



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 COMPANY'S ANNOUNCEMENT DATED 7 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 Company's announcement dated 7 April 2022 (the "**Previous Announcement**").

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

The Company sets out below our responses to the SGX-ST's queries that were received on 7 April 2022 and headed as follows:

"We refer to ZICO Holdings Inc. (the "Company", and together with its subsidiaries and associates, the "Group") announcement on 7 April 2022, in relation to the receipt of writ of summons and statement of claim by ZICO Trust (S) Ltd. ("ZICO Trust") filed by CPS German 1 LLC (the "Plaintiff"). ZICO Trust is in (sic) indirect subsidiary of the Company.

Pursuant to the Statement of Claim, the Plaintiff is claiming the sums of USD5,010,000 and SGD720,000 (collectively, the "Funds") and damages in the sums of USD1,002,000 and SGD144,000 (the "Damages Amount") from ZICO Trust.

ZICO Trust is involved in the Claim as it has received funds amounting to USD5,010,000 and SGD720,000 in two accounts, of which ZICO Trust was the account holder.

We have the following queries on the announcement:"

The wordings in italics are the SGX-ST's and reproduced verbatim from the SGX-ST queries received by the Company's Sponsor, Stamford Corporate Services Pte. Ltd..

The Company wishes to emphasise that nothing in this announcement shall in any way be construed as or deemed to be evidence of any admission or concession on the part of any party of (i) the merits or lack of merits of any matter asserted in the Claim or (ii) any liability or wrongdoing whatsoever.

SGX-ST Query 1: Please provide more details on the background of the Claim.

Company's response:

- 1.1 The Company sets out below the details of the Claim as we understand it from the Plaintiff's Statement of Claim.
- (a) The Plaintiff, CPS German 1 LLC, was incorporated in 2018 as a special purpose vehicle to invest in German real estate. The Plaintiff's manager, one Ms Ann Marie Regal ("**Ms Regal**") then approached the first defendant, Seed Global Investment Pte Ltd ("**First Defendant**"), to make recommendations/ introductions for investment opportunities for the Plaintiff. Ms Regal has worked with the First Defendant since around 2012.
 - (b) The First Defendant then introduced an investment project to the Plaintiff (the "**Project**"). The Project involved the redevelopment and sale of a property by Dolphin Capital 40. Projekt GmbH & Co.KG ("**Dolphin Capital**") which was a special purpose vehicle incorporated for the execution of the Project. As Ms Regal and the Plaintiff's investment adviser, the First Defendant also advised the Plaintiff in relation to how the Plaintiff should structure its loan agreement with Dolphin Capital and drafted the loan agreement on behalf of the Plaintiff.
 - (c) On 1 May 2019, the Plaintiff entered into a loan agreement with Dolphin Capital (the "**Loan Agreement**") pursuant to which the Plaintiff was to loan the sums of USD 5,010,000 and SGD 720,000 (the "**Funds**") to Dolphin Capital.
 - (d) A dispute has since arisen between the parties relating to the Project and the Funds and the above is the background leading to the Plaintiff's claim against the Defendants.
- 1.2 As stated under Paragraph 2.1 of the Previous Announcement, ZICO Trust is involved in the Claim as it has received the Funds in two accounts, of which ZICO Trust was the account holder. ZICO Trust's receipt of the Funds was in the performance of its professional services.

SGX-ST Query 2: Why and when did ZICO Trust receive funds amounting to USD5,010,000 and SGD720,000?

Company's response:

- 2.1 ZICO Trust received the sum of SGD 720,000 between 26 April 2019 to 30 April 2019, and received the sum of USD 5,010,000 on or around 8 May 2019.
- 2.2 As part of the disbursement of the Funds and pursuant to the Loan Agreement dated 1 May 2019, the Funds were paid out by the Plaintiff and received by ZICO Trust on behalf of Dolphin Capital. For the avoidance of doubt, ZICO Trust is not a party to the Loan Agreement.



SGX-ST Query 3: How are the other 3 Defendants related to the Claim that ZICO Trust is involved? Please provide the events/facts leading to the Claim involving all the Defendants.

