



ZICO HOLDINGS INC.

Incorporated in Labuan, Malaysia

Company Registration No. LL07968

PROPOSED CHANGE OF AUDITORS FROM PRICEWATERHOUSECOOPERS LLP TO BAKER TILLY TFW LLP

1. The board of directors (the “**Board**”) of ZICO Holdings Inc. (the “**Company**”, and together with its subsidiaries and associated companies, the “**Group**”) wishes to announce the Company’s intention to change its auditors from PricewaterhouseCoopers LLP (“**PwC**”) to Baker Tilly TFW LLP (“**Baker Tilly**”) (“**Proposed Change of Auditors**”).
2. PwC were appointed as auditors of the Company at its extraordinary general meeting on 3 December 2015. The Board, having reviewed Baker Tilly’s fee proposal and in consultation with the Audit and Risk Committee, has determined that their proposal is best suited to meet the audit requirements of the Group, and that their proposed professional fees are reasonable and competitive. The Proposed Change of Auditors is neither due to the dismissal of PwC nor PwC declining to stand for election.
3. The Proposed Change of Auditors will result in cost savings of approximately 27% with no change in the scope of the audit. The quality of the audit is expected to be retained as Baker Tilly is one of the top 10 largest accounting and business advisory firms in Singapore.
4. Compliance with Rule 712 of the Catalist Rules

The Audit and Risk Committee has reviewed and deliberated, and after taking into consideration the suitability of Baker Tilly and compliance with the Catalist Rules, has recommended the Proposed Change of Auditors.

The Directors have taken into account the Audit and Risk Committee’s recommendation and considered the various factors including, *inter alia*, the adequacy of the resources and experience of Baker Tilly, the audit engagement partner assigned to the audit, the other audit engagements of Baker Tilly, the size and complexity of the Group’s operations, the number and experience of supervisory and professional staff assigned to audit the Group, and are of the opinion that Baker Tilly will be able to meet the audit requirements of the Group. In addition, Baker Tilly is registered with ACRA.

The Audit and Risk Committee, after having reviewed and deliberated, and after taking into consideration, *inter alia*, the suitability and independence of Baker Tilly in meeting the audit requirements of the Group and compliance with the requirements of the Catalist Rules, has recommended the Proposed Change of Auditors for approval by the Board.

The Audit and Risk Committee had not considered the Audit Quality Indicators Disclosure Framework (the “**AQI Framework**”) in its entirety when selecting the new auditors as the adoption of the AQI Framework is voluntary. However, the Audit and Risk Committee has based its selection of Baker Tilly as the proposed new auditors of the Company based on the Company’s internal criteria, which includes

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costs, quality and scope of audit, and adequacy of the resources, experience and reputation of the audit firm

5. In connection with the above, PwC has given notice to the Directors of their resignation as auditors of the Company on 4 October 2019, and Baker Tilly has given their consent to be appointed as the new auditors of the Company on 9 October 2019, subject to the approval of the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting ("**EGM**") to be convened in due course.
6. The Company proposes that Baker Tilly be appointed in place of PwC for the financial year ending 31 December 2019. The resignation of PwC as the auditors of the Company and the appointment of Baker Tilly as the new auditors of the Company will take effect upon obtaining the approval of the Shareholders at the EGM.
7. In accordance with Rule 712(3) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"):
 - (a) PwC has confirmed by way of its letter dated 9 October 2019 to Baker Tilly that it is not aware of any professional reasons why Baker Tilly should not accept appointment as the new auditors of the Company;
 - (b) the Board confirms that there were no disagreements with PwC on accounting treatments within the last 12 months up to the date of this announcement;
 - (c) the Board confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this announcement;
 - (d) the reasons for the Proposed Change of Auditors are as disclosed in paragraph 2 of this Announcement. The Proposed Change of Auditors is not due to the dismissal of PwC, or due to PwC declining to stand for election; and
 - (e) the Company confirms that it is in compliance with Rule 712 and Rule 715 of the Catalist Rules in relation to the appointment of Baker Tilly.
8. A circular containing information of the Proposed Change of Auditors, together with a notice of EGM, will be despatched to the Shareholders at a later date for the Proposed Change of Auditors pursuant to the Catalist Rules.

BY ORDER OF THE BOARD

Chew Seng Kok

Managing Director

10 October 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**Exchange**"). The Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*



This announcement has not been examined or approved by the Exchange and the Exchange 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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