ZICO

Integrated Provider Of Multidisciplinary Professional Services

FY2014 CORPORATE PRESENTATION

MARCH 2015

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Presentation Outline

1. Corporate Overview
2. Financial Highlights
3. Recent Corporate Developments
4. Prospects and Outlook
5. Growth Plans

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Corporate Overview

ZICO

Integrated Provider Of Multidisciplinary Professional Services

Integrated Network

An integrated network of professional service firms focused on the ASEAN region, providing advisory and transactional services, management and support services, and licensing services

Strong Relationship With ZICOlaw Network

Strong relationship with the ZICOlaw Network – offices in 15 cities across 8 countries in Southeast Asia

Able to serve clients across the ASEAN region

Leverage on goodwill and reputation of Zaid Ibrahim & Co.

The Lawyer Asia Pacific 150^ has ranked Zaid Ibrahim & Co as the largest law firm in Malaysia and one of the leading law firms in the ASEAN region

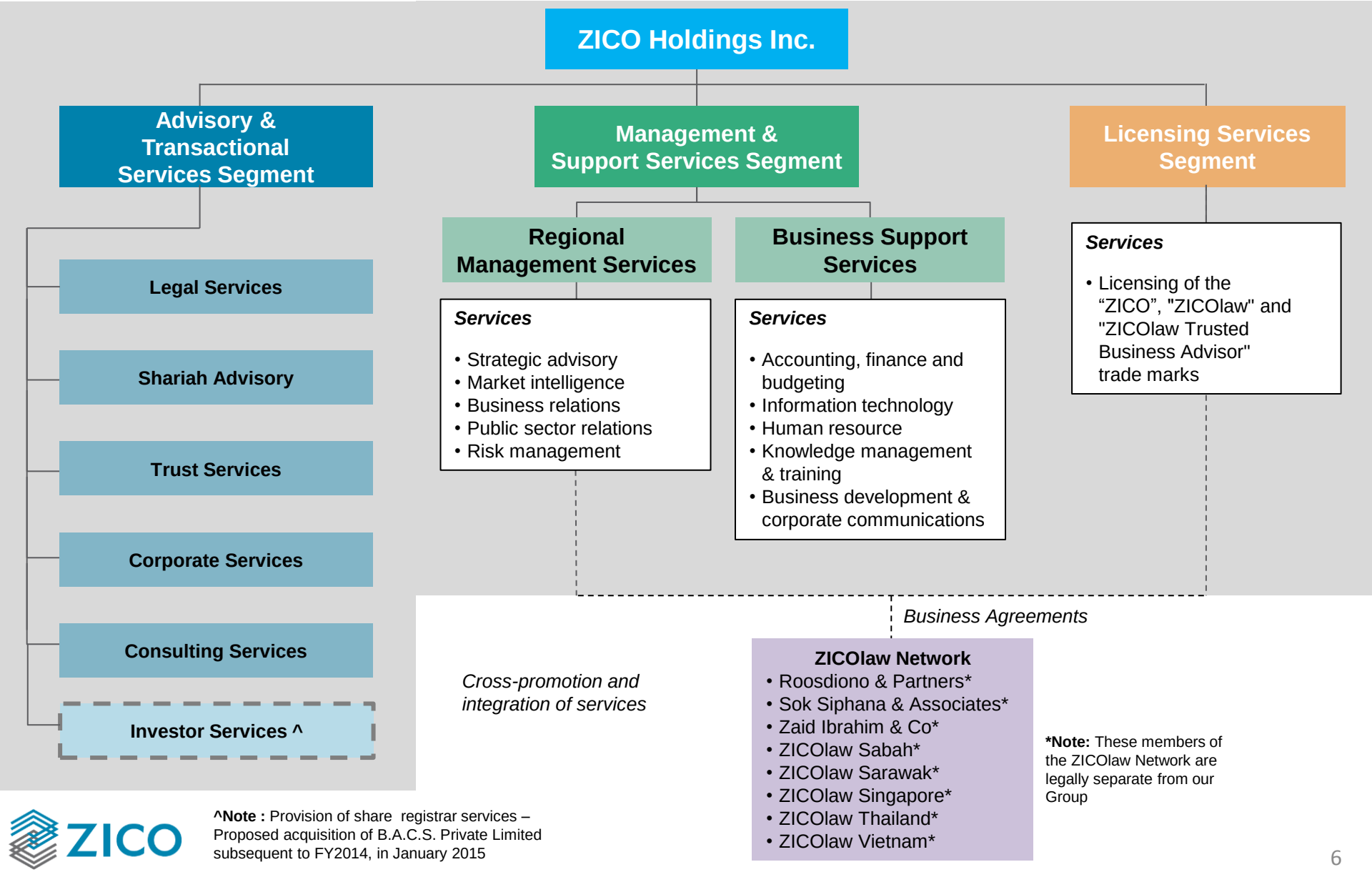
Wide Range Of Clients

Provides integrated solutions to a wide range of clients which includes governments and government-linked companies, law firms, private and public listed companies, multinational corporations and high net worth individuals

Note: *We provide legal services only to the extent permitted in the relevant jurisdictions. In other jurisdictions, we cooperate with and support independent and autonomous law firms who are members of the ZICOlaw Network, in compliance with local professional regulations*

^ This information was extracted from the The Lawyer Asia Pacific 150, at http://www.thelawyer.com/analysis/intelligence/asia-pacific-150/asia-pacific-top-100-independent-local-firms, which was accessed on 10 October 2014

