



ZICO HOLDINGS INC.

Incorporated in Labuan, Malaysia
Company Registration No. LL07968

PROPOSED PLACEMENT OF NEW ORDINARY SHARES IN THE CAPITAL OF ZICO HOLDINGS INC.

*Capitalised terms used but not defined herein shall have the meanings ascribed to them in the Company's announcements made on 29 July 2020, 17 August 2020, 28 August 2020, and 4 September 2020 ("**Previous Announcements**"), unless otherwise defined or the context requires otherwise.*

1. INTRODUCTION

The board of directors ("**Board**" or "**Directors**") of ZICO Holdings Inc. ("**Company**") refers to the Previous Announcements.

On 29 July 2020, the Company announced that it had entered into a Placement Agreement with Bambang Sugeng Bin Kajairi ("**Placee**"), pursuant to which the Company shall allot and issue 14,000,000 Placement Shares at the issue price of \$0.14 per Placement Share to him for an aggregate subscription amount of S\$1,960,000 ("**Subscription Amount**").

On 17 August 2020, the Company announced the receipt of the listing and quotation notice ("**LQN**") from the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). On 28 August 2020, the Company announced that the SGX-ST had granted the Company an extension of seven market days to place out the Placement Shares by 4 September 2020.

The Parties to the Placement Agreement subsequently agreed via a variation letter dated 31 August 2020 to extend the Completion and Long Stop Dates to 4 September 2020 with effect from 31 August 2020.

On 4 September 2020, the Company announced that the LQN had lapsed, as the Parties were not able to complete the Placement by that day. The Parties were not able to complete the Placement by 4 September 2020, as the subscription amount of S\$1,960,000 payable by the Placee had not been made to the Company, as he requires more time to arrange for the funds.

The Parties agreed via a second variation letter to extend the Completion and Long-Stop Dates to 30 October 2020 with effect from 4 September 2020.

The variation letters of 31 August 2020 and 2 September 2020 are collectively referred to as the "**Variation Letters**".

2. FURTHER CHANGES TO THE DETAILS OF THE PROPOSED PLACEMENT

- 2.1 The Company now wishes to announce that the Parties has on 30 October 2020 entered into a variation agreement ("**Variation Agreement**") for a third amendment and variation of the details of the Placement Agreement (as amended and supplemented by the Variation Letters) to, *inter alia*, the following:

- (a) extend the Long-Stop Date to 18 November 2020;

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- (b) amend the definition of “Completion Date” to mean the date no later than seven (7) Business Days after the later of the satisfaction or waiver of the Conditions (as defined in paragraph 4.4 below), or such other date as may be mutually agreed between the Parties;
- (c) add a condition that completion of the Placement shall be conditional upon receipt of the Consideration in an escrow account to held by an escrow agent to be appointed by the Parties, pending Completion; and
- (d) change the details of the Placement as follows:-

Placement Details	Before	Current
Placement Shares	14,000,000 Shares	21,428,571 Shares
Issue Price per Placement Share	S\$0.14	S\$0.14
Consideration	S\$1,960,000	S\$3,000,000

The Placement Agreement, the Variation Letters and the Variation Agreement are collectively referred to as the “**Amended Placement Agreement**”.

- 2.2 Save as stated above, there were no other changes to the information stated in the Company’s announcement dated 29 July 2020, inter alia, the terms and conditions of the Placement Agreement.

3. INFORMATION RELATING TO THE PLACEE

- 3.1 Shareholders should note that information relating to the Placee in this paragraph and elsewhere in this Announcement was provided by the Placee. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.

Placee	No. of Placement Shares	% of Placement Shares based on Enlarged Share Capital	Subscription Amount
Bambang Sugeng Bin Kajairi (“ Placee ”). The Placee’s profile is set out in paragraph 2.2 below. The Placee is an existing shareholder of the Company. As of the date of this Announcement, the Placee holds 11,408,112 shares in the Company representing approximately 3.50% of the total issued and paid up capital of the Company.	21,428,571	6.17% ⁽¹⁾	S\$3,000,000
Total	21,428,571	6.17% ⁽²⁾	S\$3,000,000

Notes:

- (1) Following completion of the Placement and including the 11,408,112 shares currently held by the Placee, the aggregate shareholding interest of the Placee in the Company will represent 9.45% of the Enlarged Share Capital (as defined in paragraph 4.3 below).
- (2) The 21,428,571 Placement Shares represent 6.17% of the Enlarged Share Capital.

