-Singapore Business Council (MSBC) and is currently the Chairman of the Appeals Committee of Bursa Malaysia. Datuk Seri Dr. Nik is also a director of several public companies including Amanah Saham Nasional Berhad (ASNB), Cagamas Holdings Berhad, Sime Darby Plantation Berhad and Pertama Digital Berhad. He was also formerly the Chairman of Al Rajhi Banking & Investment Corporation (Malaysia) Berhad, the Chairman of Pengurusan Aset Air Berhad (PAAB) (a wholly owned company under the Minister of Finance Inc.) and the Director of MUFG Bank (Malaysia) Berhad.</p> <p>Datuk Seri Dr. Nik graduated with LL.B (Hons) from University of Buckingham, Masters in Law (LL.M) from Queen Mary College, University of London, and Ph.D in Law from the School of Oriental and African Studies (SOAS), University of London, and is a Barrister at Law, Lincoln’s Inn. In addition, the Placee also possesses a Post-Graduate Diploma in Syariah Law and Practice (with distinction) from the International Islamic University Malaysia, and is a member of Chartered Institute of Marketing (United Kingdom). He is also a Fellow of the Financial Services Institute of Australasia (FINSIA) and has also been admitted as a Practising Member of the Chartered Institute of Islamic Finance Professionals (CIIF). Datuk Seri Dr. Nik was a Visiting Fulbright Scholar at Harvard Law School (1996-1997) and Chevening Visiting Fellow at the Oxford Centre of Islamic Studies, Oxford University (2004/2005). Datuk Seri Dr Nik is also a registered Notary Public.</p> <p>Datuk Seri Dr. Nik is the author of “Legal Aspects of the Malaysian Financial System”, and co-author of “The Law and Practice of Islamic Banking & Finance”, “An Introduction to Islamic and Conventional Corporate Finance” and “Corporate Governance and Ethics in Malaysia” (published by Thomson Reuters Asia Sdn Bhd).</p>				
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Notes:

- (1) Based on the current existing issued and paid-up capital of 349,885,557 ordinary shares in the capital of the Company.

- (2) Based on the enlarged issued and paid-up capital of 379,885,557 ordinary shares in the capital of the Company after the Placement.

The Placee is an existing shareholder of the Company and currently holds 10,168,000 ordinary shares of the Company, representing 2.91% of the Existing Issued Share Capital (as defined below), and is not a substantial shareholder of the Company. Following the completion of the Placement, the Placee will hold 40,168,000 ordinary shares of the Company, representing 10.57% of the Enlarged Share Capital (as defined below), and will become a substantial shareholder of the Company. The Placee is also the director in several indirect subsidiaries of the Company, namely ZICO AA Sdn. Bhd., ZICO Capital Sdn. Bhd., ZICO Shariah Advisory Services Sdn. Bhd. and PT ZICO Konsultan Indonesia. The Placee has expressed an interest in investing in the Company. As the Company understands, the Placee has entered into the Placement Agreement for financial investment purposes.

The Placee was introduced to the Company by Mr. Chew Seng Kok (“**Mr Chew**”), the Company’s Managing Director. Mr Chew was the managing partner in Zaid Ibrahim & Co. (“**ZI**”) while the Placee is the Chairman of ZI for over 10 years. In November 2014, Mr Chew left his role in ZI to take up the full-time role as the Managing Director of the Company and as the Non-Executive Chairman of the ZICO Law network in which ZI was a member firm. The Placee has been providing his support to the Company as an advisor.

The fact that the Placee is a director of several indirect subsidiaries of ZHI group is primarily due to the compliance requirements in the regulated entities. The Placee has also been appointed as the Chairman of ZICO AA Sdn Bhd and ZICO Trust (M) Berhad.

No placement agent has been appointed in respect of the Placement and no introducer fee/commission is paid or payable by the Company in connection with the Placement.

To the best knowledge of the Directors, save as disclosed above and in relation to the Placement, the Placee has no other connections (including financial and business relationships) with the Company, its directors and substantial shareholders. The Placee does not fall within any of the prohibited categories as set out in Rule 812(1) of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) to whom the Company is prohibited from issuing shares in the capital of the Company (“**Shares**”). Additionally, the Placee is not co-operating, pursuant to an agreement, arrangement or understanding between any of the shareholders of the Company to acquire Shares to obtain or consolidate effective control of the Company and is not acting in concert with any shareholder of the Company, as defined in the Singapore Code on Take-overs and Merger. There is no share borrowing arrangement in place.