Multidisciplinary Services

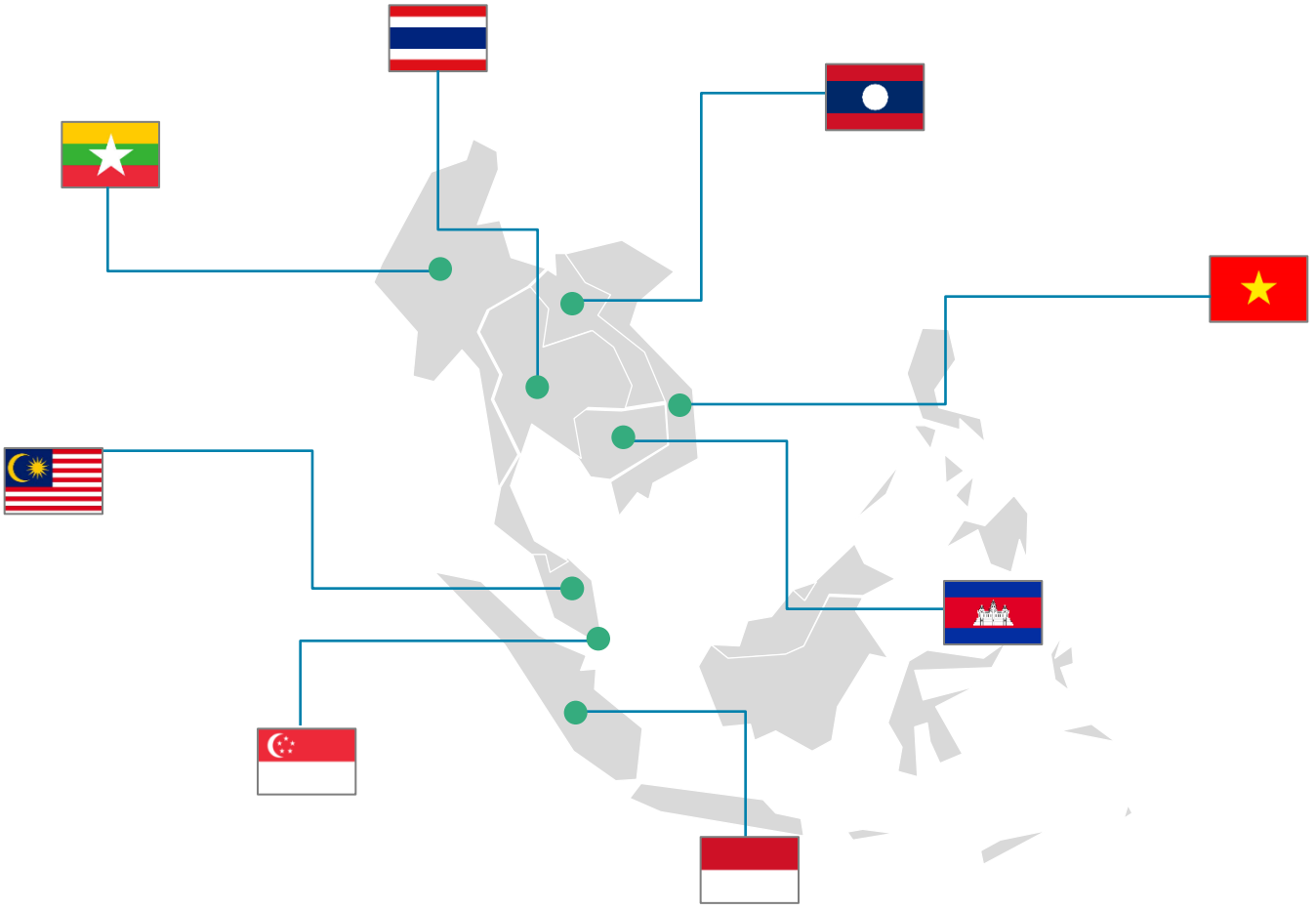


^Note : Provision of share registrar services – Proposed acquisition of B.A.C.S. Private Limited subsequent to FY2014, in January 2015

***Note:** These members of the ZICOlaw Network are legally separate from our Group

ASEAN Presence

- Augments existing regional presence with that of the ZICOlaw Network[1] to extend reach to 8 out of 10 ASEAN countries



[1] *Members of the ZICOlaw Network are legally separate from the Group (save for members in Myanmar and Lao PDR)*

Stock Information

Placement	Initial Public Offering of Ordinary Shares
Listing	▪ Catalist of the SGX-ST on 11 Nov 2014
Sponsor	▪ PrimePartners Corporate Finance Pte. Ltd.
Market Capitalisation	▪ S$120.2 million(1)
Share Price	▪ S$0.450(1) (closing price on 27 February 2015)
PE Ratio	▪ 30 times based on FY2014 EPS of 1.5 Singapore cents(2)
Number of outstanding shares	▪ 267.1 million
Public Float	▪ 42.1%(1)
Use of Proceeds	▪ Expansion of business operations including potential acquisitions ▪ Capital expenditure on information technology infrastructure ▪ General working capital

(1) Source: Bloomberg, 27 February 2015
(2) 4.0 sen based on an average exchange rate of S$1.00 to RM2.5826 from 1 Jan 2014 to 31 Dec 2014 (Source: Bloomberg)

Financial Highlights

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Financial Highlights – FY2014

FY2014

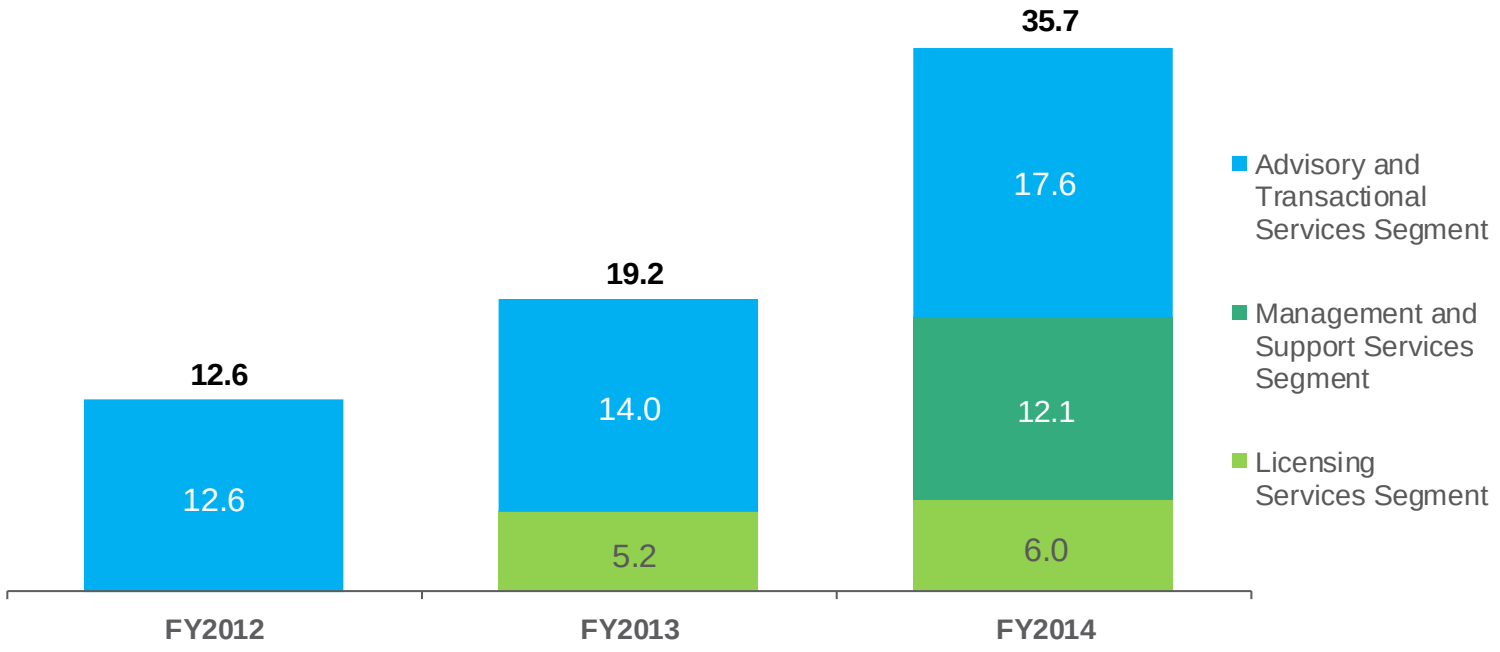
- Revenue grew to **RM35.7 million**
- Excluding one-off listing expenses of RM4.8 million, achieved **40.8%** rise in profit before tax to **RM18.3 million**
- Profit before tax (excluding one-off listing expenses) margin of **51.3%**