The Placee was introduced to the Group by Mr Chew Seng Kok and has expressed interest to invest in the Company. As the Company understands, the Placee has entered into the Placement Agreement for his financial investment purposes.

No placement agent has been appointed in respect of the Placement and no introducer fee/commission is paid or payable by the Company in connection with the Placement.

To the best knowledge of the Directors, save as disclosed above and in relation to the Placement, the Placee has no other connections (including financial and business relationships) with the Company, its directors and substantial shareholders. The Placee does not fall within any of the prohibited categories as set out in Rule 812(1) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the SGX-ST to whom the Company is prohibited from issuing the Shares. The Placement is not likely to give rise to any material conflict of interests. There is no share borrowing arrangement in place.

- 3.2 The Placee has a career spanning 30 years, both in the private sector and the diplomatic service. He started his career with the Ministry of Foreign Affairs in Singapore in 1989. From 2005 to 2006, he re-joined the Ministry as Deputy Director, Americas Directorate. The Placee was appointed on the Remaking of Singapore Committee and the Inter-Racial Harmony Council in 2002. He was also a Council Member of the Northeast Community Development Council in the early 2000s.

The Placee is currently the Director of several investment companies based in Singapore, including Aqua Munda Pte Ltd, Rain Asia Pacific Pte Ltd and Riau Capital Management Pte Ltd. The Placee had established these companies after two years as executive advisor to FG Asset Management (now known as AIP Asset Management), a real estate asset management company based in Seoul, South Korea from 2015 to 2017. The Placee was previously the chief executive officer of Reem Investments PJSC in Abu Dhabi from 2 November 2008 to 10 May 2013.

Prior to Reem Investments, he was managing director for CapitaLand Amanah Pte Ltd as well as CapitaLand Bahrain Bay Management Pte Ltd. He was also on the board of their various group companies such as Mubadala CapitaLand Real Estate LLC, CapitaLand GCC (Abu Dhabi) Pte Ltd, CapitaLand GCC (Bahrain) Pte Ltd, CapitaLand Bahrain Bay Service WLL, and CapitaLand GCC Holdings Pte Ltd, in the Gulf Cooperation Council. The Placee was director of HPL (UK) Ltd, a subsidiary of Hotel Properties Ltd, in the United Kingdom from 1995 to 1998. He was also on the board of Virgin Entertainment Group Limited as alternate director.

4. THE PLACEMENT

4.1. Overview

Subject to the terms and conditions of the Amended Placement Agreement, the Company agrees to allot and issue 21,428,571 Placement Shares to the Placee on the Completion Date (as defined below), and the Placee agrees to subscribe for the Placement Shares:

4.2. Key Terms of the Placement

The Placement Shares shall be allotted and issued to the Placee on the Completion Date on, *inter alia*, the following terms and conditions of the Amended Placement Agreement:

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|-----|-----------------------------------|---|--------------|
| (a) | Subscription Amount | : | S\$3,000,000 |
| (b) | Number of Placement Shares | : | 21,428,571 |

- (c) **Issue Price** : S\$0.14 per Placement Share
- The Issue Price of S\$0.14 represents a premium of approximately 18.6% to S\$0.118, being the weighted average price of the Shares based on the trades done on the SGX-ST on 19 October 2020 (as there were no trades subsequent to 19 October 2020 up to the last full market day on which the Variation Agreement was signed).
- (d) **Completion Date** : The Placement Shares shall be issued within seven (7) business days after the later of the satisfaction or waiver of the Conditions, or on such other date as the Parties may agree in writing.
- (e) **General Mandate** : The Placement Shares shall be allotted and issued by the Company to the Placee pursuant to the share issue mandate approved by the shareholders of the Company by way of an ordinary resolution at the annual general meeting of the Company held on 29 June 2020 ("**2020 AGM**") authorising the Directors to allot and issue Shares pursuant to Rule 806 of the Catalist Rules.
- (f) **Warranties** : The subscription by the Placee of the Placement Shares is subject to certain warranties as are customary for transactions of this nature or other similar transactions.
- (g) **Indemnity** : Each party (the "**Indemnifying Party**") to the Amended Placement Agreement, being either a Placee or the Company, has undertaken to fully indemnify the other party ("**Indemnified Party**") against all liabilities which may be suffered or incurred by the Indemnified Party as a result of or in connection with, *inter alia*, any breach of warranties and/or undertakings by the Indemnifying Party in the Amended Placement Agreement.

