

ZICO HOLDINGS INC.

(Company Registration No. LL07968)

**Unaudited Financial Statements and Dividend Announcement
For the Financial Year Ended 31 December 2017**

*ZICO Holdings Inc. (the "**Company**") has been listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") since 11 November 2014. The initial public offering of the Company (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**"). The Company has appointed Stamford Corporate Services Pte. Ltd. (the "**Sponsor**" or "**SCS**") in place of **PPCF** as its continuing sponsor with effect from 7 September 2016.*

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.

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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 2017 (Unaudited) RM'000	31 December 2016 (Audited) RM'000	Change %
Revenue	81,875	66,737	22.7
Other items of income			
Interest income	695	528	31.6
Other income	4,606	3,047	51.2
	87,176	70,312	24.0
Items of expense			
Amortisation and depreciation expenses	(4,612)	(4,253)	8.4
Employee benefits expense	(44,955)	(35,469)	26.7
Operating lease expenses	(6,002)	(3,952)	51.9
Retainer fees and consultancy fees	(6,093)	(7,159)	(14.9)
Other expenses	(15,901)	(14,322)	11.0
Finance costs	(1,321)	(1,034)	27.8
Share of results of associates, net of tax	15	36	(58.3)
Profit before income tax	8,307	4,159	99.7
Income tax (expense)/credit	(1,386)	917	(251.1)
Profit for the financial year	6,921	5,076	36.3
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	(32)	-	n.m
Actuarial loss on defined pension benefit scheme	(2)	-	n.m
Foreign currency translation differences	(4,826)	1,079	n.m
Other comprehensive income for the financial year, net of tax	(4,860)	1,079	n.m
Total comprehensive income for the financial year	2,061	6,155	(66.5)
Profit attributable to:			
Owners of the parent	5,665	4,278	32.4
Non-controlling interests	1,256	798	57.4
	6,921	5,076	36.3
Total comprehensive income attributable to:			
Owners of the parent	856	5,269	(83.8)
Non-controlling interests	1,205	886	36.0
	2,061	6,155	(66.5)

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 2017 (Unaudited) RM'000	31 December 2016 (Audited) RM'000
<i>Amortisation and depreciation expenses</i>		
Amortisation of intangible assets	3,267	2,617
Depreciation of plant and equipment	1,345	1,636
<i>Employee benefits expense</i>		
Share based payment expenses	2,385	1,995
<i>Operating lease expenses</i>		
Rental of premises	5,956	3,929
Rental of accommodation	46	23
<i>Other expenses/(Other income)</i>		
Bad trade and other receivables written off	134	194
Intangible assets written off	661	1,140
(Gain)/loss on disposal of plant and equipment	(18)	112
Plant and equipment written off	57	88
Allowance for impairment loss on doubtful trade receivables/(written back)	135	(30)
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 loss/(gain), net	350	(583)
<i>Income tax expense</i>		
Under provision of income tax expense in respect of prior year	10	22

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 2017 (Unaudited) RM'000	31 December 2016 (Audited) RM'000	31 December 2017 (Unaudited) RM'000	31 December 2016 (Audited) RM'000
ASSETS				
Non-current assets				
Plant and equipment	6,655	7,111	96	113
Intangible assets	59,970	64,162	2,977	4,098
Subsidiaries	-	-	61,853	58,874
Associates	24	38	2	-
Investments	552	30	-	-
Deferred tax assets	3,697	2,733	-	-
Trade and other receivables	15,104	10,013	31,413	19,116
	86,002	84,087	96,341	82,201
Current assets				
Trade and other receivables	74,616	56,110	40,633	38,070
Prepayments	1,448	911	92	32
Current income tax recoverable	1,243	1,090	-	-
Cash and cash equivalents	20,323	19,592	4,578	3,666
Other current assets	4,881	6,509	2	861
	102,511	84,212	45,305	42,629
Total assets	188,513	168,299	141,646	124,830
EQUITY AND LIABILITIES				
Equity				
Share capital	82,592	68,685	82,592	68,685
Retained earnings	23,236	17,571	1,374	367
Share options/awards reserve	2,643	1,707	2,643	1,707
Currency translation reserve	2,855	7,632	9,778	11,432
Fair value reserve	(32)	-	-	-
Equity attributable to owners of the parent	111,294	95,595	96,387	82,191
Non-controlling interests	2,269	1,251	-	-
Total equity	113,563	96,846	96,387	82,191
Non-current liabilities				
Interest bearing liabilities	1,828	7,468	1,780	7,363
Provisions	109	61	-	-
Deferred tax liabilities	1,771	1,758	-	-
	3,708	9,287	1,780	7,363
Current liabilities				
Trade and other payables	17,618	19,947	1,222	2,055
Interest bearing liabilities	44,284	33,274	42,244	33,207
Deferred revenue	6,625	6,315	-	-
Provisions	61	62	-	-
Current income tax payable	2,654	2,568	13	14
	71,242	62,166	43,479	35,276
Total liabilities	74,950	71,453	45,259	42,639
Total equity and liabilities	188,513	168,299	141,646	124,830