Company's response:

- 3.1 Please refer to the Company's response to SGX's first query above.
- 3.2 In addition to the background information provided in response to SGX's first query above, and based on the Statement of Claim, the First Defendant is a Singapore incorporated company in the business of providing management consultancy services and had been working with the Plaintiff's manager, Ms Regal, in relation to various investment projects. The Second and Third Defendants, Tew See Mong and Lim Soon Cheng, are directors and shareholders of the First Defendant. As stated under Paragraph 2.2 of the Previous Announcement, the First to Third Defendants are not part of and are not related to ZICO Trust and are not part of or related to the Group.

SGX-ST Query 4: Please provide reasons and elaborate on why ZICO Trust is liable to return the Funds.

Company's response:

- 4.1 The Plaintiff's claim against ZICO Trust is, amongst others, that there was a breach of trust on the part of ZICO Trust, and that it was unjustly enriched at the expense of the Plaintiff. ZICO Trust denies these allegations. In this regard, the Plaintiff claims that the transfer of the Funds to ZICO Trust was on the condition that they would be applied for specific purposes, and according to the Plaintiff's claim in the Statement of Claim, the Funds were not released for the specific purpose. ZICO Trust asserts that at all times it has acted properly in its provision of professional services.
- 4.2 The issue of whether the Plaintiff is entitled to this remedy has yet to be ventilated in Court.

SGX-ST Query 5: Assuming a worse-case scenario, how will this Claim affect the financials of the Group?

Company's response:

- 5.1 The Claim is confined to ZICO Trust only. There are no claims made against the Company or any of the other subsidiaries in the Group.
- 5.2 The amount of the Funds claimed is within the loss insured against by the existing policies of insurance held by ZICO Trust.
- 5.3 ZICO Trust has been advised by its lawyers, Nakoorsha Law Corporation, that based on a preliminary assessment of the Claim, it has a better than even chance of successfully defending the Claim. The Board is presently of the view that the Claim is unmeritorious and understands that ZICO Trust intends to rigorously defend the Claim. Nevertheless, in the event that ZICO Trust is found liable, the

Claim is not expected to have a material impact on the financial position of the Group and the ability of the Group to continue its existing business operations for the reasons set out above.

SGX-ST Query 6: Please provide the Board's view and assessment (with bases) on whether the Claim will affect the Group to operate on a going concern, assuming a worst-case scenario.

Company's response:

- 6.1 Based on the financial assessment in Paragraphs 5.1 to 5.2 above, the Board is of the view that the Claim will not affect the Group's ability to operate as a going concern for the reasons set out in Paragraphs 5.1 to 5.3 above.

SGX-ST Query 7: Please provide the Board's confirmation that all material information has been announced.

Company's response:

- 7.1 The Board wishes to highlight that ZICO Trust is an entity that is regulated by the Monetary Authority of Singapore¹ and is subject to strict requirements, including under the Trust Companies Act 2005 regarding the disclosure of protected information to third parties (including to its holding company). As such, the Company is only privy to such information as is made available by ZICO Trust to the Company.
- 7.2 Material information regarding the Writ of Summons has been announced to shareholders in the Previous Announcement dated 7 April 2022. The Company will update shareholders on any material information regarding the Claim as and when available and/or appropriate. The Board confirms that save for any confidential information falling under the ambit of Catalist Rule 703(3), all material information has been announced.

SGX-ST Query 8: Please provide the Board's opinion on whether trading in the Company's securities can continue.

Company's response:

- 8.1 Based on the responses to queries 6 and 7 above, and in particular, the Board's assessment that the Company has the ability to continue as a going concern notwithstanding the worst-case scenario of the Claim and that all material information (with the exception of information falling under the ambit of

¹ ZICO Trust holds a trust business licence issued by the Monetary Authority of Singapore ("MAS") under the Trust Companies Act. It also holds a capital markets services licence issued by the MAS under the Securities and Futures Act ("SFA") to conduct the regulated activity of providing custodial services. It is also approved by the MAS to act as a trustee for collective investment schemes pursuant to section 289(1) of the SFA. Please refer to the Company's announcements of 1 August 2018, 12 December 2018, and 16 October 2019 in relation to ZICO Trust (S) Ltd.



Catalist Rule 703(3)) has been announced, the Board is of the opinion that trading in the Company's securities can continue.

BY ORDER OF THE BOARD

Chew Seng Kok

Managing Director

11 April 2022

*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 "**SGX-ST**") and the SGX-ST 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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