

ZICO HOLDINGS INC.

(Company Registration No. LL07968)

**Unaudited Financial Statements and Dividend Announcement
For the Financial Year Ended 31 December 2018**

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

| | Group | | |
|--|--|--|---------------------|
| | Full Year Ended | | |
| | 31 December 2018 (Unaudited) RM'000 | 31 December 2017 (Audited) RM'000 | Change % |
| Revenue | 90,092 | 81,875 | 10.0 |
| Other items of income | | | |
| Interest income | 1,828 | 695 | 163.0 |
| Other income | 4,268 | 4,606 | (7.3) |
| | 96,188 | 87,176 | 10.3 |
| Items of expense | | | |
| Amortisation and depreciation expenses | (5,217) | (4,612) | 13.1 |
| Employee benefits expense | (51,510) | (44,955) | 14.6 |
| Operating lease expenses | (5,655) | (6,002) | (5.8) |
| Retainer fees and consultancy fees | (6,239) | (6,093) | 2.4 |
| Loss allowance on trade and other receivables | (2,212) | (135) | n.m |
| Other expenses | (16,218) | (15,766) | 2.9 |
| Finance costs | (2,138) | (1,321) | 61.8 |
| | (89,189) | (78,884) | 13.1 |
| | 6,999 | 8,292 | (15.6) |
| Share of results of associates, net of tax | 33 | 15 | 120.0 |
| Share of results of joint venture, net of tax | 1,500 | - | n.m. |
| Profit before income tax | 8,532 | 8,307 | 2.7 |
| Income tax expense | (2,707) | (1,386) | 95.3 |
| Profit for the financial year | 5,825 | 6,921 | (15.8) |
| Other comprehensive income | | | |
| <i>Items that will or may be reclassified subsequently to profit or loss</i> | | | |
| Fair value loss on available-for-sale financial assets | (1,403) | (32) | n.m |
| Actuarial loss on defined pension benefit scheme | - | (2) | n.m |
| Foreign currency translation differences | 650 | (4,826) | 113.5 |
| Other comprehensive loss for the financial year, net of tax | (753) | (4,860) | (84.5) |
| Total comprehensive income for the financial year | 5,072 | 2,061 | 146.1 |
| Profit attributable to: | | | |
| Owners of the parent | 3,260 | 5,665 | (42.5) |
| Non-controlling interests | 2,565 | 1,256 | 104.2 |
| | 5,825 | 6,921 | (15.8) |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | 2,779 | 856 | 224.6 |
| Non-controlling interests | 2,293 | 1,205 | 90.3 |
| | 5,072 | 2,061 | 146.1 |

n.m. – not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

| Profit for the financial year is stated after charging/(crediting) the following: | Full Year Ended | |
|--|---|---|
| | 31 December 2018 (Unaudited) RM'000 | 31 December 2017 (Audited) RM'000 |
| <i>Amortisation and depreciation expenses</i> | | |
| Amortisation of intangible assets | 3,927 | 3,267 |
| Depreciation of plant and equipment | 1,290 | 1,345 |
| <i>Employee benefits expense</i> | | |
| Share based payment expenses | 2,191 | 2,385 |
| <i>Operating lease expenses</i> | | |
| Rental of premises | 5,590 | 5,956 |
| Rental of accommodation | 65 | 46 |
| <i>Other expenses/(Other income)</i> | | |
| Trade and other receivables written off | 319 | 134 |
| Intangible assets written off | 264 | 661 |
| Intangible assets written back | (49) | - |
| Loss/(gain) on disposal of plant and equipment | 134 | (18) |
| Plant and equipment written off | 4 | 57 |
| Gain on loss of control of a subsidiary | - | (847) |
| Gain on re-measurement of fair value on retained interest in associate | - | (212) |
| Unrealised foreign exchange (gain)/loss, net | (599) | 350 |
| <i>Income tax expense</i> | | |
| Under provision of income tax expense in respect of prior year | 87 | 10 |