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 2017 (Unaudited)		As at 31 December 2016 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
44,284	-	33,274	-

Amount repayable after one year

As at 31 December 2017 (Unaudited)		As at 31 December 2016 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
1,828	-	7,468	-

Details of any collateral

The secured borrowings comprised:

	As at 31 December 2017 (Unaudited) RM'000	As at 31 December 2016 (Audited) RM'000	Secured by
Finance lease facilities	105	172	RM103,000 mortgage over the leased motor vehicles and RM2,000 mortgage over the leased photocopy machine.
Term loan	8,982	12,034	1) First party charge over shares held in a subsidiary entity; 2) Charge and assignment over all rights on a designated banking account; 3) Deed of subordination of all financial indebtedness extended by the shareholders or related parties of the Company, save for trade related transactions; 4) Letter of undertaking by the director; and 5) Assignment of dividends due to the Company by certain subsidiaries
Revolving credit	35,042	28,536	Corporate guarantee for all moneys owing by certain subsidiaries
Bank overdraft	1,983	-	Corporate guarantee by a subsidiary
	<u>46,112</u>	<u>40,742</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 2017	31 December 2016
	(Unaudited)	(Audited)
	RM'000	RM'000
Operating activities		
Profit before income tax	8,307	4,159
Adjustments for:		
Allowance for impairment loss on doubtful trade receivables/ (written back)	135	(30)
Amortisation of intangible assets	3,267	2,617
Bad trade and other receivables written off	134	194
Depreciation of plant and equipment	1,345	1,636
Gain on loss of control of a subsidiary	(847)	-
Intangible assets written off	661	1,140
Interest income	(695)	(528)
Interest expense	1,281	947
Interest expense on deferred consideration	40	87
(Gain)/loss on disposal of plant and equipment	(18)	112
Gain on re-measurement of fair value on retained interest in associate	(212)	-
Plant and equipment written off	57	88
Provisions	48	(44)
Share of results of associates, net of tax	(15)	(36)
Unrealised foreign exchange loss/(gain), net	350	(583)
Share based payment expenses	2,385	1,995
Operating cash flows before working capital changes	16,223	11,754
Working capital changes:		
Trade and other receivables	(27,549)	(12,580)
Prepayments	(538)	(98)
Trade and other payables	3,087	(413)
Cash used in operations	(8,777)	(1,337)
Income tax paid	(2,126)	(1,615)
Net cash used in operating activities	(10,903)	(2,952)

	Full Year Ended	
	31 December 2017	31 December 2016
	(Unaudited)	(Audited)
	RM'000	RM'000
Investing activities		
Acquisition of associate, net of cash acquired	(2)	-
Advances to associate	(620)	(21)
Advances to third parties	(140)	(1,325)
Dividend received	30	60
Disposal of a subsidiary, net of cash disposed of	(2)	-
Interest received	92	205
Payment for deferred consideration to acquire a subsidiary	(720)	(720)
Proceeds from disposal of plant and equipment	31	34
Purchase of plant and equipment	(1,781)	(2,322)
Purchase of intangible assets	(2,958)	(4,923)
Net cash used in investing activities	(6,070)	(9,012)
Financing activities		
Interest paid	(1,281)	(947)
Issuance of ordinary shares	12,458	-
Dividends paid to non-controlling interests	(457)	(1,075)
Repayment of term loan facility	(2,862)	(3,683)
Proceeds from revolving credit facility	7,158	11,460
Repayments of finance lease payables	(67)	(85)
Net cash generated from financing activities	14,949	5,670
Net change in cash and cash equivalents	(2,024)	(6,294)
Cash and cash equivalents at beginning of financial year	19,592	26,447
Effect of exchange rate changes on cash and cash equivalents	772	(561)
Cash and cash equivalents at end of the financial year	18,340	19,592

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 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

