

NEWS RELEASE

ZICO HOLDINGS INC. REGISTERS 15.7% Y-O-Y QUARTERLY REVENUE INCREASE TO RM16.0 MILLION¹ IN 2Q2016 AND 31.0% Y-O-Y HALF-YEARLY REVENUE TO RM31.2 MILLION² IN H12016

- ***Topline improvement reflects additional revenue contributions from corporate secretarial business under Finova Singapore Pte. Ltd., services under ZICO BPO Pte. Ltd. and increased revenue from Management and Support Services (“MSS”)***
- ***2Q2016 profit after tax declines 53.4% to RM1.3 million³ in an anaemic business environment affecting transaction-based revenue***
- ***Post 2Q2016, ZICO expands into corporate finance and capital markets advisory services, and continuing sponsorship of Catalist-listed issuers, amongst others***
- ***Continues to seek opportunities whilst managing the cost structure prudently***

¹ *Approximately S\$5.3 million based on an exchange rate of S\$1.00 to RM 2.9936*

² *Approximately S\$10.4 million based on an exchange rate of S\$1.00 to RM 2.9936*

³ *Approximately S\$0.4 million based on an exchange rate of S\$1.00 to RM 2.9936*

Singapore, 11 August 2016 – ZICO Holdings Inc. (“ZICO” and together with its subsidiaries and associated companies, the “Group”), an integrated provider of multidisciplinary professional services, announced today its unaudited results for the three months ended 30 June 2016 (“2Q2016”). The Group achieved a 15.7% growth in revenue to RM16.0 million during the quarter, up from RM13.9 million in the previous corresponding period (“2Q2015”). On a six months period ended 30 June 2016 (“H12016”) basis, the Group achieved a 31.0% increase in revenue to RM31.2 million, up from RM23.8 million in the previous corresponding period (~~“H12015”~~).

Mr Chew Seng Kok (“周成国”), Managing Director of ZICO, said, “We are glad to have achieved good revenue growth for the quarter as we continued to closely integrate our professional services to enhance cross selling opportunities. Subsequent to the close of 2Q2016, our subsidiary – ZICO Capital Pte. Ltd. – was granted a Capital Markets Service Licence, and was approved as an accredited issue manager and a full sponsor. It will allow us to advise and provide services relating to corporate finance and the capital markets, including that of continuing sponsorship of Catalist-listed issuers. This is testament to our strategy to remain innovative. It adds to our capabilities that make a difference to our clients.”

FINANCIAL REVIEW

ZICO’s topline growth was largely attributable to the 8.5% increase in the Advisory and Transactional Services (“ATS”) segment’s revenue to RM10.2 million and 41.9% rise in the Management and Support Services (“MSS”) segment’s revenue to RM4.4 million during the quarter. As for the Licensing Services (“LS”) segment, revenue was stable at RM1.4 million for 2Q2016 and 2Q2015. The contributions from the corporate secretarial business acquired in 2015, and its growth in Singapore and Malaysia led to ATS rise in revenue. MSS’ revenue expanded as a result of higher support services fees.

During the quarter, the ATS segment remained as ZICO’s largest revenue contributor, making up 63.8% of overall topline while the MSS and LS segments accounted for 27.5% and 8.7% respectively.

The anaemic business environment adversely affected the Group's transaction-based services during the period under review.

Total operating costs rose RM3.6 million during the quarter to RM15.1 million, mainly due to the RM3.3 million increase in employee benefits expenses. There was also a rise in expenses relating to amortisation and depreciation, operating leases and other expenses. These were offset slightly by a RM0.6 million decrease in retainer fees and consultancy fees. Overall, ZICO registered a 53.4% decrease in profit after tax to RM1.3 million in 2Q2016 and a 31.9% decrease in profit after tax to RM3.3 million in H12016.

ZICO's cash and cash equivalents stood at RM19.1 million as at 30 June 2016.

OUTLOOK

Commenting on ZICO's outlook, Mr Chew said, "We have been on a strategic growth phase, having invested in our back-end infrastructure and management. Over the short-term, our financial performance will invariably be impacted by these investment costs as well as the prevailing business environment. We firmly believe the seeds sowed to broaden and strengthen our complementary suite of services will bear fruit to benefit our shareholders. In this regard, with the recent establishment of ZICO Capital Pte. Ltd., we are able to provide clients with advice and services on corporate finance and the capital markets."

On ZICO Capital Pte. Ltd.'s potential going forward, Mr Chew remarked, "Backed by our highly recognised ZICO brand and an established business network across ASEAN, we are confident that ZICO Capital's unique aspects as part of an independent, non-bank-owned and publicly-listed parent company, will be key differentiators highly sought after by clients."

ABOUT THE GROUP

ZICO, an integrated provider of multidisciplinary professional services focused on the ASEAN region, provides advisory and transactional services, management and support services and licensing services. Through its multidisciplinary services, regional capabilities and local insights, ZICO enables its clients to capitalise on opportunities across Southeast Asia.

The Group currently operates in three key business segments: (i) advisory and transactional services; (ii) management and support services; and (iii) licensing services.

Within the advisory and transactional services business segment, ZICO provides legal services, Shariah advisory, trust advisory, corporate services, consulting services, investor services, wealth planning services and corporate finance advisory services. ZICO provides legal services only to the extent permitted in the relevant jurisdictions. In other jurisdictions, ZICO cooperates with and supports independent and autonomous law firms who are members of the ZICOLaw Network, in compliance with local professional regulations. Presently, ZICO provides legal services in Myanmar and Lao PDR.

For the management and support services business segment, the Group provides regional management services and business support services to members of the ZICOLaw Network and to certain entities within the Group.

ZICO also engages in the licensing of the "ZICO", "ZICOLaw" and "ZICOLaw Trusted Business Advisor" trademarks to members of the ZICOLaw Network and certain entities within the Group.

ZICO has business operations in Indonesia, Lao PDR, Malaysia (including Labuan), Myanmar and Singapore. The Group augments its existing regional presence with that of the ZICOlaw network to extend its reach to 8 out of 10 countries in Southeast Asia. These 8 countries include those where ZICO has business operations in as well as Cambodia, Thailand and Vietnam where ZICO does not presently have business operations.

For more information, please visit <http://www.zicoholdings.com>.

*ZICO Holdings Inc. (the "**Company**") was listed on Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 11 November 2014. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").*

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Joseph Au, Senior Manager, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income At Raffles, Singapore 049318, telephone (65) 6229 8088.

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11 August 2016