

**Unaudited Financial Statement and Dividend Announcement
For the Three Months Ended 30 September 2014**

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

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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Background

ZICO Holdings Inc. (formerly known as ZICOlaw Holdings Inc.) (the "**Company**") was incorporated in Labuan on 9 December 2010 under the Labuan Companies Act as a company limited by shares under the name of "ZI Holdings Inc.". The Company changed its name to "ZICOlaw Holdings Inc." on 30 June 2011 and subsequently to "ZICO Holdings Inc." on 30 April 2014. The Company, its subsidiaries and associated companies (the "**Group**") were formed with our corporate history as set out in the Company's Offer Document dated 30 October 2014. Prior to the listing on the Catalist of the SGX-ST on 11 November 2014, the Group undertook a restructuring exercise (the "**Restructuring Exercise**"). Please refer to the Company's Offer Document dated 30 October 2014 for further details on the Restructuring Exercise. As such, the results of the Group for the three months and nine months ended 30 September 2014 were presented in a manner on the basis that the Restructuring Exercise was completed, save for the sub-division of each ordinary share into 200 ordinary shares and the cancellation of outstanding preference shares in the Company.

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			Group		
	Three Months Ended			Nine Months Ended		
	30 September 2014 (Unaudited) RM'000	30 September 2013 (Unaudited) RM'000	Change %	30 September 2014 (Unaudited) RM'000	30 September 2013 (Unaudited) RM'000	Change %
Revenue	7,443	5,020	48.3	25,009	13,189	89.6
Other items of income						
Interest income	25	(52)	(148.1)	67	79	(15.2)
Other income	805	69	1,066.7	1,590	277	474.0
	8,273	5,037	64.2	26,666	13,545	96.9
Items of expense						
Amortisation and depreciation	(330)	(73)	352.1	(865)	(220)	293.2
Employee benefits expense	(2,176)	(967)	125.0	(6,746)	(2,928)	130.4
Rental and maintenance expense	(340)	(207)	64.3	(905)	(647)	39.9
Retainer fees and Consultation fees	(893)	(341)	161.9	(2,101)	(433)	385.2
Other expenses	(385)	(31)	1,141.9	(1,923)	(1,934)	(0.6)
Finance costs	(53)	(69)	(23.2)	(155)	(205)	(24.4)
Share of results of associates, net of tax	401	137	192.7	35	424	(91.7)
Profit before income tax	4,497	3,486	29.0	14,006	7,602	84.2
Income tax expense	(492)	(244)	101.6	(2,047)	(512)	299.8
Profit for the financial period	4,005	3,242	23.5	11,959	7,090	68.7
Other comprehensive income						
<i>Items that will or may be reclassified subsequently to profit or loss</i>						
Exchange differences arising from translation of foreign operations	646	61	959.0	404	211	91.5
Reclassification arising from disposal of foreign subsidiary	-	-		(239)	-	n.m.
Income tax relating to items that will or may be reclassified	-	-		-	-	-
Other comprehensive income for the period	646	61	959.0	165	211	(21.8)
Total comprehensive income for the financial period	4,651	3,303	40.8	12,124	7,301	66.1
Profit attributable to:						
Owner of the parent	3,794	3,242	17.0	11,841	7,090	67.0
Non-controlling interests	211	-	n.m.	118	-	n.m.
	4,005	3,242	23.53	11,959	7,090	68.7
Total comprehensive income attributable to:						
Owners of the parent	4,440	3,303	34.4	12,006	7,301	64.4
Non-controlling interests	211	-	n.m.	118	-	n.m.
	4,651	3,303	40.8	12,124	7,301	66.1

n.m. – not meaningful

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

Profit for the financial period is stated after charging/(crediting) the following:	Three Months Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
<i>Amortisation and depreciation expenses</i>				
Amortisation of intangible assets	-	13	193	38
Depreciation of plant and equipment	330	60	672	182
<i>Rental and maintenance expense</i>				
Operating lease expenses				
- Rental of premises	283	147	818	531
- Rental of accommodation	45	42	75	98
Upkeep of office and maintenance expenses	12	18	12	18
Profit for the financial period is stated after charging/(crediting) the following:	Three Months Ended	30 September	Nine Months Ended	30 September
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
<i>Other expenses</i>				
Allowance for impairment loss on doubtful trade receivables	8	(60)	174	1,133
Bad trade receivables written off	-	8	-	11
Unrealised foreign exchange (gain) / loss, net	(33)	-	8	-