(Audited)	Share capital	Share-based reserve	Retained earnings	Currency translation 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
Balance as at 1 January 2016	68,092	305	13,293	6,641	88,331	1,143	89,474
Profit for the financial year	-	-	4,278	-	4,278	798	5,076
Other comprehensive income:							
Foreign currency translation differences	-	-	-	991	991	88	1,079
Total comprehensive income for the financial year	-	-	4,278	991	5,269	886	6,155
Contributions by and distributions to owners of the parent							
Exercise of share awards	593	(593)	-	-	-	-	-
Grant of share options/awards	-	1,995	-	-	1,995	-	1,995
Total transactions with owners of the parent	593	1,402	-	-	1,995	-	1,995
Transactions with non-controlling interests							
Dividend paid to non-controlling interests	-	-	-	-	-	(1,075)	(1,075)
Subscription of shares of a subsidiary	-	-	-	-	-	297	297
Total transactions with non-controlling interests	-	-	-	-	-	(778)	(778)
Balance as at 31 December 2016	68,685	1,707	17,571	7,632	95,595	1,251	96,846

**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 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 for the financial period	-	-	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

(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 2016	68,092	305	3,025	9,871	81,293
Profit for the financial year	-	-	(2,658)	-	(2,658)
Other comprehensive income:					
Foreign currency translation differences	-	-	-	1,561	1,561
Total comprehensive income for the financial year	-	-	(2,658)	1,561	(1,097)
Contributions by and distributions to owners of the parent					
Exercise of share awards	593	(593)	-	-	-
Grant of share options/awards	-	1,995	-	-	1,995
Total transactions with owners of the parent	593	1,402	-	-	1,995
Balance as at 31 December 2016	68,685	1,707	367	11,432	82,191

- 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 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.**

Shares Capital – Ordinary Shares

There were no changes in the issued share capital of the Company since 30 September 2017 to 31 December 2017.

There were 3,500,000 outstanding options (31 December 2016: 3,500,000 options) and 4,223,344 share awards granted but unvested under the PSP as at 31 December 2017 (31 December 2016: 2,595,000).

Save for the above, the Company did not have any convertibles or treasury shares as at 31 December 2017 and 31 December 2016.

- 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 2017	As at 31 December 2016
Total number of issued shares	299,417,440	282,754,063

The Company did not have any treasury shares as at 31 December 2017 and 31 December 2016.

- 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 year 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

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the most recently audited consolidated financial statements for the financial year ended 31 December 2016.

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

The Group has adopted all the applicable new and revised International Financial Reporting Standards ("IFRS") that are mandatory for the accounting periods beginning on or after 1 January 2017. The adoption of these new and revised IFRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

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 2017 (Unaudited)	31 December 2016 (Audited)
Profit attributable to owners of the parent (RM'000)	5,665	4,278
Weighted average number of ordinary shares in issue (in thousands)	294,705 ⁽¹⁾	282,407 ⁽²⁾
Basic EPS (RM cents)	1.92	1.51
Weighted average number of ordinary shares in issue on fully diluted basis (in thousands)	298,841 ⁽³⁾	285,701 ⁽⁴⁾
Fully diluted EPS (RM cents)	1.90	1.50

Note:-

- (1) Adjusted for 1,663,377 ordinary shares allotted and issued pursuant to the vesting of share awards under the PSP as follow:
 - 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.
- (2) Adjusted for 664,886 ordinary shares allotted and issued pursuant to the vesting of share awards under the PSP as follow:
 - 324,035 shares on 18 May 2016
 - 150,368 shares on 16 August 2016; and
 - 190,483 shares on 9 September 2016
- (3) 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.
- (4) Adjusted for 6,095,000 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options and vesting of 2,595,000 outstanding share awards as at 31 December 2016.

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 2017 (Unaudited)	31 December 2016 (Audited)	31 December 2017 (Unaudited)	31 December 2016 (Audited)
NAV (RM'000)	111,294	95,595	96,387	82,191
Number of ordinary shares in issue (in thousands)	299,417	282,754	299,417	282,754
NAV per ordinary share (RM cents)	37.17	33.81	32.19	29.07

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 2017 ("FY2017") as compared to the full year ended 31 December 2016 ("FY2016").

