



## ZICO HOLDINGS INC.

Incorporated in Labuan, Malaysia

Company Registration No. LL07968

### RESPONSES TO QUESTIONS FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) IN RELATION TO THE ANNUAL GENERAL MEETING TO BE HELD ON 29 APRIL 2022

The board of directors (the “**Board**”) of ZICO Holdings Inc. (the “**Company**”, and together with its subsidiaries and associated companies, the “**Group**”) refers to the notice of annual general meeting (the “**AGM**”) released by the Company on 14 April 2022 to be held by electronic means on 29 April 2022 at 11 a.m.

The Company has received queries from the Securities Investors Association (Singapore) (“**SIAS**”) and sets out its responses to these questions:

**SIAS Question 1: The group organises itself into Advisory and Transactional Services (“**ATS**”) and Management and Support Services Business & Licensing Services (“**MSSL**”). ATS contributed 89% of the group's total revenue (FY2020: 85%). The higher revenue from ATS in 2H2021 and FY2021 was due to the additional revenue contributions from corporate finance under ZICO Capital Pte. Ltd. of RM6.7 million and additional revenue contributions from ZICO Asset Management Pte Ltd (“**ZAM**”) of RM2.6 million due to an expansion in client base.**

**(i) What is ZICO Capital’s market share in Singapore? How much of ZICO Capital’s revenue is recurring and how much of it is project-based/transactional?**

Company Response: The Company is not able to answer these questions, as the information requested is commercially sensitive and proprietary to ZICO Capital Pte Ltd vis-à-vis competitors in a competitive environment in this industry. Accordingly, the Company is of the view that such disclosure would not be in the interest of the Group’s business and operations. In any event, there are no official statistics on market share in the relevant markets.

**(ii) Can management elaborate further on the business model of ZAM, including the key growth drivers?**

Company Response: ZAM is a holder of a capital markets services licence issued by the Monetary Authority of Singapore (the “**MAS**”) to conduct the regulated activity of fund management. This was stated in the Company’s announcement dated 15 August 2018 and pages 6, 8 and 11 of the Company’s annual report for the financial year 2018. ZAM’s business is mainly in fund management and external asset management.

As the activities of ZAM are regulated by the MAS and are subject to strict requirements regarding the disclosure of protected information to third parties, the Company is unable to provide further detailed information on the business operations of ZAM.

**(iii) How does ZAM acquire new customers? Who are the major clients (or their profiles)?**

Company Response: The Company is not able to answer these questions, as the information requested is commercially sensitive and proprietary to ZAM vis-à-vis competitors in its relevant industry. Also, ZAM's client information are confidential. Accordingly, the Company is of the view that such disclosure would not be in the interest of the Group's business and operations. As the holder of a capital markets services licence issued by the MAS, ZAM is also subject to strict requirements regarding the disclosure of protected information to third parties.

**(iv) What is the current AUM?**

Company Response: The Company is not able to answer this question, as the information requested is commercially sensitive and proprietary to ZAM vis-à-vis competitors in its relevant industry. Accordingly, the Company is of the view that such disclosure would not be in the interest of the Group's business and operations. As the holder of a capital markets services licence issued by the MAS, ZAM is also subject to strict requirements regarding the disclosure of protected information to third parties.

**ZICO Capital Sdn. Bhd. was licensed as an "approved adviser" of the LEAP Market by Bursa Malaysia Berhad on 29 November 2021. The LEAP Market is an adviser-driven market which is only accessible to sophisticated investors, providing emerging companies, such as small- and medium-sized enterprises with greater fundraising access and visibility via the capital market. As an approved adviser, ZICO Capital is authorised to undertake both initial listing activities and post-listing activities pursuant to the LEAP Market listing requirements of Bursa Malaysia.**

**(v) How significant is this for ZICO Capital Sdn. Bhd. and for the group?**

Company response: As the license was only issued to ZICO Capital Sdn Bhd by Bursa Malaysia Berhad on 29 November 2021, the company is now at a preliminary stage in planning for the expansion of this business. The business plans of ZICO Capital Sdn Bhd are commercially sensitive and proprietary to it vis-à-vis competitors in its relevant industry. Accordingly, the Company is of the view that such disclosure would not be in the interest of the Group's business and operations. However, this new development is expected to enhance the Group's service offerings to clients, allowing the Group to maintain its competitive edge in the market.

**SIAS Question 2: As noted in the message to shareholders, the managing director highlighted that the group made a strategic decision to pivot to the wealth management business.**

- (i) With several divestments/sale of businesses, including the proposed sale of 49% of ZICO Trust Limited, can the board (re)state its strategy?**

Company response: The proposed disposal of the 49% stake in ZICO Trust Limited (the “**Proposed Disposal**”) is part of the strategy to capitalize on the growing wealth management business in the region with Singapore as the regional financial hub and to leverage on the Group’s trust and asset management services in addition to the usual incorporation and nominee services. A licensed trust company is a key component of any investor interested in managing a wealth management business. The Company will continue to pursue its strategy to expand into the growing wealth management industry and targeted advisory services in the ASEAN region.

- (ii) What is the group’s competitive advantage in the wealth management business?**

Company response: Our suite of existing services, many of which are licensed, can deliver solutions in an integrated manner through our multi-disciplinary platform to clients in the ASEAN region.

- (iii) How will the group be growing its wealth management business?**

Company response: The information on this is commercially sensitive as it relates to our business strategy.

- (iv) Will this significantly alter the risk profile of the group?**

Company response: We do not believe so as there are risk and compliance framework measures in place for our existing trust, asset management and capital market subsidiaries which are being managed by experienced professionals and regulated by the MAS.

- (v) Separately, should the sale of 49% stake in ZICO Trust Limited proceed as planned, would there be changes to the operations and the focus of ZICO Trust Limited?**

Company response: It is premature to comment at this stage until the Proposed Disposal has been completed. However, it is expected that with the acquisition of a stake in ZICO Trust Limited, Riau Capital Pte. Ltd (the “**Purchaser**”) can assist and add value to the growth of ZICO Trust Limited in Asia. As stated in the Company’s previous announcements of 17 December 2021 and 31 March 2022, the Proposed Disposal is subject to conditions precedent, *inter alia*, the written approval from the Labuan Financial Services Authority.



**SIAS Question 3: On 25 March 2022, the company announced that it will make a revised additional listing application for a fresh “listing and quotation notice” (“LQN”) for the proposed placement of 22,000,000 placement shares. The LQN application and extension application have lapsed. The company had entered into a conditional placement agreement with Dynac Sdn. Bhd. to issue 22,000,000 placement shares at an issue price of \$0.11 per placement share for an aggregate subscription amount of \$2.4 million.**

**(i) Would the company provide shareholders with an update on the placement?**

Company’s response: Shareholders may refer to the Company’s announcements dated 21 April 2022 and 25 April 2022 on developments on the placement subsequent to 25 March 2022.

**(ii) How will the group’s operations be affected by the delay or if the placement is terminated?**

Company’s response: The placement has been completed on 25 April 2022, as per the Company’s announcement dated 25 April 2022.

**BY ORDER OF THE BOARD**

Chew Seng Kok  
Managing Director

28 April 2022

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*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 “**Shareholder**”) and the Shareholder 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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