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

| | Group | | Company | |
|--|--|--|--|--|
| | 31 December 2018 (Unaudited) RM'000 | 31 December 2017 (Audited) RM'000 | 31 December 2018 (Unaudited) RM'000 | 31 December 2017 (Audited) RM'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Plant and equipment | 6,571 | 6,655 | 84 | 96 |
| Intangible assets | 62,847 | 59,970 | 2,264 | 2,977 |
| Subsidiaries | - | - | 64,581 | 61,853 |
| Associates | 28 | 24 | 2 | 2 |
| Joint venture | 10,856 | - | 9,356 | - |
| Investments | 2,410 | 552 | - | - |
| Deferred income tax assets | 4,645 | 3,697 | - | - |
| Trade and other receivables | 4,611 | 15,104 | 36,235 | 31,413 |
| | 91,968 | 86,002 | 112,522 | 96,341 |
| Current assets | | | | |
| Trade and other receivables | 96,518 | 74,616 | 43,539 | 40,633 |
| Prepayments | 1,154 | 1,448 | 401 | 92 |
| Current income tax recoverable | 831 | 1,243 | 1 | - |
| Cash and cash equivalents | 15,956 | 20,323 | 841 | 4,578 |
| Other current assets | 6,759 | 4,881 | 5 | 2 |
| | 121,218 | 102,511 | 44,787 | 45,305 |
| Total assets | 213,186 | 188,513 | 157,309 | 141,646 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 84,132 | 82,592 | 84,132 | 82,592 |
| Retained earnings | 25,705 | 23,236 | 3,491 | 1,374 |
| Share based-reserve | 3,294 | 2,643 | 3,294 | 2,643 |
| Currency translation reserve | 3,637 | 2,855 | 9,908 | 9,778 |
| Fair value reserve | (1,295) | (32) | - | - |
| Equity attributable to owners of the parent | 115,473 | 111,294 | 100,825 | 96,387 |
| Non-controlling interests | 552 | 2,269 | - | - |
| Total equity | 116,025 | 113,563 | 100,825 | 96,387 |
| Non-current liabilities | | | | |
| Interest-bearing liabilities | 3,584 | 1,828 | 3,582 | 1,780 |
| Provisions | 129 | 109 | - | - |
| Deferred income tax liabilities | 1,830 | 1,771 | - | - |
| | 5,543 | 3,708 | 3,582 | 1,780 |
| Current liabilities | | | | |
| Trade and other payables | 25,447 | 17,618 | 10,759 | 1,222 |
| Interest-bearing liabilities | 56,124 | 44,284 | 42,143 | 42,244 |
| Contracted liabilities | 6,917 | 6,625 | - | - |
| Provisions | 20 | 61 | - | - |
| Current income tax payable | 3,110 | 2,654 | - | 13 |
| | 91,618 | 71,242 | 52,902 | 43,479 |
| Total liabilities | 97,161 | 74,950 | 56,484 | 45,259 |
| Total equity and liabilities | 213,186 | 188,513 | 157,309 | 141,646 |

1(b)(ii) Aggregate amount of group's borrowings and debt securities-**Amount repayable in one year or less, or on demand**

| As at 31 December 2018 (Unaudited) | | As at 31 December 2017 (Audited) | |
|---------------------------------------|---------------------|-------------------------------------|---------------------|
| Secured RM'000 | Unsecured RM'000 | Secured RM'000 | Unsecured RM'000 |
| 56,124 | - | 44,284 | - |

Amount repayable after one year

| As at 31 December 2018 (Unaudited) | | As at 31 December 2017 (Audited) | |
|---------------------------------------|---------------------|-------------------------------------|---------------------|
| Secured RM'000 | Unsecured RM'000 | Secured RM'000 | Unsecured RM'000 |
| 3,584 | - | 1,828 | - |

Details of any collateral

The secured borrowings comprised:

| | As at 31 December 2018 (Unaudited) RM'000 | As at 31 December 2017 (Audited) RM'000 | Secured by |
|--------------------------|--|--|--|
| Finance lease facilities | 48 | 105 | RM48,000 mortgage over the leased motor vehicles. |
| Term loan | 3,643 | 8,982 | 1) Letter of undertaking by A director; and 2) Assignment of dividends due to the Company by a subsidiary |
| Revolving credit | 47,517 | 35,042 | Corporate guarantee for all moneys owing by certain subsidiaries |
| Bank overdraft | 8,500 | 1,983 | Corporate guarantee by a subsidiary |
| | <u>59,708</u> | <u>46,112</u> | |

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

| | Full Year Ended | |
|--|---|---|
| | 31 December 2018 (Unaudited) RM'000 | 31 December 2017 (Audited) RM'000 |
| Operating activities | | |
| Profit before income tax | 8,532 | 8,307 |
| Adjustments for: | | |
| Loss allowance on trade and other receivables | 2,212 | 135 |
| Amortisation of intangible assets | 3,927 | 3,267 |
| Bad trade and other receivables written off | 319 | 134 |
| Depreciation of plant and equipment | 1,290 | 1,345 |
| Gain on loss of control of a subsidiary | - | (847) |
| Intangible assets written off | 264 | 661 |
| Intangible assets written back | (49) | - |
| Interest income | (1,828) | (695) |
| Interest expense | 2,138 | 1,281 |
| Interest expense on deferred consideration | - | 40 |
| Loss/(gain) on disposal of plant and equipment | 134 | (18) |
| Gain on re-measurement of fair value on retained interest in associate | - | (212) |
| Plant and equipment written off | 4 | 57 |
| Provisions | (18) | 48 |
| Share of results of associates, net of tax | (33) | (15) |
| Share of results of joint venture, net of tax | (1,500) | - |
| Unrealised foreign exchange (gain)/loss, net | (599) | 350 |
| Share based payment expenses | 2,191 | 2,385 |
| Operating cash flows before working capital changes | 16,984 | 16,223 |
| Working capital changes: | | |
| Trade and other receivables | (9,271) | (27,549) |
| Prepayments | 527 | (538) |
| Trade and other payables | (1,091) | 3,087 |
| Cash generated from/(used in) operations | 7,149 | (8,777) |
| Income tax paid | (3,140) | (2,126) |
| Net cash generated from/(used in) operating activities | 4,009 | (10,903) |