Revenue

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

	FY2017 (RM million)	FY2016 (RM million)	% change
Advisory and Transactional Services (" ATS ")	58.0	42.7	35.8
Management and Support Services Business & Licensing Services ((" MSSL ")	23.9	24.1	(0.8)
Total	81.9	66.8	22.7

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") and asset management services under ZICO Asset Management Pte Ltd ("ZAM") in Singapore and the growth in revenue from business advisory services under Asean Advisory Pte. Ltd. in Singapore, ZICOInsource Inc and ZICO (Labuan) LLP in Malaysia.

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 RM0.2 million due to interest income charge on long outstanding trade debtor balances.

Other income

Other income increased by RM1.6 million mainly due to higher reimbursements income from client, management fee income and gain on disposal of a subsidiary.

Items of expense

Amortisation and depreciation expenses

Amortisation and depreciation expenses increased by RM0.4 million mainly due to renovation of additional office space taken up, as well as the installation of additional computer hardware and 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 significantly by RM9.5 million mainly due to the increase in headcount in ATS which was mainly attributed by the expansion of new businesses, such as ZICAP, ZAM and ZICO Capital Sdn. Bhd. ("ZICAPMY") which commenced operations in July 2016, February 2017 and September 2017.

Operating lease expenses

Operating lease expenses increased by RM2.1 million mainly due to new business under ATS, rental of office premises for ZICAP and ZAM and additional office space taken up by ZICO RMC Pte. Ltd. ("RMC").

Retainer fees and consultancy fees

Retainer fees and consultancy fees decreased by RM1.1 million mainly due to the decrease in fees incurred by the trust business in Singapore under ZICO Allshores Trust (S) Pte. Ltd.

Other expenses

Other expenses increased by RM1.6 million mainly due to the higher reimbursable expenses incurred by B.A.C.S. Pte. Ltd. (B.A.C.S), higher IT software maintenance expenses incurred by MSSL as well as the new businesses under ATS, ZICAP and ZAM.

Finance Costs

Finance costs increased by RM0.3 million mainly due to the interests incurred from the additional revolving credit facility taken up by the Group for expansion of its business.

Share of associates results

Share of associate results lower by RM21,000 mainly due to lower income generated by the associate.

Profit before income tax

Profit before income tax was higher by RM4.1 million mainly due to higher revenue generated by the Group and offset against the employee benefit expenses and operating lease expenses as indicated above.

Income tax (expense)/credit

Income tax expenses increased by RM2.3 million in FY2017 mainly due to lower deferred tax assets recognized for the unutilised tax losses of subsidiaries and higher income tax expenses arising from the higher profit before income tax.

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.

Consolidated Statement of Financial Position

The comparative performance for both the assets and liabilities are based on the financial statements as at 31 December 2017 and 31 December 2016.

Non-current assets

Plant and equipment decreased by RM0.5 million mainly due to (i) depreciation charge for the current financial year, (ii) translation of plant and equipment at different closing rate as compared to 31 December 2016, partially offset by (iii) the renovation of new offices for ATS and MSSL and the additions of computer hardware for MSSL.

Intangible assets decreased by RM4.2 million mainly due to (i) translation of goodwill and identifiable assets arising from the acquisition of B.A.C.S., Finova Singapore Pte. Ltd., ZICO BPO Pte. Ltd. ("FINOVA"), as well as the corporate secretarial portfolio under ZICO-Stamford Corporate Services Pte. Ltd at different closing rate as compared to 31 December 2016, and (ii) amortisation of the computer software and identifiable assets for the current financial year, and (iii) intangible assets written off and partially offset by the additions of computer software for MSSL.

Investment in associates decreased by RM14,000 mainly due to the dividend income received, offset by the share of associate's profit in FY2017.

Investments increased by RM0.5 million mainly due to the new investment in shares by ZICAP.

Deferred tax assets increased by RM1.0 million mainly due to recognition of deferred tax assets for the unutilised tax losses of several subsidiaries.

Non-current trade and other receivables were related to a payment plan agreed with certain debtors for the provision of services under MSSL. The increase of non-current trade and other receivables by RM5.1 million was mainly due to additional debtor balances reclass to non-current and partially offset with payment received from the debtors.

Current assets

Current trade and other receivables increased by RM18.5 million mainly due to the additional billings recognized at the end of December 2017 by ATS and reclassification from non-current assets.

Prepayments increased by RM0.5 million mainly due to the prepayment of information technology software maintenance expenses and consultancy fee to be incurred by MSSL.

Current income tax recoverable increased by RM0.2 million mainly due to the lower tax expense incurred for its Malaysia subsidiaries as compared to the actual tax installment paid to the Malaysia tax authorities.