Net cash position of RM33.0 million

Financial Highlights – Revenue

Revenue

(RM 'million)



- **Advisory and Transactional Services business increased 25.4% in FY2014 vs FY2013**
- **Commencement of Management and Support Services business since January 2014**
- **Licensing Services business increased 15.5% in FY2014 vs FY2013**

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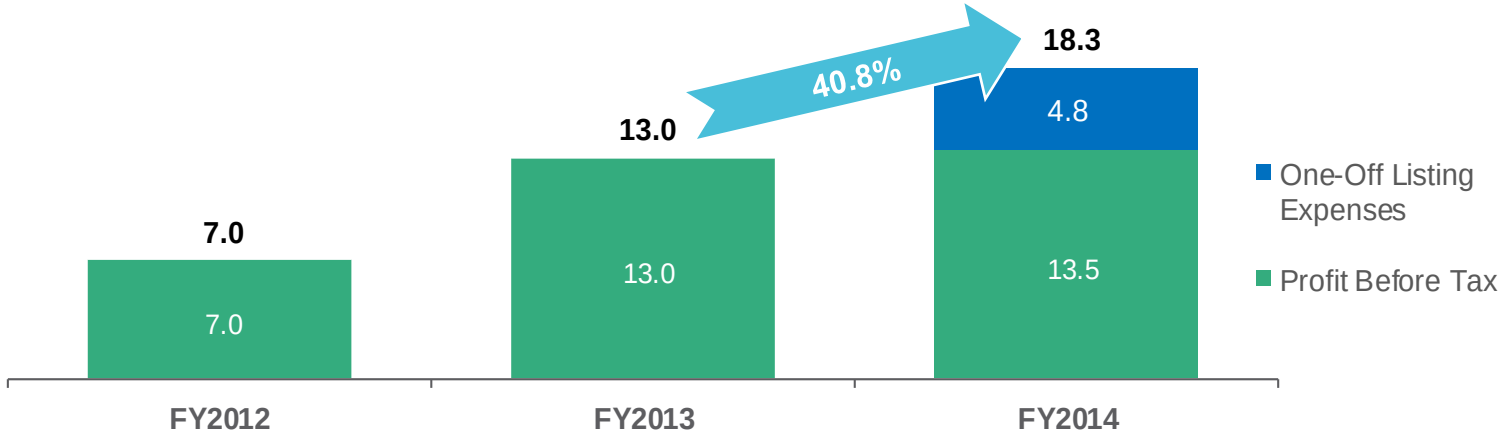
Financial Highlights – Profit Before Tax

Profit Before Tax

(RM 'million)



	FY2013	**FY2014**
Profit Before Tax Margin	68%	**38%**
Profit before tax, excluding one-off listing expenses	68%	**51%**

Profit before tax was impacted by one-off listing expenses. Excluding the expenses, profit before tax increased 40.8% in FY2014. Profit before tax margins were also impacted by increases in employee benefit expenses from commencement of Management and Support Services business, acquisition of ZICOlaw Myanmar and Vientiane Law and expansion of ZICO Allshores Trust.

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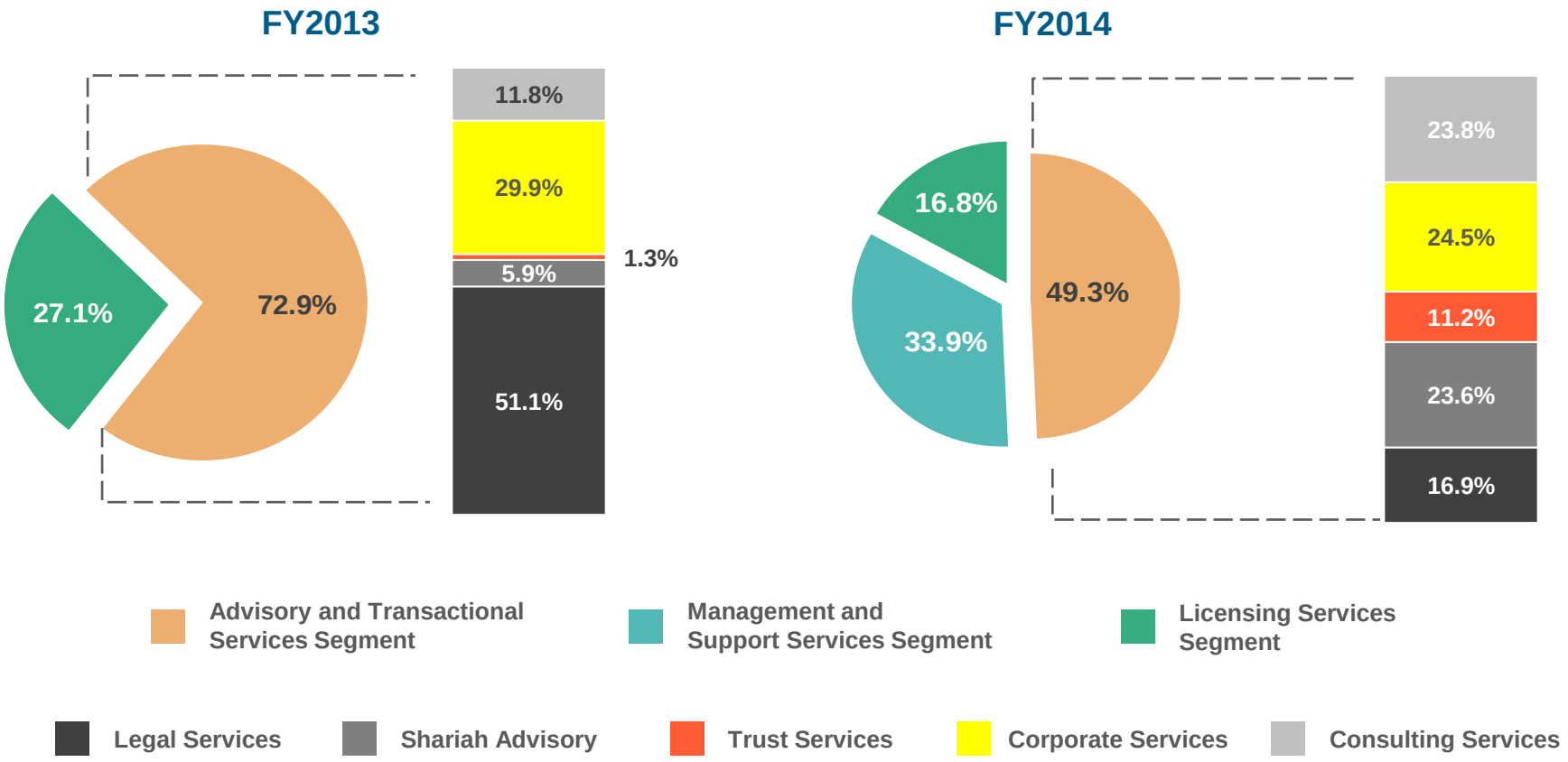
Financial Highlights – Business Segments