4.3. Status of the Placement Shares

The Placement Shares shall be issued by the Company to the Placee free from all claims, charges, liens and other encumbrances whatsoever and the Placement Shares shall rank *pari passu* in all respects with and carry all rights similar to the then existing Shares, except that they will not rank for any dividend, right, allotment or other distribution, the record date for which falls on or before the Completion Date.

As at the date hereof, the Company has 325,946,062 ordinary shares ("**Shares**") that have been issued and are fully paid-up ("**Existing Issued Share Capital**"). Assuming there is no change to the Existing Issued Share Capital of the Company, the enlarged share capital of the Company immediately following the issuance of 21,428,571 Placement Shares will comprise 347,374,633 Shares ("**Enlarged Share Capital**"). Following issuance of the Placement Shares, the Placee will be a substantial shareholder in the Company, holding approximately 9.45% shareholding interest in the Enlarged Share Capital.

There will not be any Prospectus or Offer Information Statement issued by the Company in connection with the Placement as it will be made pursuant to exemptions under the Securities and Futures Act (Chapter 289) of Singapore.

4.4. Conditions to the Placement

The allotment and issuance of the Placement Shares by the Company to the Placee under the Amended Placement Agreement is conditional upon the satisfaction or the wavier (as the case may be) of certain conditions ("**Conditions**"):-

- (a) approval-in-principle for the listing of and quotation for the Placement Shares on the Catalist Board of SGX-ST having been obtained from the Company's sponsor and/or the SGX-ST and not revoked or amended as at the Completion Date and where such approval is subject to conditions, such conditions being reasonably acceptable to the Placee, and to the extent that such conditions are required to be fulfilled on or before the Completion Date, they being so fulfilled;
- (b) the general mandate of the Directors of the Company to allot and issue new Shares approved by the shareholders of the Company at the 2020 AGM ("**Share Issue Mandate**") being valid, subsisting and adequate for the purposes of the issue of the Placement Shares as at the Completion Date;
- (c) the issue and subscription of the Placement Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Amended Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or Labuan which is applicable to the Company;
- (d) the warranties by each of the Placee and the Company as set out in the Amended Placement Agreement remaining true and correct in all material respects as at the Completion Date;
- (e) each of the Company and the Placee not being in any material breach of any of the undertakings and the covenants in the Amended Placement Agreement as at the Completion Date; and
- (f) the receipt of the Consideration in an escrow account to be held by an escrow agent to be appointed by the Parties, pending Completion.

4.5. Long-Stop Date

If the Conditions are not satisfied by 18 November 2020 (or such other date as may be mutually agreed between the Parties), the Amended Placement Agreement shall terminate and the obligations of the Company to issue the Placement Shares shall ipso facto cease and determine thereafter and no Party shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the Placement, save for any antecedent breach of the Amended Placement Agreement or the Parties' respective liability for the payment of costs and expenses under Clause 8 of the Amended Placement Agreement.

5. SHARE ISSUE MANDATE

The Placement Shares are intended to be issued pursuant to the authority given to the Directors under the Share Issue Mandate.

Pursuant to the Share Issue Mandate, the Directors are authorised and empowered to, *inter alia*, issue Shares in the Company not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of the Share Issue Mandate, of which the aggregate number of Shares to be issued other than on a pro-rata basis to all existing shareholders shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company. Pursuant to such thresholds, based on the Company's issued share capital as at the date of the 2020 AGM and after adjustments under Rule 806(3), the Company is authorised to issue up to 162,973,031 Shares (being 50% of 325,946,062* issued Shares in the Company as at the date of the 2020 AGM), other than on a pro-rata basis (after adjusting for such events stated in Rule 806(3) of the Catalist Rules), and the 21,428,571 Placement Shares represent 13.15% of these 162,973,031 Shares.