Cash and cash equivalents increased by RM0.7 million mainly due to proceeds from the placement exercise and offset with the cash being utilised for operations.

Other current assets (comprising clients' monies held in trust and fixed deposit with maturity of more than 90 days) decreased by RM1.6 million mainly due to the utilisation of clients' monies held in trust towards end of December 2017.

Non-current liabilities

The decrease in non-current interest-bearing liabilities by RM5.6 million was mainly due to the additional drawdown of term facilities and offset with the repayment of term loan facility in FY2017.

The increase in provisions by RM48,000 was mainly due to the increase of provision of retirement benefits and the translation of provision for retirement benefits and provision for reinstatement costs at different closing rate as compared to 31 December 2016.

The increase in deferred tax liabilities by RM13,000 was mainly due to recognition of deferred tax on the additions of computer hardware and software by MSSL and offset with the reversal of deferred tax liabilities on amortisation of identifiable intangible assets arising from the acquisition of B.A.C.S. and FINOVA.

Current liabilities

Trade and other payables decreased by RM2.3 million mainly due to repayment of other payables in relation to the acquisition of subsidiaries, renovation costs, IT software maintenance and the reduction of clients' monies held in trust towards end of December 2017.

Current interest bearing liabilities increased by RM11.0 million mainly due to the additional drawdown of revolving credit and term loan facilities, the translation of term loan and revolving credit at different closing rate as compared to 31 December 2016 and offset by repayment for the finance lease payables.

Deferred revenue increased by RM0.3 million mainly due to increased billings to the clients under the corporate secretarial businesses and offset with the translation of deferred revenue at different closing rate as compared to 31 December 2016.

The provision for leave benefits decreased by RM1,000 mainly due to the translation of provisions at different closing rate as compared to 31 December 2016.

The increase in current income tax payable by RM86,000 was mainly due to the provision of tax on a profit generated by Singapore subsidiaries under ATS.

Consolidated Statement of Cash Flow

The net cash used in operating activities of RM10.9 million in FY2017 was mainly due to the profit before income tax of RM8.3 million, partially offset by (i) increase in trade and other receivables as a result of additional billings recognized at the end of FY2017, (ii) decrease in trade and other payables due to repayment of other payables and the reduction of clients' monies held in trust towards end of December 2017.

Net cash used in investing activities of RM6.1 million in FY2017 was mainly due to advances to associates, payment for deferred consideration to acquire a subsidiary and the purchase of intangible assets as well as plant and equipment in FY2017.

Net cash generated from financing activities of RM14.9 million in FY2017 was mainly due to proceeds from the placement exercise, additional drawdown of revolving credit and term loan facilities for working capital purposes and partially offset by payment of interest expense and repayment of term loan facilities.

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.

We continue to focus on growth in the dynamic ASEAN region. We are present in 17 cities in all 10 ASEAN countries.

We will extract synergies from our complementary services as the go-to ASEAN professional services firm.

Recognising the growth in ASEAN the Group's forward strategies will revolve around the following:

- i) Deepening our presence to add competencies in each country;
- ii) Increasing synergies and economies of scale through cross-selling and referral of services, as well as sharing resources;
- iii) Accelerating activities in the capital market, having obtained a second capital markets services ("CMS") licence from the Securities Commission Malaysia in November 2017. ZICO Capital (Singapore) obtained its CMS licence in Singapore in July 2016 and completed two Initial Public Offerings ("IPOs") in FY2017, and has grown its Continuing Sponsor portfolio of Singapore Exchange Catalist-listed companies to 12; and
- iv) Exploring partnerships or strategic alliances with international services providers who are keen to tap the Group's ASEAN network.

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

No dividend has been declared or recommended for FY2017.

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 FY2017.

14. Use of IPO proceeds

The Company refers to the net proceeds amounting to S\$12.521 million (excluding listing expenses of approximately S\$1.879 million raised from the IPO on the Catalist Board of the SGX-ST on 11 November 2014).

As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

<u>Use of IPO net proceeds</u>	<u>Amount allocated (S\$'000)</u>	<u>Amount utilised (S\$'000)</u>	<u>Balance (S\$'000)</u>
Expansion of business operations including potential acquisitions	8,000	7,338	662
Capital expenditure on information technology infrastructure	1,000	1,000	-
General working capital	3,521	3,521 ⁽¹⁾	-
Listing expenses	1,879	1,879	-
Total	14,400	13,738	662

Note:-

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

15. Use of Placement proceeds

The Company refers to the net proceeds amounting to S\$4 million raised from the placement exercise announced on 24 March 2017 and completed on 12 April 2017.