Breakdown of Revenue by Business Segments



Financial Highlights – Key Financial Indicators

Profitability Ratios	FY2014	FY2013
Earnings Per Share ("EPS") (sen)(1)	4.0	4.3
Return On Assets (%)	13.7 ^	35.1
Return On Equity (%)	18.4 ^	103.9
Financial Position		
Net Asset Value ("NAV") Per Share (sen)(2)	21.7	4.2
Cash and cash equivalent at end of period (RM' m)	34.4	4.0
Current Ratio	3.6	1.4
Net Gearing (%)	Net Cash	Net Cash
Cash Flow		
Net cash from operating activities (RM' m)	2.8	5.8

(1) The EPS has been computed based on profit attributable to owners of the parent on the existing total issued share capital of 267,078,000
(2) NAV per share has been computed based on the existing total issued share capital of 267,078,000

^ ROE and ROA decreased partly due to the larger equity and asset base from the placement of IPO proceeds in fixed deposits, amounting to RM28.4 million as at 31 December 2014

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Update On The Use Of IPO Proceeds

Use of IPO net proceeds	Amount allocated (S$ '000)	Amount Utilised (S$ '000)	Balance (S$ '000)
Expansion of business operations including potential acquisitions	8,000	-	8,000*
Capital expenditure on information technology infrastructure	1,000	-	1,000
General working capital	3,521	2,151(1)	1,370
Listing expenses	1,879	1,879	-
Total	**14,400**	**4,030**	**10,370**

(1) The amount of working capital was used for payment of salaries and wages

(*) The sum of approximately S$7.4 million has been committed for acquisitions which are subject to completion

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Recent Corporate Developments

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Recent Milestones

ZICO Corporate Services Pte. Ltd.

Established subsidiary in Singapore to provide corporate secretarial services

STAMFORD LAW.

Joint venture with Stamford Law Corporation in Singapore and acquisition of its corporate secretarial business

BACS

Proposed acquisition of B.A.C.S. Private Limited, a share registrar firm in Singapore

ZICO Regional IP Inc.

51% shareholding of newly incorporated investment holding company to provide intellectual property services

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Recent Corporate Development

STAMFORD LAW.

JV with Stamford Law Corporation ("Stamford Law") and proposed acquisition of its corporate secretarial files

Transaction Details

- Date of announcement: 13 January 2015
- JV 51% owned by ZICO, 49% owned by Stamford Law
- Cash consideration for acquisition: S$2.4 million

Rationale

- ZICO and Stamford Law, together, shall be in better position to provide seamless corporate secretarial services to existing and future clients
- Builds ZICO's portfolio of stable and recurring revenue streams
- Synergies from economies of scale such as potential lower overall operational expenses and streamlined work processes

Recent Corporate Development

BACS

Proposed acquisition of share registrar - B.A.C.S. Private Limited

Transaction Details

- Date of announcement: 27 January 2015
- Total consideration: S$8.6 million (58.3% by cash, 41.7% by allotment of new ZICO shares)

Rationale

- Provides enlarged base of stable recurring income
- Establishes highly complementary new service line – Investor Services, under Advisory and Transactional Services division
- Potential synergies in economies of scale and increased efficiency of resource utilisation

Prospects and Outlook

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Prospects and Outlook

Re-emergence of Multidisciplinary Practices (MDPs)

- Shifting trend towards multidisciplinary practices where lawyers partner with non-lawyers in a professional entity that provides legal as well as non-legal services

Liberalisation of legal services market and introduction of Alternative Business Structures (ABS)

- Legal services markets in a number of countries in Southeast Asia are in the process of being liberalised to allow the entry of foreign law firms
- Various jurisdictions, including the UK, Singapore, Hong Kong and Canada have allowed for, or are considering, the introduction of ABS

Promising economic outlook in Southeast Asia

- ASEAN economy projected to increase from about US$2 trillion in 2013 to more than US$3 trillion in 2019(1)
- GDP for the ASEAN region forecasted to increase by 5.2% in 2015 and 5.3% in 2016(2)
- Introduction of the ASEAN Economic Community in 2015 anticipated to accelerate domestic growth, regional trade and foreign investments

(1) *This information was extracted from the International Monetary Fund's Database on World Economic Outlook, April 2014, which was accessed on 10 October 2014.*
(2) *This information was extracted from the International Monetary Fund's Database on World Economic Outlook, January 2015, which was accessed on 27 February 2015.*

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Growth Plans

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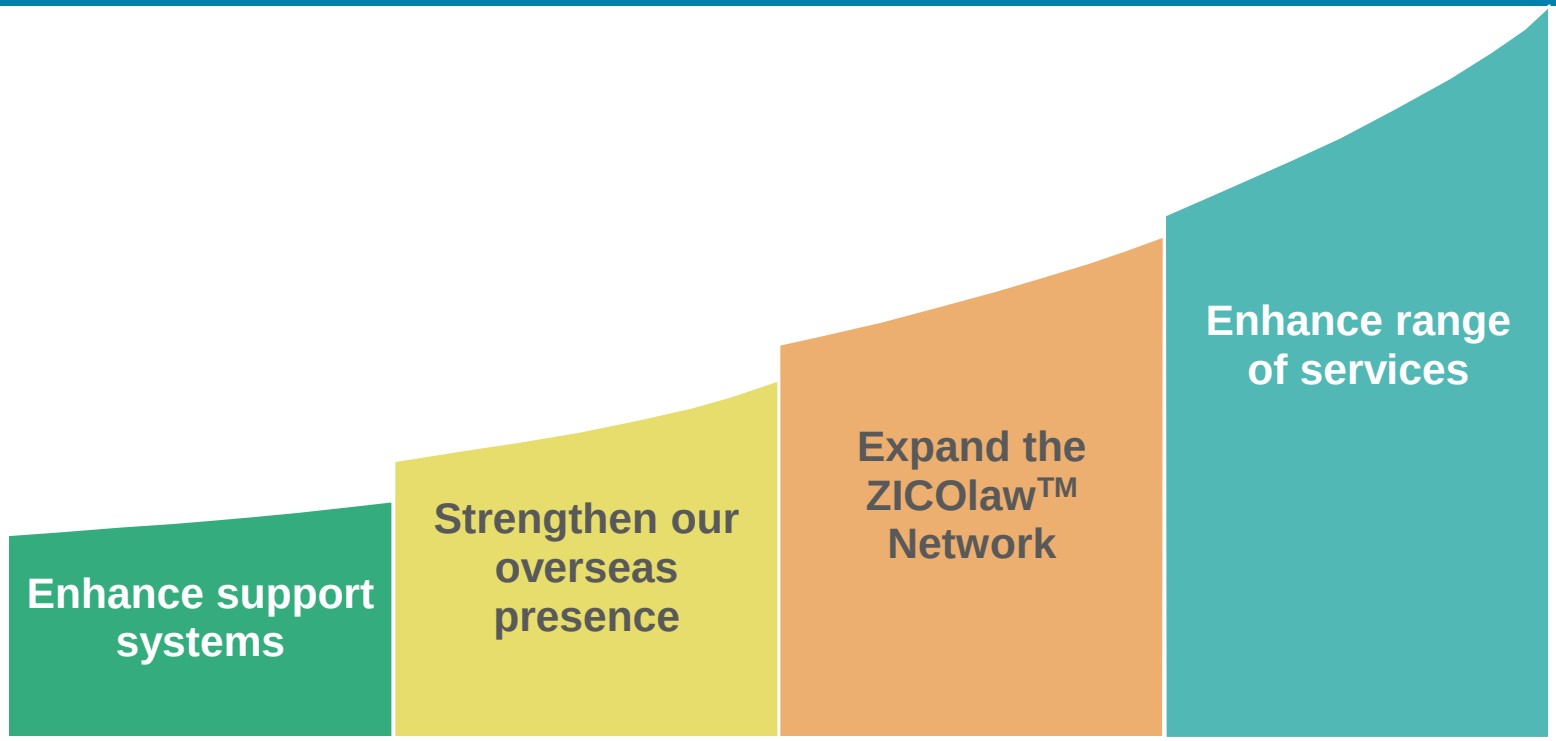
Growth Plans