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	
	30 September 2014 (Unaudited) RM'000	31 December 2013 (Audited) RM'000	30 September 2014 (Unaudited) RM'000	31 December 2013 (Audited) RM'000
Assets				
Non-current assets				
Plant and equipment	3,295	1,018	-	-
Intangible assets	6,134	3,976	-	-
Investment in a subsidiary	-	-	3	-
Associates	28	598	-	-
Deferred tax assets	32	-	-	-
	<u>9,489</u>	<u>5,592</u>	<u>3</u>	<u>-</u>
Current assets				
Trade and other receivables	21,686	18,703	12,887	5,470
Prepayments	725	51	-	-
Current income tax recoverable	19	209	-	-
Cash and cash equivalents	3,081	8,521	23	14
	<u>25,511</u>	<u>27,484</u>	<u>12,910</u>	<u>5,484</u>
Total assets	<u>35,000</u>	<u>33,076</u>	<u>12,913</u>	<u>5,484</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	10,209	3,281	10,209	3,281
Retained earnings	9,075	7,852	37	783
Foreign currency translation account	199	34	151	37
Equity attributable to owners of the parent	<u>19,483</u>	<u>11,167</u>	<u>10,397</u>	<u>4,101</u>
Non-controlling interests	254	-	-	-
Total equity	<u>19,737</u>	<u>11,167</u>	<u>10,397</u>	<u>4,101</u>
Non-current liabilities				
Interest bearing liabilities	155	48	-	-
Other payables	1,978	1,908	-	-
Provision	39	-	-	-
Deferred tax liabilities	17	49	-	-
	<u>2,189</u>	<u>2,005</u>	<u>-</u>	<u>-</u>
Current liabilities				
Redeemable preference shares	373	-	-	-
Trade and other payables	10,744	16,163	2,504	1,371
Interest bearing liabilities	35	2,466	-	-
Current income tax payable	1,922	1,275	12	12
	<u>13,074</u>	<u>19,904</u>	<u>2,516</u>	<u>1,383</u>
Total liabilities	<u>15,263</u>	<u>21,909</u>	<u>2,516</u>	<u>1,383</u>
Total equity and liabilities	<u>35,000</u>	<u>33,076</u>	<u>12,913</u>	<u>5,484</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 September 2014 (Unaudited)		As at 31 December 2013 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
35	-	2,466	-

Amount repayable after one year

As at 30 September 2014 (Unaudited)		As at 31 December 2013 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
155	-	48	-

Details of any collateral

The secured borrowings comprised of:

	As at 30 September 2014 (Unaudited) RM'000	As at 31 December 2013 (Audited) RM'000	Secured by
Finance Lease Liabilities	190	102	Mortgage over the leased motor vehicles.
Revolving Credit Facilities	-	2,412	A charge on fixed deposit of RM1,167,435 placed with a bank in the name of ZICOLaw Singapore Pte. Ltd.
	<u>190</u>	<u>2,514</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

	3 Months ended		9 Months ended	
	30 September 2014 (Unaudited) RM'000	30 September 2013 (Unaudited) RM'000	30 September 2014 (Unaudited) RM'000	30 September 2013 (Unaudited) RM'000
Operating activities				
Profit before income tax	4,497	3,486	14,006	7,602
Adjustments for:				
Allowance for impairment loss on doubtful trade receivables	8	(60)	174	1,133
Allowance for impairment loss on doubtful trade receivables written back	(149)	-	(149)	-
Amortisation of intangible assets	-	13	193	38
Bad debts written off	-	8	-	11
Bad debts recovered	-	(30)	(4)	(30)
Depreciation of plant and equipment	330	60	672	182
Gain on disposal of a subsidiary	-	-	(239)	-
Gain on disposal of plant and equipment	-	-	(70)	-
Interest income	(25)	52	(67)	(79)
Interest expense	12	17	28	26
Notional finance cost	41	52	127	179
Share of results of associates, net of tax	(401)	(137)	(35)	(424)
Unrealised foreign exchange (gain) / loss, net	(33)	-	8	-
Operating cash flows before working capital changes	4,280	3,461	14,644	8,638
Working capital changes				
Trade and other receivables	334	1,109	(5,352)	(3,878)
Prepayments	190	(75)	(674)	(8)
Trade and other payables	298	1,148	(320)	991
Cash generated from operations	5,102	5,643	8,298	5,743
Income tax paid	(530)	(142)	(696)	(520)
Net cash from operating activities	4,572	5,501	7,602	5,223