As of the date of this Announcement, the Company has not issued any Shares under the Share Issue Mandate. As such, the Placement will be done within the limits of the Share Issue Mandate.

*The total number of issued Shares in the Company as at 16 March 2020 is 324,250,742, as reflected on page 146 of the Company's annual report 2019. Since then, the total number of issued Shares has increased to 325,946,062 as at the date of the 2020 AGM. The increase is due to:

- (a) the issuance and allotment of 675,020 new Shares on 21 April 2020 pursuant to the vesting of share awards granted on 21 April 2017 under the ZICO Holdings Performance Share Plan ("**PSP**"); and
- (b) the issuance and allotment of 793,319 new Shares on 26 May 2020 pursuant to the vesting of 793,319 share awards granted on 21 May 2018 under the PSP; and
- (c) the issuance and allotment of 226,981 new Shares on 26 May 2020 pursuant to the vesting of 226,981 share awards granted on 26 May 2020 under the PSP.

Please refer to the Company's announcements on 21 April 2020 and 26 May 2020.

6. PURPOSE OF THE PLACEMENT AND USE OF PROCEEDS

The purpose of the Placement is to increase the working capital of the Company. The Board intends to apply the entire gross proceeds ("**Gross Proceeds**") of the Placement, amounting to S\$3,000,000, towards working capital and general corporate purposes, mainly to support the future working capital requirements of operation costs.

Shareholders should note that the proposed use of the Gross Proceeds only serves as a general guideline. In the event that the Gross Proceeds initially allocated for the purposes set out above are not fully applied towards such uses for any reasons, the Company may use such proceeds for such other purposes as the Company in its discretion may deem fit.

Pending the deployment of the Gross Proceeds, such proceeds may be placed as deposits with banks and/or financial institutions, invested in short term money markets or debt instruments or for any other purpose on a short term basis as the Directors may, in their absolute discretion, deem fit from time to time.

Pursuant to Rule 704(30) and Rule 1204(22), the Company will make periodic announcements on the utilisation of the Gross Proceeds, as and when such proceeds from the Placement are materially disbursed or utilised and whether such use is in accordance with the stated use and, if applicable, in accordance with the percentage allocated. The Company will subsequently provide a status report and a breakdown with specific details on the specific use of such proceeds for working capital in relevant announcements and the annual report of the Company. Where there is any material deviation from the stated use of the Gross Proceeds, the Company will announce the reasons for such deviation.

7. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that:

- (a) after taking into consideration the Group's present banking facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above, the Company has decided to undertake the Placement for the reasons set out in paragraph 6 above; and
- (b) after taking into consideration the present banking facilities available to the Group and the Gross Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

8. FINANCIAL EFFECTS OF THE PLACEMENT

The financial effects as set out below, prepared according to the relevant accounting standards, are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Company or its subsidiaries following the Placement.

The financial effects of the Placement are prepared based on the latest announced unaudited consolidated financial statements of the Group for the financial year ended 31 December 2019 ("**FY2019**") and the following assumptions:

- (a) the allotment and issuance of 21,428,571 Placement Shares;

- (b) exchange rate of S\$1: RM3.0488 as at 29 October 2020 (Source: Monetary Authority of Singapore);
- (c) the Group's NTA was computed assuming that the Placement was completed on 31 December 2019;
- (d) the Group's EPS was computed assuming that the Placement was completed on 1 January 2019; and
- (e) expenses in connection with the Placement are disregarded for the purposes of calculating the financial effects.