- Enhance support infrastructure, including human resources, IT, marketing, and knowledge management

- Expand existing services to other geographical areas
- Capitalise on regional network and relationships with existing clients to rapidly achieve economies of scale and scope

- License “ZICOlaw” and "ZICOlaw Trusted Business Advisor" trademarks to suitable law firms
- Provide regional management and support services to such firms

- Attract wider range of clients by diversifying range of professional services through M&A, JVs, strategic alliances or start-ups
- Seek opportunities to build recurring income

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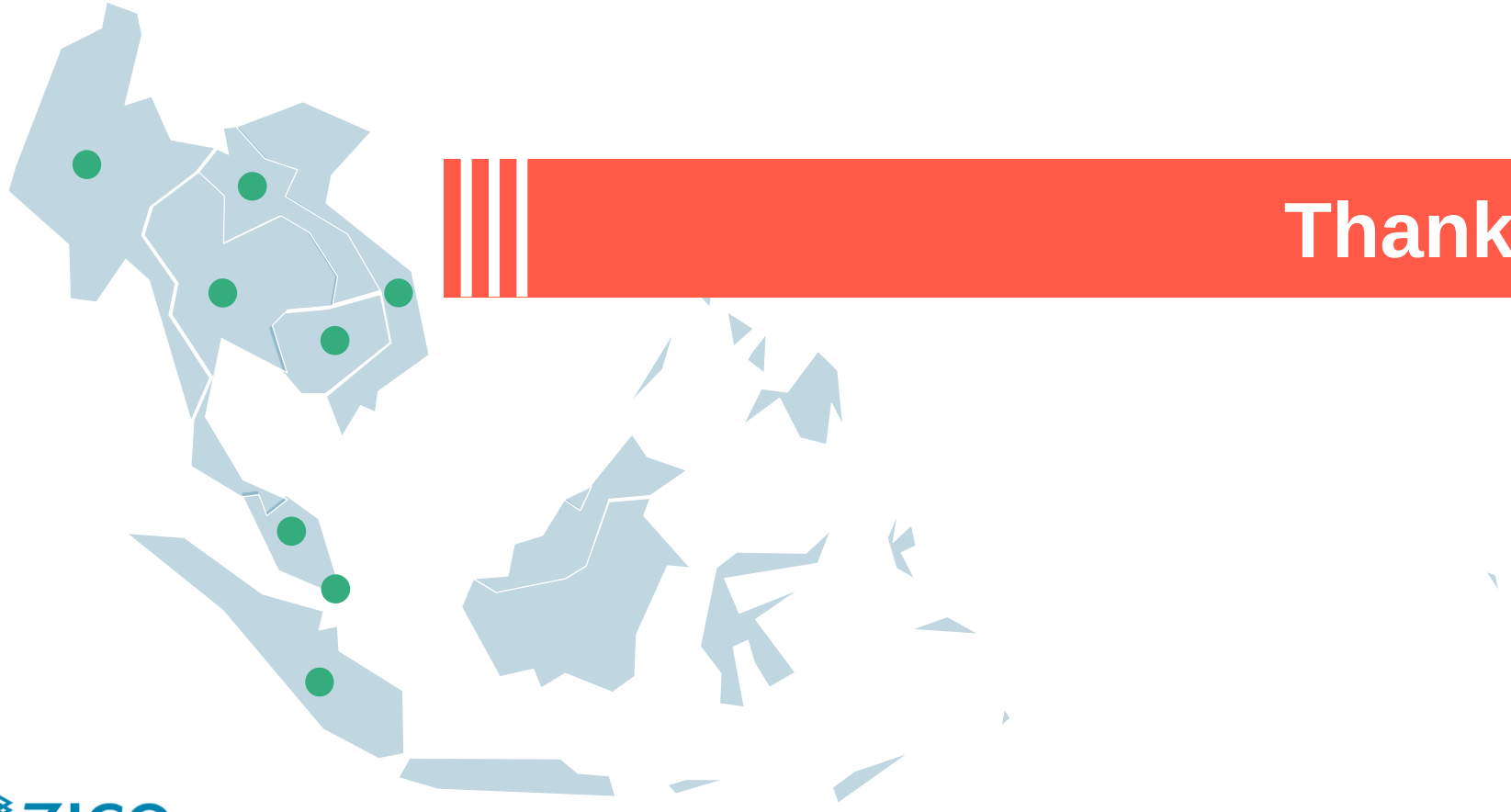

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Appendix

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Business & Operations

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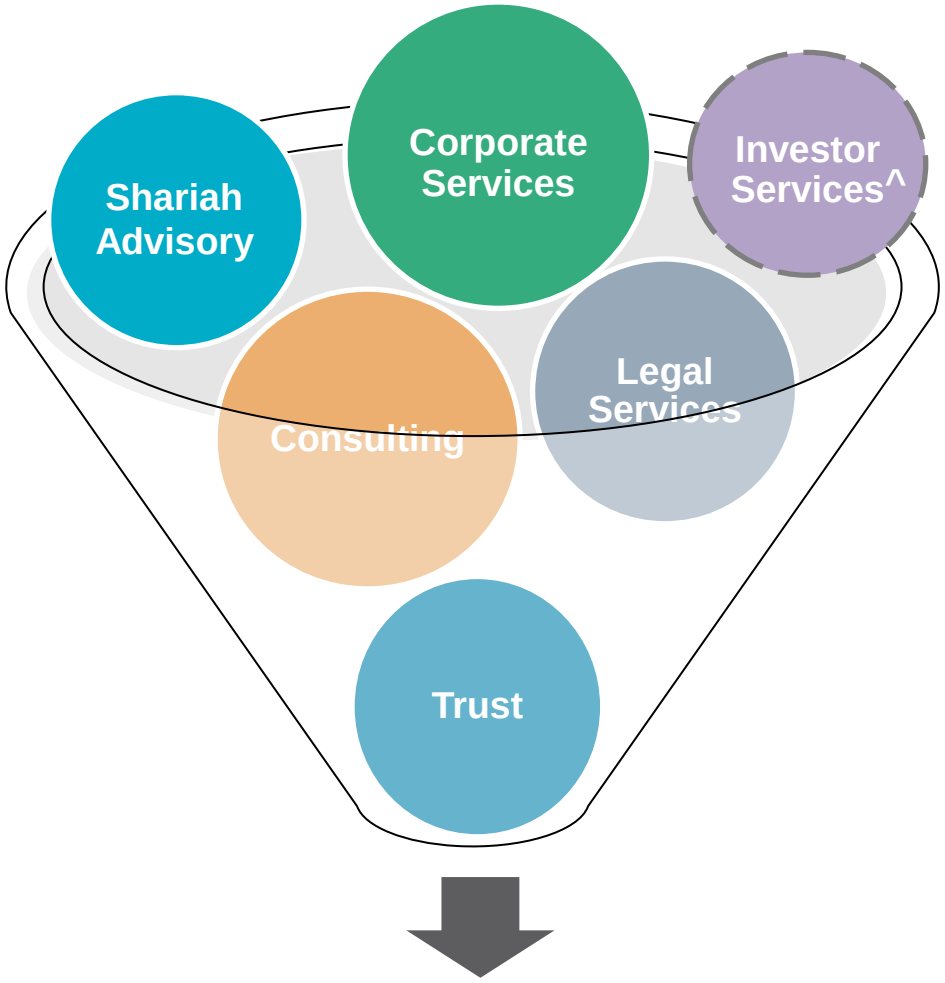
Advisory & Transactional Services