	3 Months ended		9 Months ended	
	30 September 2014 (Unaudited) RM'000	30 September 2013 (Unaudited) RM'000	30 September 2014 (Unaudited) RM'000	30 September 2013 (Unaudited) RM'000
Investing activities				
Acquisition of a subsidiary, net of cash acquired	-	-	104	-
Acquisition of a subsidiary, Vientiane Law	-	-	(21)	-
(Advances to)/Repayment from associates	16	(1,648)	95	(518)
Advances to related parties	(473)	(4,149)	(1,558)	(3,953)
Disposal of a subsidiary	-	-	(130)	-
Dividend received	-	-	45	39
Interest received	25	(52)	67	79
Placement of fixed deposits with a bank	-	-	-	(1,124)
Proceeds from disposal of plant and equipment	-	-	70	-
Purchase of plant and equipment	(901)	(22)	(2,711)	(62)
Payment for intangible assets	-	(120)	(1,883)	(360)
Payment for deferred consideration to acquire a subsidiary	-	-	-	(400)
Net cash used in investing activities	(1,333)	(5,991)	(5,922)	(6,299)
Financing activities				
Dividends paid	(3,220) ⁽¹⁾	-	(10,736) ⁽¹⁾	-
Interest paid	(12)	(17)	(28)	(26)
Repayment to related parties	(336)	(98)	372	(1,091)
Advances from shareholders	572	-	888	-
Advances to directors	(25)	(1,124)	(13)	(67)
Proceeds of revolving credit facility	-	-	-	2,323
Issuance of ordinary shares	-	-	6,928	-
Redemption of preference shares	(373)	(199)	(373)	(566)
Repayments of finance lease payables	(17)	(20)	(40)	(52)
Net cash from/(used in) financing activities	(3,411)	(1,458)	(3,002)	521
Net change in cash and cash equivalents	(172)	(1,948)	(1,322)	(555)
Cash and cash equivalents at beginning of financial period	2,664	4,791	3,999	3,398
Effect of exchange rate changes on cash and cash equivalents	589	103	404	103
Cash and cash equivalents at end of the financial period	3,081	2,946	3,081	2,946

Note:-

(1) Interim dividend in respect of financial year ending 31 December 2014 was approved and paid to shareholders of the Company.

- 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	Retained earnings	Foreign currency translation account	Equity attributable to owners of the parent	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 July 2014	10,209	8,874	(447)	18,636	43	18,679
Profit for the financial period	-	3,794	-	3,794	211	4,005
Other comprehensive income, net of tax	-	-	646	646	-	646
Total comprehensive income for the period	-	3,794	646	4,440	211	4,651
Redemption of preference shares	-	(373)	-	(373)	-	(373)
Dividend paid	-	(3,220)	-	(3,220)	-	(3,220)
Balance as at 30 September 2014	10,209	9,075	199	19,483	254	19,737

(unaudited)	Share Capital	Retained earnings	Foreign currency translation account	Equity attributable to owners of the parent	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 July 2013	9	9,260	(125)	9,144	-	9,144
Profit for the financial period	-	3,242	-	3,242	-	3,242
Other comprehensive income, net of tax	-	-	61	61	-	61
Total comprehensive income for the period	-	3,242	61	3,303	-	3,303
Redemption of preference shares	-	(199)	-	(199)	-	(199)
Dividend paid	-	-	-	-	-	-
Balance as at 30 September 2013	9	12,303	(64)	12,248	-	12,248

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**Statement of Changes in Equity
Company**

(unaudited)	Share Capital	Retained earnings	Foreign currency translation account	Equity attributable to owners of the parent	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 July 2014	10,209	37	(52)	10,194	-	10,194
Profit for the financial period	-	3,220	-	3,220	-	3,220
Other comprehensive income, net of tax	-	-	203	203	-	203
Total comprehensive income for the period	-	3,220	203	3,423	-	3,423
Redemption of preference shares	-	-	-	-	-	-
Dividend paid	-	(3,220)	-	(3,220)	-	(3,220)
Balance as at 30 September 2014	10,209	37	151	10,397	-	10,397