3. THE PLACEMENT

3.1. Overview

Subject to the terms and conditions of the Placement Agreement, the Company agrees to allot and issue 30,000,000 Placement Shares to the Placee on the Completion Date (as defined below), and the Placee agrees to subscribe for the Placement Shares.

3.2. Key Terms of the Placement

The Placement Shares shall be allotted and issued to the Placee on the Completion Date on, *inter alia*, the following terms and conditions of the Placement Agreement:

- | | | | |
|-----|-----------------------------------|---|--|
| (a) | Subscription Amount | : | S\$2,700,000 |
| (b) | Number of Placement Shares | : | 30,000,000 |
| (c) | Issue Price | : | S\$0.090 per Placement Share based on a willing-buyer willing-seller basis |

The Issue Price of S\$0.090 represents a premium of approximately 34% to S\$0.067 being the weighted average price of the Shares based on the trades done on the SGX-ST on 14 April 2023.

The Placee is willing to subscribe for the Placement Shares at a premium of approximately 34% as he is aware of the Group as a service provider and acknowledges that the Shares of the Company are illiquid. He views the Placement as an opportunity to obtain a strategic block in the Company and is prepared to pay a premium as a willing buyer. Also, he noted there is an increase in revenue in the Advisory and Transactional Services based on the full year unaudited financial results of the Company for the financial year ended 31 December 2022.

- (d) **Completion Date** : The Subscription Amount will be paid to the Company no later than two business days before the Completion Date, and the 30,000,000 Placement Shares shall be issued within the seventh market day from the date of the listing and quotation notice from the SGX-ST, or on such other date as may be mutually agreed between the parties.
- (e) **Share Issue Mandate** : The Placement Shares shall be allotted and issued by the Company to the Placee pursuant to the share issue mandate approved by the shareholders of the Company by way of an ordinary resolution at the annual general meeting of the Company held on 29 April 2022 ("**2022 AGM**") authorising the Directors to allot and issue Shares pursuant to Rule 806 of the Catalist Rules ("**Share Issue Mandate**").
- (f) **Warranties** : The subscription by the Placee of the 30,000,000 Placement Shares is subject to certain warranties as are customary for transactions of this nature or other similar transactions.
- (g) **Indemnity** : Each party (the "**Indemnifying Party**") to the Placement Agreement, being either a Placee or the Company, has undertaken to fully indemnify the other party ("**Indemnified Party**") against all losses, costs, damages, claims, demands, actions, proceedings, liabilities and expenses whatsoever (including but not limited to all legal costs on a full indemnity basis) that the Indemnified Party may incur or suffer in connection with or arising from any breach of any of the warranties in the Placement Agreement, any material failure by the Indemnifying Party to perform any of its obligations under the Placement Agreement, and any fraudulent, act or omission by the Indemnifying Party and/or its representatives, officers, employees and agents.

3.3. Status of the Placement Shares

The Placement Shares shall be issued by the Company to the Placee free from all claims, charges, liens and other encumbrances whatsoever and the Placement Shares shall rank *pari passu* in all respects with and carry all rights similar to the then existing Shares, except that they will not rank for any dividend, right, allotment or other distribution, the record date for which falls on or before the Completion Date.

As at the date hereof, the Company has 349,885,557 ordinary shares ("**Shares**") that have been issued and are fully paid-up ("**Existing Issued Share Capital**"). Assuming there is no change to the Existing Issued Share Capital of the Company, the enlarged share capital of the Company immediately following the issuance of 30,000,000 Placement Shares will comprise 349,036,477 Shares ("**Enlarged Share Capital**"). The 30,000,000 Placement Shares represents 8.57% of the Existing Issued Share Capital. Following issuance of the Placement Shares, the Placee will be a substantial shareholder in the Company, holding approximately 7.95% shareholding interest in the Enlarged

Share Capital. The Placee will not be appointing any nominees to the Board.

There will not be any prospectus or offer information statement issued by the Company in connection with the Placement as it will be made pursuant to the exemption under Section 272B of the Securities and Futures Act 2001 of Singapore.

The allotment and issuance of the Placement Shares will not result in any transfer of controlling interest in the Company pursuant to Rule 803 of the Catalist Rules. The Company will not proceed with the Placement without the prior approval of shareholders of the Company in a general meeting if such issuance would bring about a transfer of controlling interest.