Advisory & Transactional Services

^Note : Provision of share registrar services – Proposed acquisition of B.A.C.S. Private Limited subsequent to FY2014, in January 2015

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Advisory & Transactional Services

Legal Services

- Our services include legal services to the extent permitted in the relevant jurisdictions:
  - Myanmar (ZICOlaw Myanmar Ltd.)
  - Lao PDR (Vientiane Law Co. Ltd.)
- Led by experienced local lawyers
- Work closely with members of the ZICOlaw Network

Shariah Advisory

- Licensed by the Securities Commission of Malaysia to advise on:
  - Sukuk issuances
  - Islamic funds
  - Other Islamic capital market products and instruments
- Led by a team of qualified advisors
- Approved by Central Bank of Malaysia as:
  - Shariah advisor
  - Provider of Shariah review and Shariah audit services

Trust

- Licensed by Labuan Financial Services Authority to carry out trust company business in Labuan IBFC (ZICO Trust Limited)
- Singapore - licensed by MAS under the Trust Companies Act to carry out business of providing Singapore trust services (Allshores Trust (Singapore) Pte. Ltd.)

Advisory & Transactional Services

Corporate Services

- Incorporation and corporate secretarial services in Malaysia (including Labuan) (ZICO Corporate Services Sdn. Bhd., ZICO Secretarial Services Sdn. Bhd., ZICO Secretarial Limited and ZICO Trust Limited)
- Formation of legal entities, corporate secretarial services, and application for immigration permits, work permits, business licenses and registration

Consulting

- Strategic advice on the identification and implementation of policy solutions in the ASEAN region (ASEAN Advisory Pte. Ltd.) with particular focus on:
  - Strategic communications
  - Law reform
  - Risk management

Investor Services ^

- Comprehensive suite of share registrar services for listed and non-listed companies
  - Maintaining registers of members and warrant holders
  - Allotting shares and processing bonus and rights issues
  - Shareholder and proxy registration
  - Poll voting and scrutineer services for company meetings
  - Managing correspondence with shareholders, SGX-ST and The Central Depository

^ ***Note***: *Proposed acquisition of B.A.C.S. Private Limited subsequent to FY2014, in January 2015*

Management & Support Services

Enables cost-efficiencies, collective strategic insights and advance support infrastructure

Regional Management

- Key services are:
  a) Strategic advisory
  b) Market intelligence
  c) Business relations
  d) Public sector relations
  e) Risk management

Business Support

- Centralised platform to provide support services to the ZICOlaw Network, the Group and when opportunities arise, to parties outside the ZICOlaw Network:
  a) Accounting, finance and budgeting
  b) Information technology
  c) Human resource
  d) Business development and corporate communication
  e) Knowledge management and training

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Licensing Services

Licensing Services

- Engage in the licensing of the “ZICO”, “ZICOlaw” and “ZICOlaw Trusted Business Advisor” trademarks to members of the ZICOlaw network and certain entities of the Group