(unaudited)	Share Capital	Retained earnings	Foreign currency translation account	Equity attributable to owners of the parent	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 July 2013	9	3,528	(102)	3,435	-	3,435
Profit for the financial period	-	1,951	-	1,951	-	1,951
Other comprehensive income, net of tax	-	-	102	102	-	102
Total comprehensive income for the period	-	1,951	102	2,053	-	2,053
Redemption of preference shares	-	(199)	-	(199)	-	(199)
Dividend paid	-	-	-	-	-	-
Balance as at 30 September 2013	9	5,280	-	5,289	-	5,289

- 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

	Number of issued shares	Issued and paid-up share capital USD
Balance as at 1 July 2014	1,057,850	3,157,813
Issue of Tranche 1 of Pre-IPO New Shares	15,112	520,626
Balance as at 30 September 2014	1,072,962	3,678,439

The Company had on 19 September 2014, adopted the ZICO Holdings Employee Share Option Scheme and there was no option being granted for the financial period reported on.

Save as disclosed above, the Company did not have any treasury shares or convertibles as at 30 September 2014 and 30 September 2013.

Upon the subdivision of each ordinary share into 200 ordinary shares on 14 October 2014, issuance of LPL Shares, Tranche 2 of Pre-IPO New Shares and PPCF Shares (as defined in the Offer Document of the Company dated 30 October 2014) and prior to the issuance of the placement shares on 7 November ("**Placement**"), the Company had an issued and paid-up share capital of USD\$4,561,281, comprising 219,078,800 shares.

As at the date of this announcement and upon completion of the Placement, the Company has an issued and paid-up share capital of USD\$15,240,377, comprising 267,078,800 shares.

- 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 30 September 2014	As at 31 December 2013
Total number of issued shares	1,072,962	1,000,000

The Company did not have any treasury shares as at 30 September 2014 and 31 December 2013.

- 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.

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 2013 as set out in the Company's Offer Document dated 30 October 2014.

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") and Interpretations of Financial Reporting Standards ("IFRIC") that are mandatory for the accounting periods beginning on or after 1 January 2014. The adoption of these new and revised IFRS and IFRIC 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**

	Group			
Earnings per share ("EPS")	3 months ended 30 September 2014 (Unaudited)	3 months ended 30 September 2013 (Unaudited)	9 months ended 30 September 2014 (Unaudited)	9 months ended 30 September 2013 (Unaudited)
Profit attributable to owners of the parent (RM)	3,794,479	3,242,567	11,840,205	7,089,644
Weighted average number of ordinary shares in issue ⁽¹⁾	1,059,821	3,000	1,038,116	3,000
Basic and fully diluted basis EPS (RM) ⁽²⁾	3.58	1,080.86	11.41	2,363.22

Notes:-

- (1) The weighted average number of ordinary shares in issue for the 3 months ended September 2014 was based on the issued and paid-up ordinary share capital of 1,057,850 shares and adjusted for 15,112 Pre-IPO New Shares issued on 19 September 2014.
- (2) The weighted average number of ordinary shares in issue for the 9 months ended September 2014 were based on the issued and paid-up ordinary share capital of 1,000,000 shares and adjusted for 29,850 ordinary shares issued on 31 March 2014 and 28,000 ordinary shares issued on 15 April 2014, as well as the 15,112 Pre-IPO New Shares issued on 19 September 2014.
- (3) The basic and fully diluted loss per share were the same as there were no potentially dilutive ordinary shares in issue as at 30 September 2014 and 30 September 2013.

For illustrative and comparative purposes, the EPS for the financial periods under review computed based on the pre-Placement share capital of 219,078,800 Shares and post-Placement share capital of 267,078,800 Shares are as follows:

	Group			
EPS	3 months ended 30 September 2014 (Unaudited)	3 months ended 30 September 2013 (Unaudited)	9 months ended 30 September 2014 (Unaudited)	9 months ended 30 September 2013 (Unaudited)
Profit attributable to owners of the parent (RM)	3,794,479	3,242,567	11,840,205	7,089,644
EPS based on pre-Placement share capital (sen)	1.73	1.48	5.40	3.24
EPS based on post-Placement share capital (sen)	1.42	1.21	4.43	2.65