| | Full Year Ended | |
|---|------------------|------------------|
| | 31 December 2018 | 31 December 2017 |
| | (Unaudited) | (Audited) |
| | RM'000 | RM'000 |
| Investing activities | | |
| Acquisition of associate, net of cash acquired | - | (2) |
| Acquisition of subsidiary, net of cash acquired | 627 | - |
| Acquisition of joint venture, net of cash acquired | (9,162) | - |
| Advances to associate | (5,535) | (620) |
| Advances to third parties | (1,656) | (140) |
| Dividend received | 30 | 30 |
| Disposal of a subsidiary, net of cash disposed of | - | (2) |
| Interest received | 288 | 92 |
| Payment for deferred consideration to acquire a subsidiary | - | (720) |
| Proceeds from disposal of plant and equipment | 2 | 31 |
| Purchase of plant and equipment | (923) | (1,781) |
| Purchase of intangible assets | (1,198) | (2,958) |
| Net cash used in investing activities | (17,527) | (6,070) |
| Financing activities | | |
| Interest paid | (2,138) | (1,281) |
| Issuance of ordinary shares | - | 12,458 |
| Dividends paid to non-controlling interests | (1,744) | (457) |
| Repayment of term loan facility | (5,490) | (2,862) |
| Proceeds from revolving credit facility | 12,223 | 7,158 |
| Repayments of finance lease payables | (57) | (67) |
| Net cash generated from financing activities | 2,794 | 14,949 |
| Net change in cash and cash equivalents | (10,724) | (2,024) |
| Cash and cash equivalents at beginning of financial year | 18,340 | 19,592 |
| Effect of exchange rate changes on cash and cash equivalents | (160) | 772 |
| Cash and cash equivalents at end of the financial year | 7,456 | 18,340 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

**Statement of Changes in Equity
Group**

| (Unaudited) | Share capital | Share-based reserve | Retained earnings | Currency translation reserve | Fair value reserve | Equity attributable to owners of the parent | Non-controlling interests | Total equity |
|---|---------------|---------------------|-------------------|------------------------------|--------------------|---|---------------------------|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 January 2018 | 82,592 | 2,643 | 23,236 | 2,855 | (32) | 111,294 | 2,269 | 113,563 |
| Adoption of IFRS 9 | - | - | (791) | - | - | (791) | - | (791) |
| | <u>82,592</u> | <u>2,643</u> | <u>22,445</u> | <u>2,855</u> | <u>(32)</u> | <u>110,503</u> | <u>2,269</u> | <u>112,772</u> |
| Profit for the financial period | - | - | 3,260 | - | - | 3,260 | 2,565 | 5,825 |
| Other comprehensive loss: | | | | | | | | |
| Fair value loss on financial assets | - | - | - | - | (1,263) | (1,263) | (140) | (1,403) |
| Foreign currency translation differences | - | - | - | 782 | - | 782 | (132) | 650 |
| Total comprehensive income/(loss) for the financial period | - | - | 3,260 | 782 | (1,263) | 2,779 | 2,293 | 5,072 |
| Contributions by and distributions to owners of the parent | | | | | | | | |
| Exercise of share awards | 1,540 | (1,540) | - | - | - | - | - | - |
| Grant of share awards | - | 2,191 | - | - | - | 2,191 | - | 2,191 |
| Total transactions with owners of the parent | 1,540 | 651 | - | - | - | 2,191 | - | 2,191 |
| Transactions with non-controlling interests | | | | | | | | |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | (1,744) | (1,744) |
| Subscription of shares of a subsidiary | - | - | - | - | - | - | (2,266) | (2,266) |
| Total transactions with non-controlling interests | - | - | - | - | - | - | (4,010) | (4,010) |
| Balance as at 31 December 2018 | 84,132 | 3,294 | 25,705 | 3,637 | (1,295) | 115,473 | 552 | 116,025 |

| (Audited) | Share capital | Share-based reserve | Retained earnings | Currency translation reserve | Fair value reserve | Equity attributable to owners of the parent | Non-controlling interests | Total equity |
|---|----------------------|----------------------------|--------------------------|-------------------------------------|---------------------------|--|----------------------------------|---------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 January 2017 | 68,685 | 1,707 | 17,571 | 7,632 | - | 95,595 | 1,251 | 96,846 |
| Profit for the financial year | - | - | 5,665 | - | - | 5,665 | 1,256 | 6,921 |
| Other comprehensive income: | | | | | | | | |
| Fair value loss on available-for-sale financial assets | - | - | - | - | (30) | (30) | (2) | (32) |
| Actuarial loss on defined pension benefit scheme | - | - | - | - | (2) | (2) | - | (2) |
| Foreign currency translation differences | - | - | - | (4,777) | - | (4,777) | (49) | (4,826) |
| Total comprehensive income for the financial year | - | - | 5,665 | (4,777) | (32) | 856 | 1,205 | 2,061 |
| Contributions by and distributions to owners of the parent | | | | | | | | |
| Exercise of share awards | 1,449 | (1,449) | - | - | - | - | - | - |
| Issuance of ordinary shares | 12,458 | - | - | - | - | 12,458 | - | 12,458 |
| Grant of share awards | - | 2,385 | - | - | - | 2,385 | - | 2,385 |
| Total transactions with owners of the parent | 13,907 | 936 | - | - | - | 14,843 | - | 14,843 |
| Transactions with non-controlling interests | | | | | | | | |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | (457) | (457) |
| Subscription of shares of a subsidiary | - | - | - | - | - | - | 270 | 270 |
| Total transactions with non-controlling interests | - | - | - | - | - | - | (187) | (187) |
| Balance as at 31 December 2017 | 82,592 | 2,643 | 23,236 | 2,855 | (32) | 111,294 | 2,269 | 113,563 |