ZICO

ZICOlaw

ZICOlaw
Trusted Business Advisor

Key Competitive Strengths

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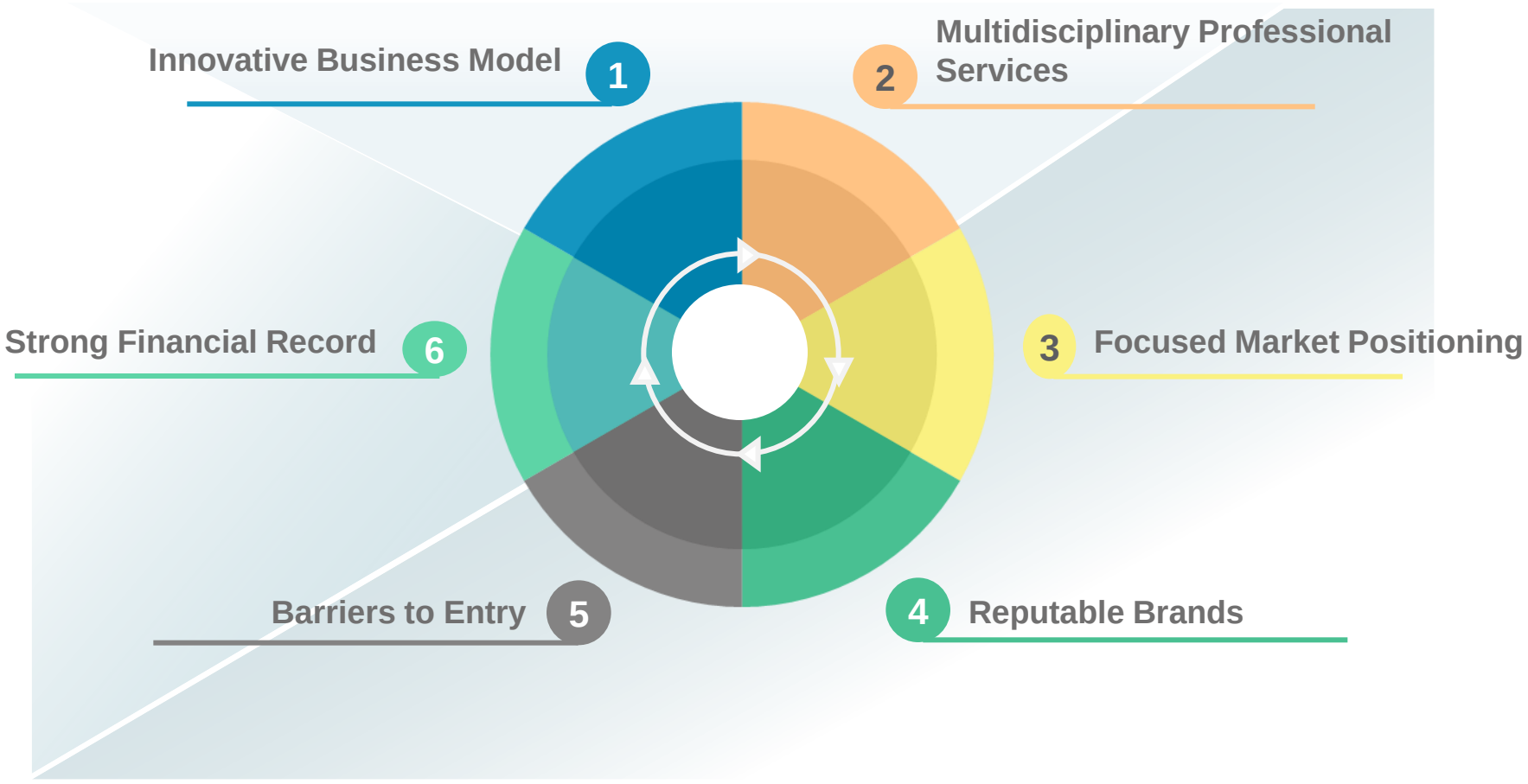
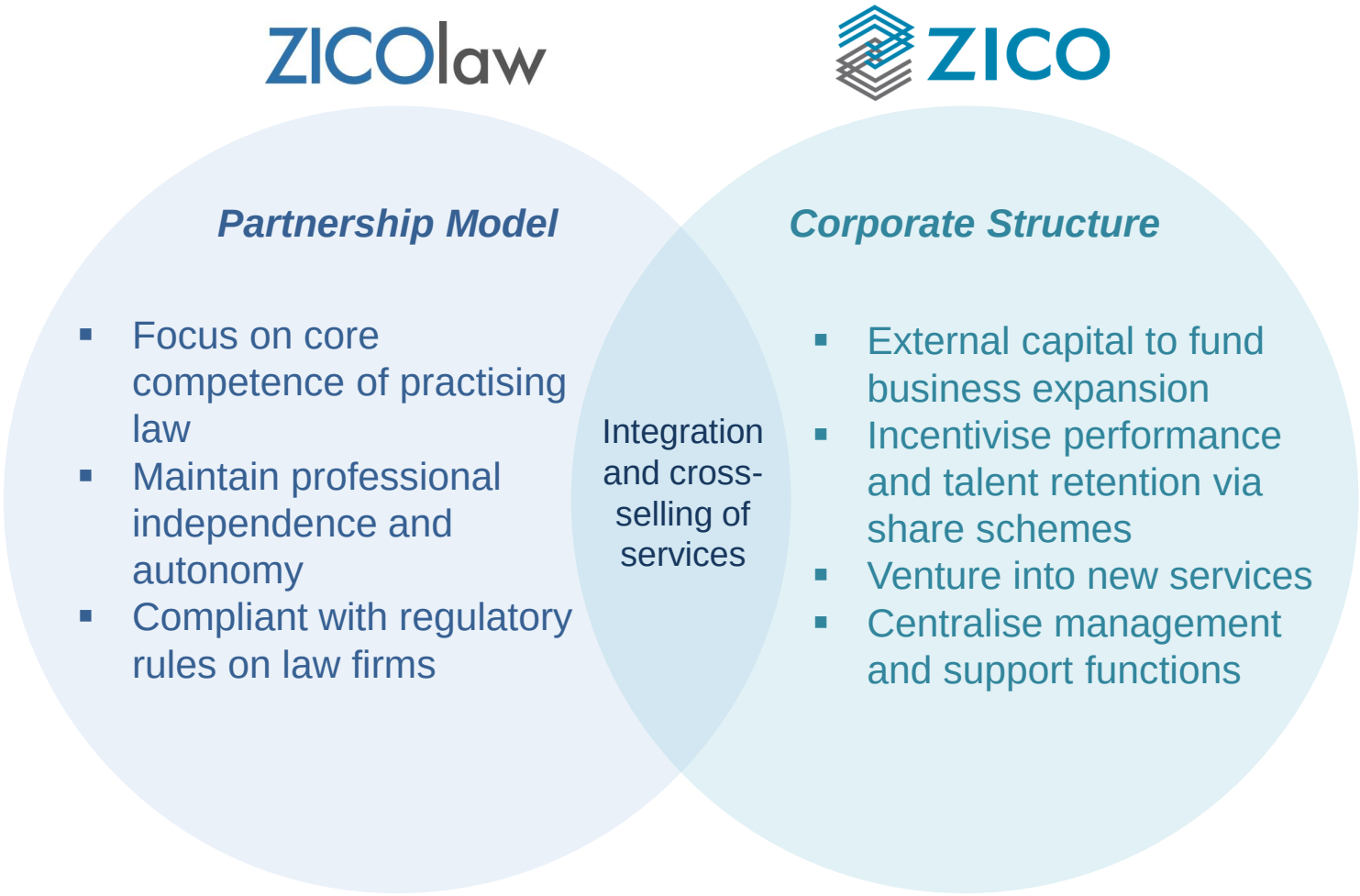
Key Competitive Strengths



Key Competitive Strengths

1 Innovative Business Model



2 Multidisciplinary Professional Services

- Ability to combine a range of professional services to provide customised integrated business solutions to clients
- Ability to cross-sell strengths in different sectors to wider pool of clients
- Reduces reliance on external third parties to provide cost-effective and timely solutions to clients

Key Competitive Strengths

Integrated Solutions	Shariah	Trust	Corporate Services	Consulting
Legal	• Compliance advisory • Islamic banking • Shariah-compliant financing structures • Islamic capital markets	• Trust Fund • Succession planning	• Training • Advisory and incorporation	• Law and policy reform • Legal/regulatory exemptions • Crisis response
Shariah		• Shariah-compliant trusts	• Shariah-compliant companies/foundations/ charities/family offices • Halal certifications	• Shariah policy consulting
Trust			• Labuan trustee • Charitable foundations with trust structure: tax exemption under s.44(6), Income Tax Act	• Advisory and offshore structures • Asset protection
Corporate Services				• Coalition building • Performance – driven organisational / restructuring • Regulatory approvals/ license applications