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

	Group 30 September 2014 (Unaudited)	Group 31 December 2013 (Audited)	Company 30 September 2014 (Unaudited)	Company 31 December 2013 (Audited)
Net asset value ("NAV")				
NAV (RM)	19,736,891	11,167,697	13,021,119	4,101,654
Number of ordinary shares in issue	1,072,962	1,000,000	1,072,962	1,000,000
NAV per ordinary share (RM)	18.39	11.17	12.14	4.10

For illustrative and comparative purposes, the NAV per ordinary share for the financial periods under review computed based on the pre-Placement share capital of 219,078,800 Shares and post-Placement share capital of 267,078,800 Shares are as follows:

	Group 30 September 2014 (Unaudited)	Group 31 December 2013 (Audited)	Company 30 September 2014 (Unaudited)	Company 31 December 2013 (Audited)
NAV				
NAV (RM)	19,736,891	11,167,697	13,021,119	4,101,654
NAV per ordinary share based on pre-Placement share capital (sen)	9.01	5.10	5.94	1.87
NAV per ordinary share based on post-Placement share capital (sen)	7.39	4.18	4.88	1.54

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

Review for the performance of the Group for the 3 months and 9 months ended 30 September 2014 ("3Q2014" and "9M2014" respectively) as compared to 3 months and 9 months ended 30 September 2013 ("3Q2013" and "9M2013" respectively) .

Consolidated Statement of Comprehensive Income

Revenue

The Group's revenue increased by 48% in 3Q2014 to RM7.4 million as compared to RM5.0 million in 3Q2013, mainly due to the commencement of Management and Support Services business in January 2014. The Management and Support Services business accounted for RM2.0 million in 3Q2014 with the balance RM 4.0 million and RM 1.4 million coming from Advisory and Transactional Services ("ATS") and Licensing Services ("LS"). Revenue for ATS and LS increased by 7.1% and 5.7% respectively compared to 3Q2013. Of the Group's revenue of RM5.0 million in 3Q2013, RM2.4 million was derived from the Group's former subsidiary, ZICOLaw Singapore which was disposed of on 31 March 2014.

Other items of income

Interest income

The increase in interest income in 3Q2014 to approximately RM0.03 million as compared to a negative RM0.05 million in 3Q2013, was mainly due to reversal of over-accrued interest income in 3Q2013.

Other income

Other income in 3Q2014 was approximately RM0.8 million as compared to RM0.1 million in 3Q2013. The increase was mainly due to recovery of disbursements, a gain on disposal of a subsidiary, ZICOLaw Singapore and an allowance for doubtful debts written back.

Items of expense

The items of expense of RM3.7 million in 3Q2014 as compared to RM1.6 million in 3Q2013 was mainly due to increase in amortization and depreciation expenses, employee benefits expense, rental and maintenance expense as well as retainer fees and consultation fees.

Amortisation and depreciation expenses

Amortisation and depreciation expenses increased by RM0.2 million in 3Q2014 as compared to 3Q2013 of RM0.07 million, mainly due to additions of computer hardware and computer software used by the Management and Support Services business, which commenced operations in January 2014.

Employee benefits expense

The increase in employee benefits expense of RM2.2 million in 3Q2014 as compared to RM1.0 million in 3Q2013, was mainly due to the increase in headcount as a result of commencement of Management and Support Services business, acquisition of ZICOLaw Myanmar and Vientiane Law, and expansion of trust business in Singapore under Allshores Trust. The employee benefits expense of RM0.5 million in 3Q2013 was contributed by ZICOLaw Singapore, a subsidiary which had been disposed by the Group on 31 March 2014.

Rental and maintenance expense

Rental and maintenance expense was higher by approximately RM0.1 million in 3Q2014 as compared to 3Q2013, mainly due to an increase in rental of premises as additional office space was taken up for our Management and Support Service business, ZICOLaw Myanmar office and Allshores Trust in Singapore. The rental and maintenance expense of RM0.2 million in 3Q2013 was contributed by a former subsidiary ZICOLaw Singapore.

Retainer fees and consultation fees

Retainer fees and consultation fees of RM0.9 million in 3Q2014 was higher by RM0.6 million as compared to RM0.3 million in 3Q2013, mainly due to commencement of the Management and Support Services business.

