
PROPOSED PLACEMENT OF 15,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF ZICO HOLDINGS INC. AT A PLACEMENT PRICE OF S\$0.27

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**” or “**Directors**”) of ZICO Holdings Inc. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 23 March 2017 entered into the following subscription agreements for the allotment and issue of 15,000,000 new ordinary shares in the capital of the Company (the “**Placement Shares**”) (the “**Subscription Agreements**”) (the “**Proposed Placement**”) with the following persons:

Name of Subscriber	Number of Placement Shares	Total number of Shares as a percentage of the existing share capital of the Company ⁽¹⁾	Total number of Shares as a percentage of the enlarged share capital of the Company ⁽²⁾
Island Asset Management Pte. Ltd (“ IAM ”)	4,000,000	1.41%	1.34%
Lee Chee Seng	7,000,000	2.47%	2.34%
Lee Choong Onn	1,000,000	0.35%	0.33%
Koh Eng Kheng Victor	1,000,000	0.35%	0.33%
Pacific & Orient Distribution Sdn. Bhd. (“ POD ”)	2,000,000	0.71%	0.67%
Total	15,000,000	5.29%	5.01%

(1) Based on the number of Shares held divided by the existing issued and paid-up capital of 283,605,719 Shares in the Company before the Proposed Placement (adjusted for rounding).

(2) Based on the number of Shares held divided by the enlarged issued and paid-up capital of 298,605,719 Shares in the Company after the Proposed Placement (adjusted for rounding).

(collectively the “**Subscribers**”, and individually a “**Subscriber**”).

- 1.2 The Subscribers have agreed to subscribe for the Placement Shares, at an issue price of S\$0.27 per Placement Share (the “**Placement Price**”), amounting to an aggregate consideration of approximately S\$4,050,000 (the “**Aggregate Consideration**”), and on the terms and conditions of the Subscription Agreement(s).

2. THE PROPOSED PLACEMENT

2.1 The Placement Shares

The Placement Shares are intended to be issued pursuant to the general share issuance mandate ("**General Mandate**") obtained at the annual general meeting of the Company held on 22 April 2016 ("**2016 AGM**"), which authorises the Directors of the Company to allot and issue ordinary shares in the capital of the Company ("**Shares**") not exceeding 100% of the total number of issued Shares as at the date of the 2016 AGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed 50% (excluding treasury shares).

The number of issued Shares as at the date of the 2016 AGM was 288,508,212 Shares (after adjusting for 6,419,035 Shares arising from outstanding share options and share awards granted as at the date of the 2016 AGM). 1,192,507 Shares were previously issued under the General Mandate subsequent to the 2016 AGM and up to the date of this announcement pursuant to the grant of vested share awards under the Company's performance share plan and as such, the maximum number of Shares to be issued other than on a pro-rata basis is 143,061,599 Shares.

The Placement Shares, when fully paid and issued, shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the Completion Date (as defined below).

Pursuant to the allotment and issue of the Placement Shares, the Company's issued and paid-up share capital will increase from 283,605,719 Shares as at the date of this announcement, to 298,605,719 Shares. Such number of Placement Shares represents approximately 5.29% of the existing issued and paid up share capital of the Company as at the date of this announcement, and approximately 5.01% of the enlarged issued and paid-up share capital of the Company after the Proposed Placement.

2.2 **The Placement Price**

The Placement Price represents a discount of 4.69% to the volume weighted average price of S\$0.2833 for trades done on the shares of the Company ("**Shares**") on the Catalist on 23 March 2017, being the full market day on which the Subscription Agreements were signed.

2.3 **Conditions Precedent**

Completion of the Proposed Placement is conditional upon, *inter alia*:-

- (a) the receipt of the listing and quotation notice for the listing of and quotation for all the Placement Shares on the Catalist being obtained from the SGX-ST; and
- (b) the Company and the Subscribers not being in breach of any of the representations, warranties, undertakings and covenants in the Subscription Agreements as at the Completion Date (as defined in section 2.4 below).

The Company's Sponsor will be submitting an additional listing confirmation in due course and an announcement will be made to notify the shareholders when the listing and quotation notice for the Placement Shares is obtained.

There will not be any prospectus or offer information statement issued in connection with the Proposed Placement as the Proposed Placement will be made pursuant to exemptions under Sections 274 and 275 of the Securities and Futures Act, Chapter 289. No placement agent has been appointed in respect of the Proposed Placement. No commission or referral fees will be paid to any party.

2.4 **Completion**

Completion of the Proposed Placement will occur within three business days after the Company's receipt of the Aggregate Consideration from the Subscribers ("**Completion Date**").