Statement of Changes in Equity

Company

| (Unaudited) | Share capital | Share-based reserve | Retained earnings | Currency translation reserve | Total equity |
|---|------------------|------------------------|----------------------|------------------------------------|-----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 January 2018 | 82,592 | 2,643 | 1,374 | 9,778 | 96,387 |
| Adoption of IFRS 9 | - | - | (221) | - | (221) |
| | 82,592 | 2,643 | 1,153 | 9,778 | 96,166 |
| Profit for the financial year | - | - | 2,338 | - | 2,338 |
| Other comprehensive loss: Foreign currency translation differences | - | - | - | 130 | 130 |
| Total comprehensive income for the financial year | - | - | 2,338 | 130 | 2,468 |
| Contributions by and distributions to owners of the parent | | | | | |
| Exercise of share awards | 1,540 | (1,220) | - | - | 320 |
| Grant of share awards | - | 1,871 | - | - | 1,871 |
| Total transactions with owners of the parent | 1,540 | 651 | - | - | 2,191 |
| Balance as at 31 December 2018 | 84,132 | 3,294 | 3,491 | 9,908 | 100,825 |

| (Audited) | Share capital | Share-based reserve | Retained earnings | Currency translation reserve | Total equity |
|---|----------------------|----------------------------|--------------------------|-------------------------------------|---------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 January 2017 | 68,685 | 1,707 | 367 | 11,432 | 82,191 |
| Profit for the financial year | - | - | 1,007 | - | 1,007 |
| Other comprehensive income: | | | | | |
| Foreign currency translation differences | - | - | - | (1,654) | (1,654) |
| Total comprehensive income/(loss) for the financial year | - | - | 1,007 | (1,654) | (647) |
| Contributions by and distributions to owners of the parent | | | | | |
| Exercise of share awards | 1,449 | (1,449) | - | - | - |
| Issuance of ordinary shares | 12,458 | - | - | - | 12,458 |
| Grant of share awards | - | 2,385 | - | - | 2,385 |
| Total transactions with owners of the parent | 13,907 | 936 | - | - | 14,843 |
| Balance as at 31 December 2017 | 82,592 | 2,643 | 1,374 | 9,778 | 96,387 |

1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Shares Capital – Ordinary Shares

There were no changes in the issued share capital of the Company since 30 September 2018 and up to 31 December 2018.

There were 3,500,000 outstanding options (31 December 2017: 3,500,000 options) and 5,391,703 share awards granted but unvested under the PSP as at 31 December 2018 (31 December 2017: 4,223,344).

Save for the above, the Company did not have any convertibles or treasury shares as at 31 December 2018 and 31 December 2017.

The Company did not have any subsidiary holdings as at 31 December 2018 and 31 December 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

| | As at 31 December 2018 | As at 31 December 2017 |
|-------------------------------|------------------------|------------------------|
| Total number of issued shares | 301,569,463 | 299,417,440 |

The Company did not have any treasury shares as at 31 December 2018 and 31 December 2017.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group's financial statements for the financial year ended 31 December 2018 was prepared in accordance with the International Financial Reporting Standards ("IFRSs"). The Group has performed a detailed analysis of the transition options and other requirements of IFRSs and has determined that there are no changes to the Group's current accounting policies under the IFRSs or material adjustments on the initial transition to the new framework.

Other than the adoption of the new IFRSs, amendments and interpretations of IFRSs which took effect from the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting year as compared to the most recent audited financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Please refer to paragraph 4 above.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

| Earnings per share ("EPS") | Group | |
|---|------------------------------------|----------------------------------|
| | Full Year Ended | |
| | 31 December 2018 (Unaudited) | 31 December 2017 (Audited) |
| Profit attributable to owners of the parent (RM'000) | 3,260 | 5,665 |
| Weighted average number of ordinary shares in issue (in thousands) | 300,941 ⁽¹⁾ | 294,705 ⁽²⁾ |
| Basic EPS (RM cents) | 1.08 | 1.92 |
| Weighted average number of ordinary shares in issue on fully diluted basis (in thousands) | 305,688 ⁽³⁾ | 298,841 ⁽⁴⁾ |
| Fully diluted EPS (RM cents) | 1.07 | 1.90 |

