



ZICO HOLDINGS INC.

Incorporated in Labuan, Malaysia

Company Registration No. LL07968

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON THE ENTRY INTO HEADS OF AGREEMENT BETWEEN THE COMPANY, GREEN PACKET BERHAD, AND M24 TAWREEQ SDN BHD

The board of directors ("**Board**") of ZICO Holdings Inc. ("**Company**", and together with its subsidiaries and associated companies, the "**Group**") refers to the Company's announcement dated 29 June 2021 titled "Entry into Heads of Agreement between the Company and Green Packet Berhad and M24 Tawreeq Sdn Bhd" ("**Announcement**").

Unless otherwise defined, all capitalised terms used herein shall have the same meanings given to them in the Announcement.

The Company sets out below our responses to the SGX-ST's queries that were received on 30 June 2021.

SGX-ST Query 1: Zico, Green Packet and M24 have entered into a HOA in relation to the Proposed Joint Venture, with a view of jointly applying for an Islamic digital bank license from Bank Negara Malaysia ("BNM").

- a. Would this be part of the ordinary course of business of Zico and which existing business mandate/ business segment does it fall under?**

Company's response: The Company's functions in the consortium after the award of Licence is set out under clause 3.3 of the Heads of Agreement ("**HOA**"), a copy of which is in the possession of the Company's sponsor.

We set out Clause 3.3 below:

"3.3 ZICO Holdings' Role

The Parties agree that the proposed role for ZICO Holdings shall, amongst others, include the following:

- (a) to assist with the Application; and
- (b) to assist, review, and concur with the development of the business plan and exit plan in relation to the JV Digital Bank which includes overall strategy, core value proposition, target

segments, business model, financial model, technology adoptions, governance structure, regulatory and compliance controls as required under the Licensing Framework or as directed by BNM;

and if license is awarded,

- (c) to assist in the development of business and financial advisory products and services for the JV Digital Bank in accordance with the expertise of ZICO Holdings;
- (d) to assist in setup of the compliance functions of the JV Digital Bank, including the Shariah Committee;
- (e) to assist to procure or secure potential partnerships for the JV Digital Bank; and
- (f) to assist with all ongoing engagements with BNM and other relevant authorities;...”

The Company’s proposed functions under Clause 3.3 are within its ordinary course of business, as follows:

- (a) Clause 3.3(c), “to assist in the development of business and financial advisory products and services in accordance with the expertise of ZICO Holdings” – This is within the service offerings of the Advisory and Transactional Segment of the ZICO Group.
- (b) Clause 3.3 (d), “to assist in set up of the compliance functions of the JV Digital Bank, including the Shariah Committee” – This is within the functions of ZICO Shariah Advisory Services Sdn Bhd.
- (c) Clauses 3.3 (e) and (f), “to assist to procure or secure potential partnerships for the JV Digital Bank; and to assist with all ongoing engagements with BNM and other relevant authorities” – This is within the functions of ZICO AA Sdn Bhd and ASEAN Advisory Pte Ltd.

b. Would Zico require diversification mandate moving forward?

Company’s response: If and when the consortium receives BNM’s grant of Licence, the Company will evaluate the potential impact of the new business on the Group’s existing business. If necessary, the Company will seek a diversification mandate.

SGX-ST Query 2: Please share with us the (i) background and (ii) track records of each of Green Packet and M24. In particular, please also share with us more about (iii) their experience in seeking digital bank licenses.

Company's response:

1. In relation to Green Packet's and M24's backgrounds, the Company reproduces their profiles from the news release that was released simultaneously with the Announcement:

(a) Green Packet Berhad

"Green Packet is a Malaysian-based international technology solutions company. Driven by our massive transformative purpose to ensure that every human must thrive with life-improving digital innovations, our digital offerings enable all our customer segments – consumers, small-medium enterprises (SMEs), enterprises and governments – to create transformative impact to their businesses and lives.

