



Incorporated in Labuan, Malaysia

Company Registration No. LL07968

UPDATE ANNOUNCEMENT

- PROPOSED ACQUISITION OF ENTIRE EQUITY INTEREST IN B.A.C.S. PRIVATE LIMITED

Unless otherwise defined, all capitalized terms and references used herein shall have the same meaning ascribed to it in the Announcement (as defined herein).

1. Introduction

The Board of Directors (“**Board**”) of ZICO Holdings Inc. (the “**Company**” and together with its subsidiaries and associated companies, the “**Group**”) refers to the Company’s announcement dated 27 January 2015 (the “**Announcement**”) in relation to the entering of a binding term sheet to acquire the entire equity interest of B.A.C.S. Private Limited (“**Target Company**”) from June Song Pte. Ltd. (“**Vendor**”) (the “**Proposed Acquisition**”).

2. Signing of Sale and Purchase Agreement

Further to the Announcement, the Board wishes to update that the Company had on 31 March 2015 entered into a Sale and Purchase Agreement (“**SPA**”) with the Vendor. Both the Company and the Vendor agreed that the Target Company shall be acquired with, *inter alia*, the domain name of “bacs.com.sg”, all information technology and information technology equipment which are owned by the Target Company in connection with the business of providing a comprehensive suite of

share registrar services for both listed and non-listed companies, together with the current workforce of up to seven (7) individuals of the Target Company.

3. Principal Terms of the SPA

3.1 Restructuring by Vendor

The Vendor intends to carry out a restructuring exercise ("**Restructuring**") such that upon completion of the Restructuring, the Target Company will (i) dispose some of its assets and investments; and (ii) procure the settlement and/or clearance of all receivables, prepayments, related party balances and other payables from the accounts of the Target Company that are not related to their share registrar business and will distribute cash such that there is a minimum cash balance of S\$200,000 as at 31 December 2014 to meet its on-going working capital requirements plus cash received from the Target Company's clients for other outstanding payables as at the Completion Date (as defined in paragraph 3.6 of this announcement), and less reasonable operating expenses incurred in the ordinary course of business, since 31 December 2014 and up to the Completion Date.

3.2 Assignment of the name and goodwill of "B.A.C.S Sdn. Bhd."

As part of the Proposed Acquisition, there shall be an assignment by B.A.C.S. Sdn. Bhd. (Company Registration No: 8683-T) ("**BACS Malaysia**") of the name "B.A.C.S. Sdn. Bhd." and the goodwill attached in favour of the Company or its nominee. BACS Malaysia is a company incorporated under the laws of Malaysia and at present, is legally and beneficially owned by Goh Eck Meng and Goh Lek Ee, who are also shareholders of the Vendor ("**Assignment**").

3.3 Purchase Consideration ("Consideration**")**

The Consideration is derived based on a price-to-earnings multiple of 12.2 times on the adjusted profit after tax of the Target Company on a 12 month trailing basis up to 31 December 2014 ("**Relevant Period**") of an estimated profit after tax of S\$706,000 ("**Estimated PAT**").

The Consideration shall be adjusted accordingly based on the results of the financial due diligence of the Estimated PAT for the Relevant Period, and shall be adjusted by multiplying the difference between the Estimated PAT and the findings of the due diligence review on the Estimated PAT ("**Reviewed Estimated PAT**") with a price-to-price earnings multiple of 11 times. The due diligence review on the Estimated PAT

will be conducted by an independent and reputable auditor appointed by the Company.

Subject to any such adjustments, the Consideration for the Proposed Acquisition shall be approximately S\$8.6 million and be satisfied wholly by the following:

- (a) S\$5,015,552 in cash; and
- (b) S\$3,584,448 by way of the allotment and issue of 7,487,879 new ordinary shares of the Company ("**Consideration Shares**").

For avoidance of doubt, there will only be an adjustment of the Consideration if the Reviewed Estimated PAT is less than the Estimated PAT and there will be no adjustment of the Purchase Consideration if the Reviewed Estimated PAT is more than the Estimated PAT. In the event that the Consideration is adjusted, the components of the Consideration set out above will be subject to adjustments in the same percentage proportion to any adjustment to the Consideration.

The Consideration Shares shall rank *pari passu* in all respects with the then issued ordinary shares in the capital of the Company and be entitled to any dividends, rights, allotment or other distributions save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Consideration Shares.

3.4 Conditions Precedent

Completion of the Proposed Acquisition shall be, *inter alia*, conditional upon the fulfilment (or waiver, as the case may be) of the following conditions ("**Conditions**"):

- (a) the Restructuring has been completed;
- (b) the completion by the Company of the legal, financial, operational, tax and other due diligence on the affairs of the Target Company, and the results of such due diligence being satisfactory to the Company;
- (c) the Company having obtained the in-principle approval from the SGX-ST for the listing and quotation of the Consideration Shares on the Catalist on terms (if any) acceptable to the Company, and such approval not having been amended or revoked before the Completion Date, and if such approval is subject to conditions, such conditions being acceptable to the Company;
- (d) there having been no material adverse change to the business, operations, assets, financial condition, turnover or prospects of the Target Company prior to the Completion Date;

- (e) the receipt of the final deed of assignment relating to the Assignment and certified true copy of duly executed resolution passed by the board of directors of B.A.C.S. Sdn. Bhd. consenting to the use of name of “B.A.C.S. Sdn. Bhd.” and the goodwill attached, by the Company or its nominee and confirming that the company in relation to the Assignment will not use the name “B.A.C.S. Sdn. Bhd.” with effect from the date of the deed of assignment; and
- (f) the representations and warranties given by parties remaining, true, accurate and correct in all material respects and the parties having performed in all material respects of all of his or its obligations under the SPA.