There is no moratorium imposed on the Placement Shares and there are no share borrowing arrangements for the Proposed Placement.

3.4. **Conditions to the Placement**

The allotment and issuance of the Placement Shares by the Company to the Placee under the Placement Agreement is conditional upon the satisfaction or the waiver (as the case may be) of certain conditions (“**Conditions**”), being:

- (a) approval-in-principle for the listing of and quotation for the Placement Shares on the Catalist of SGX-ST having been obtained from the Company’s sponsor and/or the SGX-ST;
- (b) the Share Issue Mandate being valid, subsisting and adequate for the purposes of the issue of the Placement Shares as at the Completion Date;
- (c) the issue and subscription of the Placement Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Placement Agreement by any applicable legislative, executive or regulatory body or authority of Singapore or Labuan;
- (d) the warranties by each of the Placee and the Company as set out in the Placement Agreement remaining true and correct in all material respects as at the Completion Date; and
- (e) the Company and the Placee not being in any material breach of any of the undertakings and the covenants in the Placement Agreement as at the Completion Date.

3.5. **Long-Stop Date**

If the Conditions are not satisfied within three (3) months from the date of the Placement Agreement (or such other date as may be mutually agreed between the parties), the Placement Agreement shall terminate and the obligations of the Company to allot and issue the Placement Shares shall *ipso facto* cease and determine thereafter.

4. **SHARE ISSUE MANDATE**

The Placement Shares are intended to be issued pursuant to the authority given to the Directors under the Share Issue Mandate.

Under the Share Issue Mandate, the Directors are authorised and empowered to, *inter alia*, issue Shares in the Company not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of the Share Issue Mandate, of which the aggregate number of Shares to be issued other than on a pro-rata basis to all existing shareholders shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company.

As at the date of the 2022 AGM, the total number of issued and paid-up Shares was 349,461,791. Accordingly, the total number of shares that may be issued pursuant to the Share Issue Mandate is 349,461,791 Shares, of which the maximum number of Shares to be issued other than on a pro rata basis is 174,730,895 Shares.

As at the date of this announcement, the Company had granted 423,766 new shares award under the PSP (as defined below), in relation to which, the Company had allotted and issued 423,766 new shares on 17 March 2023. Accordingly, a balance of 174,307,129 Shares may be issued other than on a pro rata basis pursuant to the Share Issue Mandate, and the allotment and issuance of the 30,000,000 Placement Shares is within the limits of the Share Issue Mandate.

5. PURPOSE OF THE PLACEMENT AND USE OF PROCEEDS

The purpose of the Placement is to increase the working capital of the Company. The Board intends to apply the entire gross proceeds (“**Gross Proceeds**”) of the Placement, amounting to S\$2,700,000, towards (i) working capital and general corporate purposes, mainly to improve its cash flow to further support the working capital requirements of operational costs; of the Group and (ii) opportunistic acquisition by the Group. As the Company has not ascertained an exact allocation of the placement proceeds, the intended use of the Gross 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)	70-75%
Opportunistic Acquisition	25-30%
Total	100%

Pending the deployment of the Gross Proceeds, such proceeds may be placed as deposits with banks and/or financial institutions, invested in short term money markets or debt instruments or for any other purpose on a short term basis as the Directors may, in their absolute discretion, deem fit from time to time.

Pursuant to Rule 704(30) and Rule 1204(22) of the Catalist Rules, the Company will make periodic announcements on the utilisation of the Gross 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 Proceed 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 Gross Proceeds, the Company will announce the reasons for such deviation.

Save for the placement which was completed on 25 April 2022 (“**Previous Placement**”), the Company has not raised cash from issues of securities in the market in the last 24 months. Pursuant to Rule 704(30) of the Catalist Rule, a breakdown of the use of the proceeds from the Previous Placement has been disclosed in full year unaudited results of the Company for the financial year ended 31 December 2022.

There is no material deviation from the stated use of proceeds in the Previous Placement.

6. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that:

- (a) after taking into consideration the Group’s present banking facilities, 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 and the Gross Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Company has decided to undertake the Placement for the reasons set out in Section 5 above.

7. FINANCIAL EFFECTS OF THE PLACEMENT

The financial effects as set out below, prepared according to the relevant accounting standards, are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Company or its subsidiaries following the completion of the Placement.