Today, its five core businesses are spread across three key strategic thrusts to drive its business growth, namely Digital Infrastructure and Devices covering (1) Smart Devices as well as (2) Smart City, Urban Tech and Hyperscale Data Centre business pillars; Digital Services comprising (3) digital and financial services for consumers, MSMEs, (4) cloud and enterprise services; Investment covering (5) early and late-stage strategic investments.

Founded in the heart of California's Silicon Valley in 2000, Green Packet was subsequently listed on the Malaysian Stock Exchange in 2005. In 2007, Green Packet emerged as the first tech unicorn in Malaysia with a market capitalisation of USD1 billion (RM3 billion). Today, Green Packet is headquartered in Selangor, Malaysia, with branch offices in China, Singapore, Hong Kong and Taiwan."

For more information about Green Packet, please visit www.greenpacket.com.

(b) About M24 Tawreeq

"M24 Tawreeq Sdn Bhd (formerly known as AJWA Capital Sdn Bhd) is the first fully-digital Islamic factoring finance company in Malaysia, registered with the Ministry of Finance (MOF). The company was founded by financial professionals seeking to provide more fulfilling and sustainable financing services to micro small and medium enterprises (MSMEs) in Malaysia in line with the essence of Islamic banking. Our goal is to serve the un(der)served MSMEs using our holistic digital platform.

M24 Tawreeq aspire to become the leading Islamic digital finance house by providing innovative and bespoke Islamic digital finance products in Malaysia. We aim to lead the way in our maiden foray into the world of Islamic digital banking and finance, drawing from our experience and subject matter expertise in this field as former bankers and financiers in conventional banking industry.”

For more information about M24 Tawreeq, please visit www.m24tawreeq.com.

2. Green Packet’s and M24’s track records:

Green Packet’s and M24’s track records in relation to operating a digital bank is nil. Please also see the Company’s response 2(3).

3. Green Packet’s and M24’s experiences in seeking digital bank licences:

Digital banking is a new development in Malaysia, as in many countries including Singapore recently. There is no experience as such by any companies or institutions in Malaysia in operating a digital bank. What is relevant is that the applicants must have the skill set and experience to fulfill the requirements for the new digital licences. This is clearly set out in the Policy Document on Licensing Framework for Digital Banks issued by BNM on 31 December 2020. BNM’s relevant announcement may be accessed here:

<https://www.bnm.gov.my/-/policy-document-on-licensing-framework-for-digital-banks>

Green Packet, M24 and the Company believe that we have the necessary skillset to apply for the Licence and have accordingly submitted the Licence Application, which we believe fulfils all the requirements of BNM in relation to a digital bank.

SGX-ST Query 3: In the announcement, it is stated that the incorporation of the joint-venture Islamic digital bank will be conditional on, amongst others, BNM’s approval to the Licence Application. When do they expect to submit the Licence Application and when do they expect to receive BMW’s approval?

Company’s response:

Parties have submitted the Licence Application on 30 June 2021. Receipt of BNM’s response to the Licence Application is expected in Q2 of 2022. There is no certainty that the consortium will receive BNM’s approval.

SGX-ST Query 4: When and under what conditions will a definitive agreement be entered into, following this HOA?

Company's response:

Parties' execution of the transactional documents (i.e. definitive agreements) is conditional on, amongst others, the following:

- (a) BNM's approval to the Licence Application.
- (b) BNM's approval of each Party's proposed acquisition of interest in the joint-venture digital bank.
- (c) Parties' agreement to the transaction documents on mutually acceptable terms.
- (d) All required consents and approvals for the implementation of the joint-venture Transaction Plan and execution of the transaction documents being obtained by the Parties. "Transaction Plan" means the incorporation and capitalization of the joint-venture digital bank, terms of the transaction documents, and key principles of the business of the joint-venture digital bank.

If and when the Company is successful in securing the Licence and on satisfaction of the requirements set out above, it will proceed to sign the transaction documents (i.e. definitive agreements) with the consortium partners and to incorporate a new company to hold the licence.

BY ORDER OF THE BOARD

Chew Seng Kok

Managing Director

5 July 2021

*This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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