As at the date of this announcement, the status on the use of the net proceeds from the placement is as follows:

<u>Use of Placement net proceeds</u>	<u>Amount allocated (S\$'000)</u>	<u>Amount utilised (S\$'000)</u>	<u>Balance (S\$'000)</u>
Business expansion	1,000	1,000	-
Capital expenditure and maintenance on information technology infrastructure	1,600	1,299	301
Working capital requirements of the Group, mainly to support the working capital requirements of new services and offices.	1,400	1,400 ⁽¹⁾	-
Total	4,000	3,699	301

Note:-

(1) The amount of working capital was used for payment of salaries and wages, rental of office premises and operational expenses.

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
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>6,921</u>

Business Segment	Advisory and transactional services RM'000	Management and support services business & licensing services RM'000	Total RM'000
Non-cash items			
Allowance for impairment loss on doubtful trade 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
	116,441	57,123	173,564
Unallocated assets			14,949
			188,513
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
	23,002	6,416	29,418
Unallocated liabilities			45,532
			74,950

Business Segment	Advisory and transactional services RM'000	Management and support services business & licensing services RM'000	Elimination RM'000	Total RM'000
FY2016				
Revenue				
External revenue	42,657	24,080	-	66,737
Inter-segment revenue	696	5,827	(6,523)	-
	<u>43,353</u>	<u>29,907</u>	<u>(6,523)</u>	<u>66,737</u>
Results				
Segment profit	8,962	2,809	-	11,771
Interest income	253	208	-	461
Finance costs	(6)	-	-	(6)
	<u>9,209</u>	<u>3,017</u>	<u>-</u>	<u>12,226</u>
Unallocated expenses				(8,103)
Share of results of associates, net of tax				<u>36</u>
Profit before income tax				4,159
Income tax credit				<u>917</u>
Profit for the financial year				<u>5,076</u>

Business Segment	Advisory and transactional services RM'000	Management and support services business & licensing services RM'000	Total RM'000
Non-cash items			
Allowance for impairment loss on trade receivables written back	(30)	-	(30)
Amortisation of intangible assets	1,098	990	2,088
Bad trade and other receivables written off	194	-	194
Depreciation of plant and equipment	799	763	1,562
Loss on disposal of plant and equipment	112	-	112
Plant and equipment written off	88	-	88
Provisions	(44)	-	(44)
Unrealised foreign exchange loss/(gain),net	381	(6)	375
Unallocated non-cash item			
Amortisation of intangible assets	-	-	529
Depreciation of plant and equipment	-	-	74
Intangible assets written off	-	-	1,140
Share-based payment expenses	-	-	1,995
Unrealised foreign exchange gain,net	-	-	(958)
Capital expenditure			
Plant and equipment	1,464	858	2,322
Intangible assets	1,215	3,708	4,923
As at 31 December 2016			
Assets and Liabilities			
Segment assets	105,603	43,901	149,504
-Current income tax recoverable	1,090	-	1,090
-Deferred tax assets	1,851	882	2,733
	108,544	44,783	153,327
Unallocated assets			14,972
			168,299
Segment liabilities	20,903	1,786	22,689
- Current income tax payable	827	1,728	2,555
- Deferred tax liabilities	1,556	202	1,758
	23,286	3,716	27,002
Unallocated liabilities			44,451
			71,453

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 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)	-
	31,830	26,991	3,147	7,475	567	5,459	416	14,473	(8,483)	81,875
Non-current assets	56,285	17,314	2,128	3,473	-	-	-	6,726	-	85,926

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 2016										
External revenue	17,867	25,864	3,914	8,090	214	2,057	367	8,364	-	66,737
Inter-segment revenue	2,928	2,731	-	-	-	-	-	864	(6,523)	-
	20,795	28,595	3,914	8,090	214	2,057	367	9,228	(6,523)	66,737
Non-current assets	58,918	16,314	1,827	4,701	-	-	-	2,327	-	84,087

- 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		
	FY2017 (Unaudited) RM'000	FY2016 (Audited) RM'000	Increase / (Decrease) %
(a) Sales reported for first half year	38,871	31,161	24.7
(b) Profit after tax before deducting minority interests reported for first half year	4,304	2,907	48.1
(c) Sales reported for second half year	43,004	35,576	20.9
(d) Profit after tax before deducting minority interests reported for second half year	2,617	1,252	138.6

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.

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

27 February 2018