Note:-

- (1) Adjusted for 2,152,023 ordinary shares allotted and issued pursuant to the vesting of share awards under the PSP.
- 811,656 shares on 21 March 2018
 - 799,985 shares on 23 April 2018
 - 540,382 shares on 21 May 2018
- (2) Adjusted for 1,663,377 ordinary shares allotted and issued pursuant to the vesting of share awards under the PSP as follows:
- 851,656 shares on 21 March 2017
 - 439,989 shares on 21 April 2017
 - 161,717 shares on 14 August 2017
 - 210,015 shares on 11 September 2017
- and; subscription of 15,000,000 placement shares.
- (3) Adjusted for 8,891,703 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options and vesting of 5,391,703 outstanding share awards for the full year ended 31 December 2018.
- (4) Adjusted for 7,723,344 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options and vesting of 4,223,344 outstanding share awards for the full year ended 31 December 2017 and subscription of 15,000,000 placement shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the
 (a) Current period reported on; and
 (b) Immediately preceding financial year

| Net asset value ("NAV") | Group | | Company | |
|--|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | 31 December 2018 (Unaudited) | 31 December 2017 (Audited) | 31 December 2018 (Unaudited) | 31 December 2017 (Audited) |
| NAV (RM'000) | 115,473 | 111,294 | 100,825 | 96,387 |
| Number of ordinary shares in issue (in thousands) | 301,569 | 299,417 | 301,569 | 299,417 |
| NAV per ordinary share (RM cents) | 38.29 | 37.17 | 33.43 | 32.19 |

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Consolidated Statement of Comprehensive Income

Review for the performance of the Group for the full year ended 31 December 2018 ("FY2018") as compared to the full year ended 31 December 2017 ("FY2017").

Revenue

The Group's revenue breakdown for each business segment was as follows:

| | FY2018 (RM million) | FY2017 (RM million) | % change |
|---|--------------------------------|--------------------------------|-----------------|
| Advisory and Transactional Services (" ATS ") | 69.2 | 58.0 | 19.3 |
| Management and Support Services Business & Licensing Services ((" MSSL ") | 20.9 | 23.9 | (12.6) |
| Total | 90.1 | 81.9 | 10.0 |

The increase in the Group's revenue was due to the higher revenue from ATS segments.

Higher revenue from ATS was due to the additional revenue contributions from advisory service on corporate finance under ZICO Capital Pte. Ltd. ("ZICAP"), ZICO Capital Sdn. Bhd. ("ZICAPMY"), trust business under ZICO Trust (S) Ltd. ("ZAT"), asset management business under ZICO Asset Management Pte. Ltd. ("ZAM") in Singapore and additional revenue contributions from the acquisition of legal business, ZICOLaw Thailand Limited ("ZTL").

The decrease in revenue from MSSL was mainly due to a change in invoicing arrangements.

Other items of income

Interest income

The interest income increased by RM1.1 million due to interest income charged on long outstanding trade debtor balances in FY2018.

Other income

Other income decreased by RM0.3 million mainly due to gain on re-measurement of fair value on retained interest in associate and gain on loss of control of a subsidiary incurred in FY2017.

Items of expense

Amortisation and depreciation expenses

Amortisation and depreciation expenses increased by RM0.6 million mainly due to higher amortisation charge on the installation of additional computer software.

Employee benefits expense

The Company has expanded and augmented its management team and business since its listing on the Catalist of the SGX-ST in preparation for future growth. Employee benefits expense increased by RM6.6 million mainly due to the increase in headcount in ATS which was mainly attributable to (i) acquisition of new business, ZTL in 3Q2018; (ii) expansion of new businesses, i.e. ZICAPMY which commenced operations in September 2017 and (iii) additional headcount by ZAT in 3Q2018 due to expansion of business.

Operating lease expenses

Operating lease expenses decreased by RM0.3 million mainly due to the reduction of office space in Indonesia.

Retainer fees and consultancy fees

Retainer fees and consultancy fees had increased by RM0.1 million.

Loss allowance on trade and other receivables

The loss allowance on trade and other receivables of RM2.2 million was mainly due to the adoption of a new accounting standard.

Other expenses

Other expenses increased by RM0.5 million mainly due to IT software maintenance expenses incurred by MSSL; higher reimbursable expenses incurred by Finova Singapore Pte. Ltd. (“FINOVA”); and registration and processing fee incurred by ZICAP.

Finance Costs

Finance costs increased by RM0.8 million mainly due to the interests incurred from the bank overdraft and revolving credit facilities taken up by the Group for its business expansion.

Share of associates results

Share of associate results is higher by RM18,000 mainly due to higher income generated by the associate.

Share of joint venture results

Share of joint venture results is higher by RM1.5 million due to an investment in a joint venture in the year.

Profit before income tax

Profit before income tax was higher by RM0.2 million mainly due to higher revenue generated by the Group as indicated above.

Income tax expense

Income tax expense increased by RM1.3 million in FY2018 mainly due to higher income tax expenses arising from the subsidiaries with higher profit before income tax.