The financial effects of the Placement are prepared based on the latest announced audited consolidated financial statements of the Group for the financial year ended 31 December 2022 (“FY2022”) and the following assumptions:

- (a) the allotment and issuance of 30,000,000 Placement Shares;
- (b) exchange rate of S\$1: RM3.3146 as at 14 April 2023 (Source: Monetary Authority of Singapore);
- (c) the Group’s NTA (as defined below) was computed assuming that the Placement was completed on 31 December 2022;
- (d) the Group’s EPS (as defined below) was computed assuming that the Placement was completed on 1 January 2023; and
- (e) expenses in connection with the Placement are disregarded for the purposes of calculating the financial effects.

7.1. Share Capital

As at 31 December 2022	Before the Placement	Immediately following the issuance of all the Placement Shares
Number of Shares including Treasury Shares	349,461,791	379,461,791
Number of Treasury Shares	0	0
Number of Shares excluding Treasury Shares	349,461,791	379,461,791
Share Capital (RM’000)	103,086	112,035

7.2. Net tangible assets (“NTA”)

As at 31 December 2022	Before the Placement	Immediately following the issuance of all the Placement Shares
NTA of the Group (RM’000)	82,418	91,367*
Number of Shares excluding Treasury Shares (in thousands)	349,462	379,462

NTA Per Share (RM cents) 23.58 24.08

* Excluding share issuance expenses.

7.3. Earnings per Share (“EPS”)

As at 31 December 2022	FY2022	Immediately following issuance of the entire Placement Shares
Net losses of the Group for FY2022 (RM'000)	(865)	(865)*
Weighted average number of Shares excluding Treasury Shares on fully diluted basis (in thousands)	342,759	372,759
Net earnings per Share (RM cents) - Fully diluted	(0.25)	(0.23)

* Excluding share issuance expenses.

8. ADJUSTMENTS TO AWARDS AND OPTIONS

As at the date hereof, the Company has in force the ZICO Holdings Performance Share Plan (“PSP”) and the ZICO Holdings Employee Share Option Scheme (“ESOS”).

Pursuant to the PSP, unless the remuneration committee of the Company considers an adjustment to be appropriate, (i) the class and/or number of shares which are the subject of an award (“Award”) to the extent not yet vested; and/or (ii) the class and/or number of shares over which future Awards may be granted under the PSP, shall not be subject to adjustments in view of the Placement.

Pursuant to the ESOS, (i) the exercise price for the shares, class and/or number of shares comprised in the options (“Options”) to the extent unexercised and the rights attached thereto; and/or (ii) the class and/or number of shares in respect of which additional Options may be granted to holders of Options, may be adjusted in such manner as the remuneration committee of the Company may determine to be appropriate in view of the Placement, being a variation in the issued share capital of the Company.

The Company will make such further announcements on the adjustments for the Awards and/or Options (if any) after such adjustments have been confirmed or reviewed (as the case may be) pursuant to the rules of the PSP and/or the ESOS (as the case may be).

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER

None of the Directors and substantial shareholders, or their respective associates has any interest, direct or indirect in the Placement (other than in through their respective shareholdings and/or directorships in the Company).

Save as disclosed in this announcement, none of the Directors, and to the best of the knowledge of the Directors, none of the substantial shareholders, has any connections (including business relationships) with the Placee or its director or shareholders.

10. APPLICATION TO THE SGX-ST FOR THE LISTING AND QUOTATION OF THE PLACEMENT SHARES

The Company will be making an application to the SGX-ST through the Sponsor, Stamford Corporate Services Pte. Ltd., for the listing of and quotation for the Placement Shares on the Catalist of the SGX-ST, and will make the necessary announcements upon receipt of the listing and quotation notice from the SGX-ST.

11. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Placement is subject to numerous conditions. There is no certainty or assurance as at the date of this Announcement that the Placement will be completed or that no changes will be made to the respective terms thereof. The Company will make the necessary announcements when there are further developments. 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 advisors if they have any doubt about the actions they should take.

12. 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 Placement, 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 or reproduced 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.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement is available for inspection during normal business hours at the registered office of the Company's Singapore branch at 77 Robinson Road #06-03 Robinson 77 Singapore 068896 for a period of three (3) months from the date of this Announcement.

BY ORDER OF THE BOARD

Chew Seng Kok

14 April 2023

*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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