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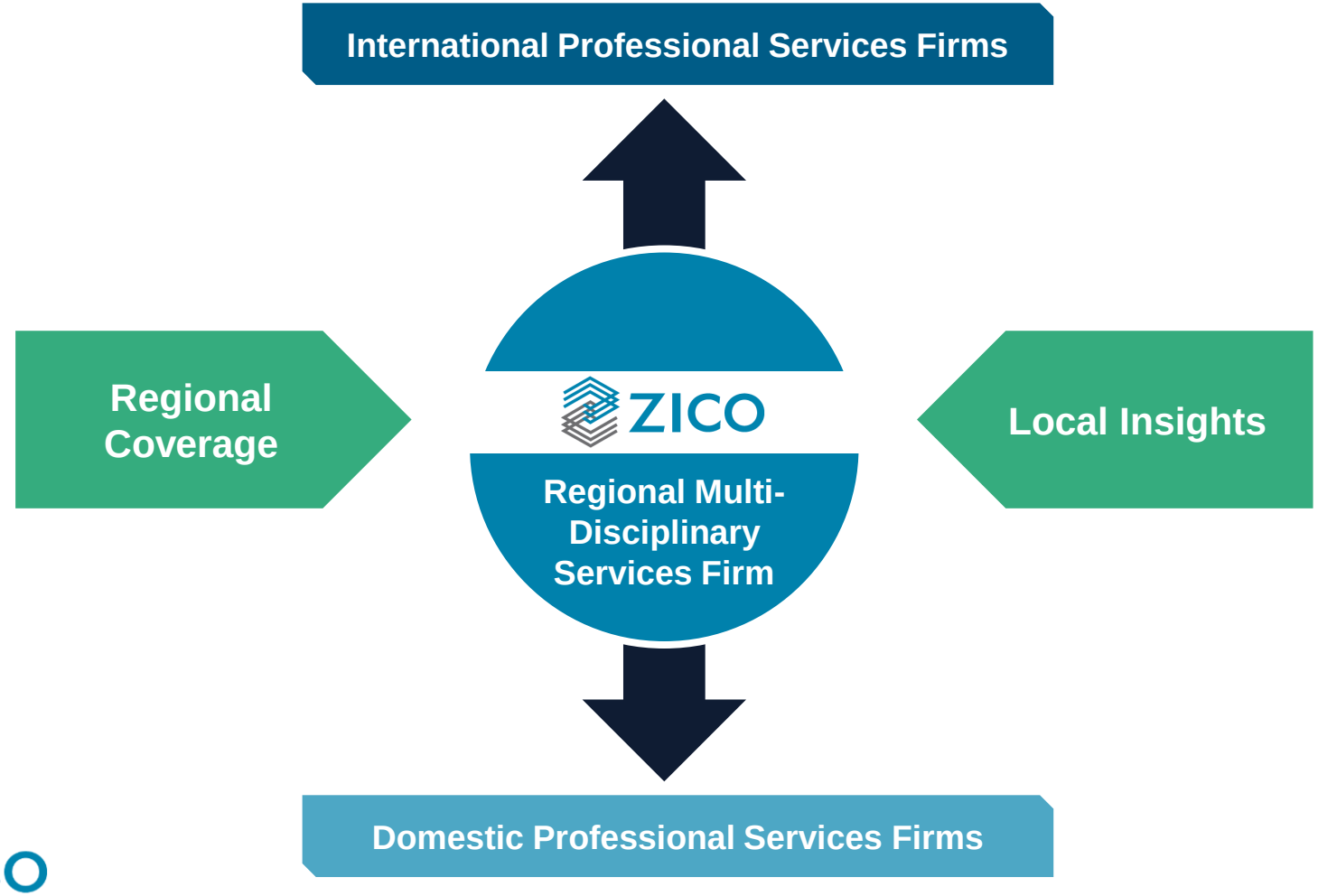
Key Competitive Strengths

3 Focused Market Positioning



Key Competitive Strengths

4 Reputable Brands

- The "ZICO", "ZICOlaw" and "ZICOlaw Trusted Business Advisor" brands leverage on the goodwill and reputation of Zaid Ibrahim & Co, which is associated with innovative, high quality and efficient services, as evidenced by numerous awards and top-tier rankings

FT FINANCIAL TIMES INNOVATIVE LAWYERS 2014

Islamic Finance news Awards

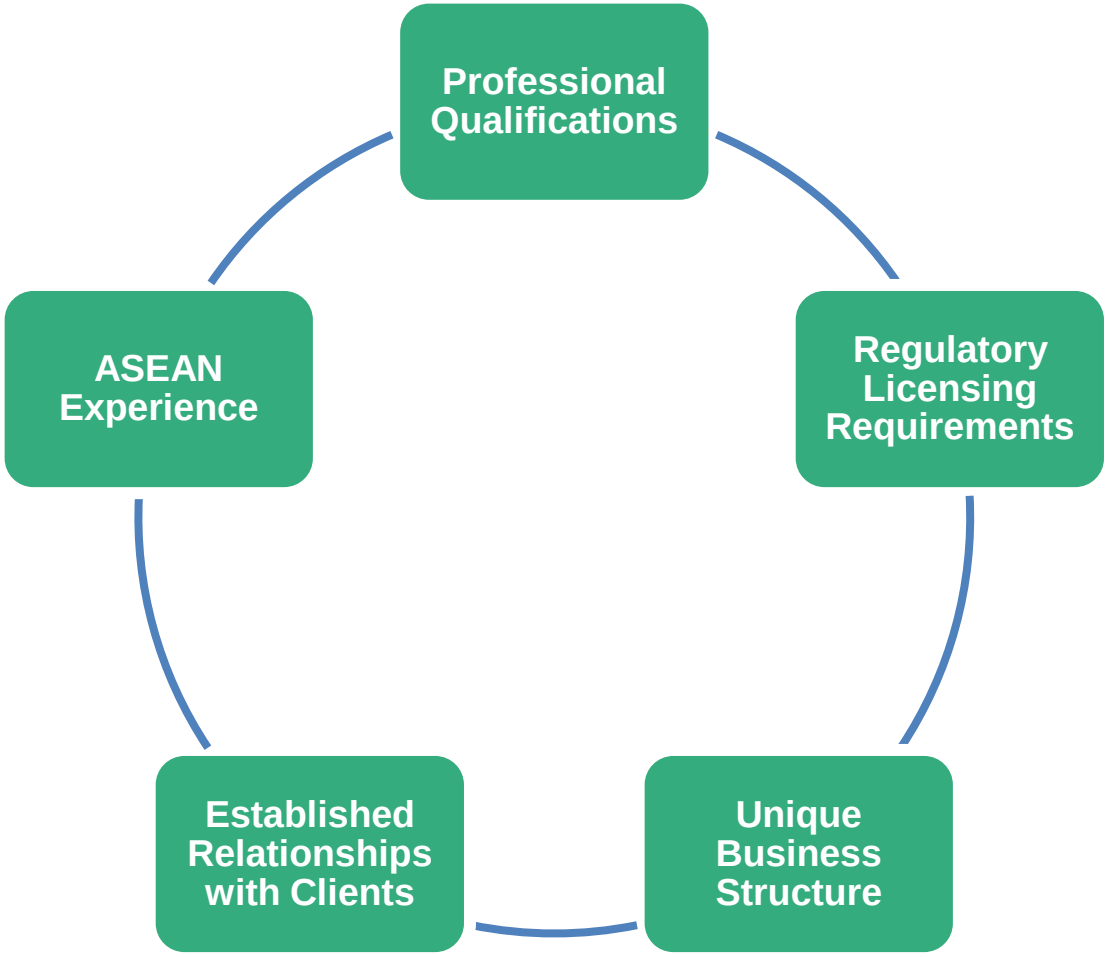
The LEGAL 500 ASIA PACIFIC LEADING FIRM 2014

IFLR 1000 FINANCIAL AND CORPORATE TOP TIER FIRM 2014

CHAMBERS ASIA PACIFIC GUIDE 2014

Key Competitive Strengths

5 Barriers to Entry



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Suruhanjaya Sekuriti
Securities Commission

LabuanFSA
Financial Services Authority

MAS
Monetary Authority of Singapore

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