Fair value loss on financial assets

The fair value loss on financial assets was due to the fair value adjustment resulting from the revaluation of available-for-sale investments.

Foreign currency translation difference

The foreign currency translation difference was mainly due to the fluctuation of foreign currency from US Dollars and Singapore Dollars to Ringgit Malaysia.

Profit for the financial year

Profit for the financial year was lower by RM1.1 million mainly due higher income tax as indicated above and set-off with the higher revenue generated by the Group.

Consolidated Statement of Financial Position

The comparative performance for both the assets and liabilities are based on the financial statements as at 31 December 2018 and 31 December 2017.

Non-current assets

Plant and equipment decreased by RM84,000 mainly due to (i) depreciation charge for the current financial period, (ii) translation of plant and equipment at different closing rate as compared to 31 December 2017, partially offset by (iii) plant and equipment arising from the acquisition of ZTL.

Intangible assets increased by RM2.9 million mainly due to (i) goodwill arising from the acquisition of ZTL and (ii) the additions of computer software for MSSL (iii) translation of goodwill and identifiable assets arising from the acquisition of B.A.C.S., FINOVA, as well as the corporate secretarial portfolio under ZICO-Stamford Corporate Services Pte. Ltd. at a different closing rate as compared to 31 December 2017 and partially offset by (iv) amortisation of the computer software and identifiable assets for the current financial year.

Investment in associates increased by RM4,000 mainly due to the share of the associate's profit offset by the dividend income received in FY2018.

An investment in joint venture arose from the new joint venture during the current financial year.

Investments increased by RM1.9 million mainly due to the new investment in shares and fair value adjustments of shares held by ZICAP.

Deferred tax assets increased by RM0.9 million mainly due to recognition of deferred tax assets for the unutilised tax losses of certain subsidiaries.

The non-current trade and other receivables decreased by RM10.5 million mainly due to payment received from the debtors partially offset by the reclassification from current to non-current assets.

Current assets

Current trade and other receivables increased by RM21.9 million mainly due to the additional billings recognized at the end of December 2018 by ATS and partially set off with loss allowance on trade debts provided by ATS segment.

Prepayments decreased by RM0.3 million mainly due to amortisation of consultancy fee incurred by MSSL.

Current income tax recoverable decreased by RM0.4 million mainly due to the higher tax expense incurred for its Malaysia subsidiaries as compared to the actual tax installment paid to the Malaysia tax authorities.

Cash and cash equivalents decreased by RM4.4 million mainly due to cash being utilised for operations.

Other current assets (comprising clients' monies held in trust and fixed deposit with maturity of more than 90 days) increased by RM1.9 million mainly due to the receipt of additional clients' monies held in trust towards end of December 2018.

Non-current liabilities

The increase in non-current interest-bearing liabilities by RM1.8 million was mainly due to the additional drawdown of term loan facilities.

The increase in provisions by RM20,000 was mainly due to the additional provision for reinstatement costs as compared to 31 December 2017.

The increase in deferred tax liabilities by RM59,000 was mainly due to additional deferred tax liabilities recognized for additional assets acquired.

Current liabilities

Trade and other payables increased by RM7.8 million mainly due to the addition of other payables arising from the acquisition of ZTL, payables for additional computer software incurred by MSSL and additional clients' monies held in trust towards end of December 2018.

Current interest-bearing liabilities increased by RM11.8 million mainly due to the utilisation of bank overdraft facilities and additional drawdown of revolving credit facility, the translation of term loan and revolving credit at a different closing rate as compared to 31 December 2017 and offset by repayment for the term loan facilities and the finance lease payables.

Contracted liabilities increased by RM0.3 million mainly due to increased billings to the clients under the corporate secretarial and trust business and offset with the translation of deferred revenue at a different closing rate as compared to 31 December 2017.

The provision for leave benefits decreased by RM41,000 mainly due to the reversal of provision as compared to 31 December 2017.

The increase in current income tax payable by RM0.5 million was mainly due to the provision of tax on profits generated being higher as compared to tax installment payments.

Consolidated Statement of Cash Flow

The net cash generated from operating activities of RM4.0 million in FY2018 was mainly due to the profit before income tax of RM8.5 million partially offset by (i) increase in trade and other receivables as a result of billings to debtors and (ii) increase in trade and other payables towards end of December 2018.

Net cash used in investing activities of RM17.5 million in FY2018 was mainly due to net cash utilised for the acquisition of a new investment in a joint venture and advances to associate.

Net cash generated from financing activities of RM2.8 million in FY2018 was mainly due to additional drawdown of revolving credit facility for working capital purposes and partially offset by repayment of term loan facilities and interest paid.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Our FY2018 performance underscores our continuing efforts to deepen our presence in the ASEAN region while adding complementary and synergistic competencies in our quest to become the Go-To ASEAN Professional Services Firm.

ZICAP expects to complete a third IPO on the Catalist Board of the Singapore Exchange in FY2019.

ZICO continues to attract specialist professional services players who are drawn to our footprint and to the potential to scale up adjacent competencies across 10 countries. To further strengthen our suite of services across ASEAN, the Group, its subsidiaries and its associated companies will continue to explore strategic alliances, collaborations, and partnerships.

11. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been declared or recommended for the current financial period reported on.

(b)(i) Amount per share (cents)
(Optional) Rate (%)

Not applicable.

(b)(ii) Previous corresponding period (cents)
(Optional) Rate (%)

Not applicable. No dividend has been declared or recommended for the previous corresponding period.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

- (d) The date the dividend is payable.

Not applicable.

- (e) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for FY2018 in view of the current phase of growth and the need to consolidate cash resources for business purposes.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate for recurrent interested person transactions. There were no interested person transactions of S\$100,000 and above in FY2018.

14. Use of IPO proceeds

As announced on 13 August 2018, the proceeds from IPO have been fully utilised.

15. Use of Placement proceeds

As announced on 13 August 2018, the proceeds from Placement have been fully utilised.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

17. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

| Business Segment | Advisory and transactional services RM'000 | Management and support services business & licensing services RM'000 | Elimination RM'000 | Total RM'000 |
|---|---|---|-------------------------------|-------------------------|
| FY2018 | | | | |
| Revenue | | | | |
| External revenue | 69,148 | 20,944 | - | 90,092 |
| Inter-segment revenue | 1,749 | 6,703 | (8,452) | - |
| | <u>70,897</u> | <u>27,647</u> | <u>(8,452)</u> | <u>90,092</u> |
| Results | | | | |
| Segment profit | 15,498 | 2,044 | - | 17,542 |
| Interest income | 231 | 1,547 | - | 1,778 |
| Finance costs | (355) | (261) | - | (616) |
| | <u>15,374</u> | <u>3,330</u> | <u>-</u> | <u>18,704</u> |
| Unallocated expenses | | | | (11,705) |
| Share of results of associates, net of tax | | | | 33 |
| Share of results of joint venture, net of tax | | | | <u>1,500</u> |
| Profit before income tax | | | | 8,532 |
| Income tax expenses | | | | <u>(2,707)</u> |
| Profit for the financial year | | | | <u>5,825</u> |

| Business Segment | Advisory and transactional services RM'000 | Management and support services business & licensing services RM'000 | Total RM'000 |
|---|---|---|-------------------------|
| Non-cash items | | | |
| Loss allowance on trade and other receivables | 2,102 | 110 | 2,212 |
| Amortisation of intangible assets | 982 | 2,342 | 3,324 |
| Bad trade and other receivables written off | 319 | - | 319 |
| Depreciation of plant and equipment | 846 | 397 | 1,243 |
| Loss on disposal of plant and equipment | 134 | - | 134 |
| Plant and equipment written off | 4 | - | 4 |
| Provisions | (18) | - | (18) |
| Share-based payment expenses | 659 | 162 | 821 |
| Unrealised foreign exchange (gain)/loss, net | (498) | 126 | (372) |
| Unallocated non-cash item | | | |
| Amortisation of intangible assets | - | - | 603 |
| Depreciation of plant and equipment | - | - | 47 |
| Intangible assets written off | - | - | 264 |
| Intangible assets written back | - | - | (49) |
| Share-based payment expenses | - | - | 1,370 |
| Unrealised foreign exchange gain, net | - | - | (227) |
| Capital expenditure | | | |
| Plant and equipment | 923 | - | 923 |
| Intangible assets | 343 | 2,997 | 3,340 |
| As at 31 December 2018 | | | |
| Assets and Liabilities | | | |
| Segment assets | 113,427 | 73,326 | 186,753 |
| -Current income tax recoverable | 698 | 121 | 819 |
| -Deferred tax assets | 2,550 | 2,095 | 4,645 |
| | <u>116,675</u> | <u>75,542</u> | <u>192,217</u> |
| Unallocated assets | | | <u>20,969</u> |
| | | | <u>213,186</u> |
| Segment liabilities | 34,962 | 7,495 | 42,457 |
| - Current income tax payable | 2,376 | 734 | 3,110 |
| - Deferred tax liabilities | 1,388 | 442 | 1,830 |
| | <u>38,726</u> | <u>8,671</u> | <u>47,397</u> |
| Unallocated liabilities | | | <u>49,764</u> |
| | | | <u>97,161</u> |

| Business Segment | Advisory and transactional services RM'000 | Management and support services business & licensing services RM'000 | Elimination RM'000 | Total RM'000 |
|---|---|---|-------------------------------|-------------------------|
| FY2017 | | | | |
| Revenue | | | | |
| External revenue | 57,980 | 23,895 | - | 81,875 |
| Inter-segment revenue | 2,187 | 6,296 | (8,483) | - |
| | <u>60,167</u> | <u>30,191</u> | <u>(8,483)</u> | <u>81,875</u> |
| Results | | | | |
| Segment profit | 17,567 | 1,555 | - | 19,122 |
| Interest income | 76 | 551 | - | 627 |
| Finance costs | (5) | - | - | (5) |
| | <u>17,638</u> | <u>2,106</u> | <u>-</u> | <u>19,744</u> |
| Unallocated expenses | | | | (11,452) |
| Share of results of associates, net of tax | | | | <u>15</u> |
| Profit before income tax | | | | 8,307 |
| Income tax expenses | | | | <u>(1,386)</u> |
| Profit for the financial year | | | | <u><u>6,921</u></u> |