8.1. Share Capital

Issued and Paid-up Share Capital	As at 31 December 2019	Immediately following issuance of the entire Placement Shares
Number of Shares including Treasury Shares	324,250,742	347,374,633*
Number of Treasury Shares	0	0
Number of Shares excluding Treasury Shares	324,250,742	347,374,633
Share Capital (RM'000)	94,328	104,161

*This figure includes the 21,428,571 Placement Shares and the following:

- (a) the issuance and allotment of 675,020 new Shares on 21 April 2020 pursuant to the vesting of share awards granted on 21 April 2017 under the PSP; and
- (b) the issuance and allotment of 793,319 new Shares on 26 May 2020 pursuant to the vesting of 793,319 share awards granted on 21 May 2018 under the PSP; and
- (c) the issuance and allotment of 226,981 new Shares on 26 May 2020 pursuant to the vesting of 226,981 share awards granted on 26 May 2020 under the PSP.

8.2. Net tangible assets ("NTA")

	As at 31 December 2019	Immediately following issuance of the entire Placement Shares
NTA of the Group (RM'000)	76,012	85,844*
Number of Shares excluding Treasury Shares (in thousands)	324,251	347,375
NTA Per Share (RM)	0.23	0.25*

* Excluding share issuance expenses.

8.3. Earnings per Share (“EPS”)

	FY2019	Immediately following issuance of the entire Placement Shares
Net (loss)/ earnings of the Group for FY2019 (RM’000)	(7,659)	(7,659)*
Weighted average number of Shares excluding Treasury Shares on fully diluted basis (in thousands)	322,441	345,565
Net (loss)/ earnings per Share (RM) - Fully diluted	(0.02)	(0.02)*

* Excluding share issuance expenses.

9. ADJUSTMENTS TO AWARDS AND OPTIONS

As at the date hereof, the Company has in force the ZICO Holdings Performance Share Plan (“PSP”) and the ZICO Holdings Employee Share Option Scheme (“ESOS”).

Pursuant to the PSP, unless the remuneration committee of the Company considers an adjustment to be appropriate, (i) the class and/or number of shares which are the subject of an award (“Award”) to the extent not yet vested; and/or (ii) the class and/or number of shares over which future Awards may be granted under the PSP, shall not be subject to adjustments in view of the Placement.

Pursuant to the ESOS, (i) the exercise price for the shares, class and/or number of shares comprised in the options (“Options”) to the extent unexercised and the rights attached thereto; and/or (ii) the class and/or number of shares in respect of which additional Options may be granted to holders of Options, may be adjusted in such manner as the remuneration committee of the Company may determine to be appropriate in view of the Placement, being a variation in the issued share capital of the Company.

The Company will make such further announcements on the adjustments for the Awards and/or Options (if any) after such adjustments have been confirmed or reviewed (as the case may be) pursuant to the rules of the PSP and/or the ESOS (as the case may be).

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER

Save as disclosed herein, none of the Directors (other than in his capacity as director or shareholder of the Company, as the case may be) of the Company has any interest, direct or indirect in the Placement. To the best of the knowledge of the Board, save as disclosed herein, there are no substantial shareholders in the Company who have any interest, direct or indirect, in relation to the Placement.

11. APPLICATION TO THE SGX-ST

The Company will be making an application to the SGX-ST through its continuing sponsor for the listing of and quotation for the Placement Shares on the Catalist Board of the SGX-ST, and will make the necessary announcements upon receipt of the listing and quotation notice from the SGX-ST.

12. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Placement is subject to numerous conditions. There is no certainty or assurance as at the date of this Announcement that the Placement will be completed or that no changes will be made to the respective terms thereof. The Company will make the necessary

announcements when there are further developments. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

13. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (other than information relating to the Placee) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where any information in this Announcement has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source or provided by the Placee, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources and/or reproduced in this Announcement in its proper form and context.

14. DOCUMENTS AVAILABLE FOR INSPECTION

A copy each of the Placement Agreement, Variation Letters and Variation Agreement is available for inspection during normal business hours at the Company's registered office at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 for a period of three (3) months from the date of this Announcement.

BY ORDER OF THE BOARD

Chew Seng Kok

30 October 2020

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("**Exchange**") Listing Manual Section B: Rules of Catalist for compliance with the relevant rules of the Exchange. The Company's 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.

The contact person for the Sponsor is Ms Foo Quee Yin.

Telephone number: 6221 0271