3. INFORMATION ON THE SUBSCRIBERS AND RATIONALE FOR THE PROPOSED PLACEMENT

- 3.1 The Subscribers propose to subscribe for the Placement Shares in the proportions set out below:

Name of Subscriber	Background of Subscriber
IAM	Registered fund management company regulated by the Monetary Authority of Singapore. IAM's clients are predominantly accredited investors based in South-East Asia. It is the sole and exclusive fund manager of IAM Traditional Asian Growth Fund which is domiciled in the Cayman Islands. The Fund is a long-only, absolute return fund which invests in Asian equities.
Lee Chee Seng	Director and shareholder of ZICO Capital Sdn. Bhd., the Company's 70%-owned subsidiary, and shareholder of the Company. Lee Chee Seng will hold less than 5% of the enlarged issued share capital of the Company following completion of the Proposed Placement.
Lee Choong Onn	Private investor and director of Straits Capital Management Pte. Ltd.
Koh Eng Kheng Victor	Private investor, Lead Independent Director of China Star Food Group (listed on the Catalist), and member of the Singapore Island Country Club Finance and Investment Committee. He is also a member of the Advisory Panel of ZICO Capital Pte. Ltd, a 90%-owned subsidiary.
POD	A wholly owned subsidiary of Pacific and Orient Berhad, a Malaysian public company listed on Main Board of Bursa Malaysia Securities Berhad. POD is an investment holding company.

- 3.2 IAM, Lee Choong Onn, Koh Eng Kheng Victor and PDO are not existing shareholders of the Company. All the Subscribers were introduced to the Group by the Company's Managing Director, Mr Chew Seng Kok. They have expressed an interest to invest in the Company and, as the Company understands, have entered into the Subscription Agreements for their respective financial investment purposes.
- 3.3 The Subscribers have confirmed that they are not persons falling within the categories of persons listed in Rule 812(1) of the Listing Manual of the SGX-ST (Section B: Rules of Catalist). In addition, the Company will not allot and issue the Placement Shares without the prior approval of the Company's shareholders in a general meeting if such allotment and issuance would bring about a transfer of controlling interest.
- 3.4 Save as disclosed, the Subscribers are investors who have no connection (including business relationships) with the Company, its Directors and substantial shareholders.

4. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The table illustrates the financial effects of the Proposed Placement on (i) the net asset value per share of Group (assuming the Proposed Placement had been completed at the end of that financial year); and (ii) the earnings per share of the Group (assuming that the Proposed Placement had been completed at the beginning of that financial year) based on the unaudited financial statements of the Group for the full year ended 31 December 2016 are set out below:

	Before the Proposed Placement RM (cents) (approximate) ⁽¹⁾	After the Proposed Placement RM (cents) (approximate) ⁽¹⁾
Effect of the Proposed Placement on the net asset value per share	33.81	36.36
Effect of the Proposed Placement on the earnings per share on a non-fully diluted basis	1.51	1.38
Effect of the Proposed Placement on the earnings per share on a fully diluted basis	1.50 ⁽²⁾	1.37

Notes:

- (1) Based on a currency conversion rate of S\$1 : RM3.1666 as at 23 March 2017 (Source: Monetary Authority of Singapore)
- (2) Adjusted for 6,095,000 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options and vesting of 2,595,000 outstanding share awards as at 31 December 2016.

5. RATIONALE FOR PLACEMENT AND USE OF PROCEEDS

- 5.1 The Company has decided to undertake the Proposed Placement to strengthen its financial position in order to expand its business, which may include venturing into the provision of additional complementary services which can be integrated with its existing suite of services, and to meet anticipated general working capital requirements.
- 5.2 The net proceeds to be raised by the Company from the Proposed Placement (after deducting estimated expenses of S\$50,000) are approximately S\$4,000,000 ("**Net Proceeds**"). The Company intends to utilise the Net Proceeds in the following manner:
- (a) 25% to invest in business expansion;
 - (b) 40% to invest in capital expenditure and maintenance of information technology infrastructure; and
 - (c) 35% for the working capital requirements of the Group, mainly to support the working capital requirements of new services and offices.
- 5.3 Pending the deployment of the Net Proceeds, the Company intends to place the Net Proceeds from the Proposed Placement with banks and/or financial institutions or use the Net Proceeds for any other purposes on a short-term basis, as the Directors may deem fit.
- 5.4 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial statements and the Company's annual report. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

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. Notwithstanding the above, the Company has decided to undertake the Placement to for the reasons set out in section 5.1 above; and
- (b) after taking into consideration the present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement, other than through their shareholdings in the Company.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreements are available for inspection at the Company's Singapore office at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 for three months from the date of this Announcement.

9. 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 Proposed 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 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.

By Order of the Board

Chew Seng Kok
Managing Director
24 March 2017

ZICO Holdings Inc. (the "Company") has been listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") since 11 November 2014. The initial public offering of the Company (the "IPO") was sponsored by PrimePartners Corporate Finance Pte. Ltd. ("PPCF"). The Company has appointed Stamford Corporate Services Pte. Ltd. (the "Sponsor" or "SCS") in place of PPCF as its continuing sponsor with effect from 7 September 2016.

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 Mr Yap Wai Ming, Registered Professional, Continuing Sponsorship, at 10 Collyer Quay, #27-00 Ocean Financial Centre, Singapore 049315, telephone (65) 6389 3000.