| Business Segment | Advisory and transactional services RM'000 | Management and support services business & licensing services RM'000 | Total RM'000 |
|---|---|---|-------------------------|
| Non-cash items | | | |
| Loss allowance on trade and other receivables | 135 | - | 135 |
| Amortisation of intangible assets | 923 | 1,687 | 2,610 |
| Bad trade and other receivables written off | 134 | - | 134 |
| Depreciation of plant and equipment | 873 | 419 | 1,292 |
| Gain on disposal of plant and equipment | (1) | (17) | (18) |
| Plant and equipment written off | 57 | - | 57 |
| Provisions | 48 | - | 48 |
| Unrealised foreign exchange loss/(gain),net | 462 | (208) | 254 |
| Unallocated non-cash item | | | |
| Amortisation of intangible assets | - | - | 657 |
| Depreciation of plant and equipment | - | - | 53 |
| Gain on loss of control of a subsidiary | - | - | (847) |
| Gain on re-measurement of fair value on retained interest in associate | - | - | (212) |
| Intangible assets written off | - | - | 661 |
| Share-based payment expenses | - | - | 2,385 |
| Unrealised foreign exchange loss,net | - | - | 96 |
| Capital expenditure | | | |
| Plant and equipment | 718 | 1,063 | 1,781 |
| Intangible assets | 939 | 2,019 | 2,958 |
| As at 31 December 2017 | | | |
| Assets and Liabilities | | | |
| Segment assets | 112,777 | 55,847 | 168,624 |
| -Current income tax recoverable | 1,114 | 129 | 1,243 |
| -Deferred tax assets | 2,550 | 1,147 | 3,697 |
| | <u>116,441</u> | <u>57,123</u> | <u>173,564</u> |
| Unallocated assets | | | <u>14,949</u> |
| | | | <u>188,513</u> |
| Segment liabilities | 20,726 | 4,280 | 25,006 |
| - Current income tax payable | 805 | 1,836 | 2,641 |
| - Deferred tax liabilities | 1,471 | 300 | 1,771 |
| | <u>23,002</u> | <u>6,416</u> | <u>29,418</u> |
| Unallocated liabilities | | | <u>45,532</u> |
| | | | <u>74,950</u> |

| Geographical | Singapore | Malaysia | Thailand | Indonesia | China | Hong Kong | United States of America | Others | Elimination | Total |
|-----------------------|---------------|---------------|--------------|---------------|--------------|--------------|--------------------------|---------------|----------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| FY 2018 | | | | | | | | | | |
| External revenue | 31,384 | 26,763 | 2,620 | 10,337 | 1,212 | 3,886 | 687 | 13,203 | - | 90,092 |
| Inter-segment revenue | 5,324 | 1,708 | 576 | 25 | - | - | - | 819 | (8,452) | - |
| | <u>36,708</u> | <u>28,471</u> | <u>3,196</u> | <u>10,362</u> | <u>1,212</u> | <u>3,886</u> | <u>687</u> | <u>14,022</u> | <u>(8,452)</u> | <u>90,092</u> |
| Non-current assets | 66,842 | 17,866 | 3,444 | 845 | - | - | - | 2,971 | - | 91,968 |
| FY 2017 | | | | | | | | | | |
| External revenue | 26,655 | 24,653 | 3,147 | 7,475 | 567 | 5,459 | 416 | 13,503 | - | 81,875 |
| Inter-segment revenue | 5,175 | 2,338 | - | - | - | - | - | 970 | (8,483) | - |
| | <u>31,830</u> | <u>26,991</u> | <u>3,147</u> | <u>7,475</u> | <u>567</u> | <u>5,459</u> | <u>416</u> | <u>14,473</u> | <u>(8,483)</u> | <u>81,875</u> |
| Non-current assets | 56,361 | 17,314 | 2,128 | 3,473 | - | - | - | 6,726 | - | 86,002 |

- 18. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

As disclosed in paragraph 8 above.

- 19. A breakdown of sales as follows:**

| | Group | | |
|--|---------------------------------|-------------------------------|-------------------------------|
| | FY2018 (Unaudited) RM'000 | FY2017 (Audited) RM'000 | Increase / (Decrease) % |
| (a) Sales reported for first half year | 44,922 | 38,871 | 15.6 |
| (b) Profit after tax before deducting minority interests reported for first half year | 5,052 | 4,304 | 17.4 |
| (c) Sales reported for second half year | 45,170 | 43,004 | 5.0 |
| (d) Profit after tax before deducting minority interests reported for second half year | 773 | 2,617 | (70.5) |

- 20. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

No dividend has been declared or recommended for the current financial year reported in, as well as the previous financial year.

- 21. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10).

BY ORDER OF THE BOARD

Chew Seng Kok
Managing Director

1 March 2019

*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., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**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 Exchange assume 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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