Save for Paragraph 3.4(c) above, the Company or the Vendor may waive any of the Conditions for which it is not responsible and thereafter, proceed to complete the Proposed Acquisition.

3.5 Long-Stop Date and Completion

The SPA shall lapse and cease to have further effect if, *inter alia*, any of the Conditions is not satisfied or otherwise waived by the Company by 20 April 2015 (the “**Long-Stop Date**”). Completion of the Proposed Acquisition shall take place five (5) business days following the satisfaction or waiver of all the Conditions (or by such other date as the Company or Vendor may agree in writing) (the “**Completion Date**”).

4. Financial Effects of the Proposed Acquisition

The pro forma financial effects of the Proposed Acquisition, based on the unaudited financial results of the Company for the financial year ended 31 December 2014 are set out below. The pro forma financial effects are presented for illustration purposes only and are not intended to reflect the actual performance or the future financial position of the Group after the completion of the Proposed Acquisition.

4.1 Effect on net tangible asset per share

Assuming that the Proposed Acquisition had been completed on 31 December 2014, the effect on the net tangible assets (“**NTA**”) per share will be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition

NTA (RM'000)	51,306	38,081
Number of shares ('000)	267,079	274,567
NTA per share (RM Sen)	19.21	13.87

4.2 Effect on earnings per share

Assuming that the Proposed Acquisition had been completed on 1 January 2014, the effect on earnings per share ("**EPS**") will be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit after tax (RM'000)	10,738 ⁽¹⁾	12,562
Number of shares ('000)	267,079	274,567
EPS (RM Sen)	4.02	4.58

Note:

(1) Profit after tax and minority interest includes one-off listing expenses of RM4.8 million.

5. Relative Figures under Rule 1006

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**") for the Proposed Acquisition, and based on the latest announced consolidated financial statements of the Group for the financial year ended 31 December 2014 are as follows:-

	Relative Figures (%)
Rule 1006 (a)	
Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable

Rule 1006 (b) Net profits attributable to the Target Company, compared with the Group's net profits	15.04 % ⁽¹⁾
Rule 1006 (c) Aggregate value of consideration given, compared with the market capitalisation of the Company	7.82 % ⁽²⁾
Rule 1006 (d) Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	2.80 % ⁽³⁾
Rule 1006 (e) Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

Notes:

- (1) Computed based on the proforma unaudited profit before tax of the Target Company on a 12 months trailing basis up to 31 December 2014, of approximately S\$784,000 as compared to the Group's unaudited profit before tax for the financial year ended 31 December 2014 of approximately S\$5.21 million (equivalent to approximately RM13.46 million).
- (2) Based on the Consideration of S\$8.6 million, and the Company's market capitalisation of approximately S\$109.96 million, which is determined by multiplying the issued share capital of the Company of 267,078,800 shares with the volume weighted average price of such shares transacted on 30 March 2015 of S\$0.4117 per share.
- (3) Based on the number of Consideration Shares to be issued by the Company, being 7,487,879 shares as compared to the issued share capital of the Company of 267,078,800 shares.

Based on the above, the relative figures as computed on the bases set out in Rules 1006(a) to 1006(d) of the Catalist Rules exceed 5% but are less than 75%. Thus, the Proposed Acquisition constitutes a discloseable transaction as defined under Chapter 10 of the Catalist Rules.

6. Interest of Directors and Substantial Shareholders

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, save for their shareholdings in the Company.

7. Moratorium

The Vendor shall, and shall procure its nominees (if any) to, execute such moratorium undertakings not to, *inter alia*, sell, transfer, assign, dispose of, or realise or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of their Consideration Shares for a period commencing from the date of receipt of the Consideration Shares until 10 November 2015, and for a period of 12 months thereafter, not to, *inter alia*, sell, transfer, assign, dispose of, or realise or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any part of the Consideration Shares to below 50% of their original interest.

8. Use of Proceeds from Initial Public Offering

The cash consideration will be satisfied wholly using the proceeds from the initial public offering of the Company (“**IPO Proceeds**”). The utilisation of the IPO Proceeds is in line with the intended use as previously disclosed in the Company’s offer document dated 30 October 2014. The Company will make further announcements on the utilisation of the IPO Proceeds as and when such proceeds are materially disbursed.

9. Service Contracts

The Company will enter into a service agreement with Ms Helen Tan (an executive director of the Target Company) for a period up to 3 years commencing from the Completion Date.

10. Documents for Inspection

A copy of the SPA will be made available for inspection during normal business hours at the office of the Company at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, for 3 months from the date of this announcement.

11. Additional Listing Application

The sponsor of the Company, PrimePartners Corporate Finance Pte. Ltd., will be making an application on behalf of the Company to the SGX-ST for the dealing in, listing of and quotation for the Consideration Shares on Catalist of the SGX-ST. The Company will make the necessary announcement upon the receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Consideration Shares on Catalist of the SGX-ST.

12. 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 it is subject to the fulfilment of terms and conditions set out in the SPA. When in doubt as to the action they should take, shareholders and potential investors should consult their financial, tax or other advisors.

BY ORDER OF THE BOARD

Chew Seng Kok

Managing Director

1 April 2015

*ZICO Holdings Inc. (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 11 November 2014. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").*

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 Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income At Raffles, Singapore 049318, telephone (65) 6229 8088.