Other expenses

Other expenses of RM0.4 million in 3Q2014 was higher by RM0.3 million as compared to RM0.1 million in 3Q2013, mainly due to higher travelling and accommodation expenses by RM0.1 million as well as marketing and development expenses by RM0.1 million as a result of expansion of business during the financial period and loss on foreign exchange by RM0.1 million.

Finance Costs

Finance costs remained relatively unchanged at approximately RM0.1 million in 3Q2014 and 3Q2013.

Profit before income tax

Profit before income tax of RM4.5 million in 3Q2014 was higher by approximately RM1 million as compared to RM3.5 million in 3Q2013, mainly due to commencement of a new business segment, Management and Support Services business in January 2014.

Income tax expense

The tax expense of RM0.5 million was higher in 3Q2014 as compared to RM0.2 million in 3Q2013 was consistent with the higher profit before income tax of RM4.5 million in 3Q2014 as compared to RM3.5 million in 3Q2013.

As a result of the above, the profit after tax increased by 24% to RM4.0 million in 3Q2014 from RM3.2 million in 3Q2013.

Consolidated Statement of Financial Position

Non-current assets

Plant and equipment increased by RM2.3 million as at 30 September 2014 as compared to 31 December 2013 mainly due to renovation of new offices and the additions of computer hardware and software for the Management and Support business, which commenced operations in January 2014.

Intangible assets increased by RM2.2 million as at 30 September 2014 as compared to 31 December 2013, mainly due to goodwill arising on acquisition of subsidiaries, ZICOLaw Myanmar and Vientiane Law as well as acquisition of trademark of approximately RM1.7 million pertaining to the “ZI” trademark.

Investment in associates decreased by RM0.5 million as at 30 September 2014 as compared to 31 December 2013, mainly due to disposal of an associated company, ZICOLaw (Thailand) Limited.

Current assets

Trade and other receivables increased by RM3.0 million to RM21.7 million as at 30 September 2014, mainly due to additional billings recognized from the Management and Support Services business having commenced operations in January 2014.

Prepayments increased by RM0.6 million to RM0.7 million as at 30 September 2014, as a result of the prepayment of referral fees and consultation fees arising from the listing exercise of the Company.

Cash and cash equivalents were lower by RM5.4 million from RM8.5 million to RM3.1 million as at 30 September 2014, mainly due to the disposal of a former subsidiary, ZICOLaw Singapore.

Non-current liabilities

Non-current liabilities comprised interest bearing liabilities, other payables, provision and deferred tax liabilities. The increase in non-current liabilities by RM0.2 million to RM2.2 million as at 30 September 2014 as compared to 30 September 2013 was mainly due to the increase in interest bearing liabilities of RM0.2 million for the acquisition of a new motor vehicle.

Current liabilities

Trade and other payables decreased by RM5.4 million to RM10.7 million as at 30 September 2014, mainly due to repayment to related parties during the financial period under review.

The increase in current income tax payable by RM0.6 million to RM1.9 million as at 30 September 2014, was mainly due to higher scheduled payment of tax instalments during the financial period under review.

The decrease in interest bearing liabilities by RM2.4 million to RM 0.1 million as at 30 September 2014 was mainly due to the absence of a revolving credit loan granted to a former subsidiary ZICOLaw Singapore.

Consolidated Statement of Cash Flow

The lower net cash from operating activities of RM4.6 million in 3Q2014 as compared to RM5.5 million in 3Q2013, was mainly due to a reduction in trade and other payables.

Net cash used in investing activities of approximately RM1.3 million in 3Q2014 was lower as compared to RM5.9 million in 3Q2013, mainly due to advances to related parties and associates in 3Q2013.

Net cash used in financing activities of approximately RM3.4 million in 3Q2014 as compared to RM1.5 million in 3Q2013, was mainly attributable to dividends paid of approximately RM3.2 million and redemption of preference shares of approximately RM0.4 million.

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.

The Company completed its IPO in November 2014. Business sentiment in our markets may be affected by the recent drop in oil prices which may have both negative and positive impacts in different sectors of the markets in which we operate. Recent currency fluctuations in our larger markets may also affect revenues.

The Group cash flow may be impacted by the imposition of goods and services tax ("GST") in Malaysia from 1 April 2015 as the obligation for GST arises prior to the collection of GST from our customers. The one-off listing expenses from our IPO will affect our profitability for financial year 2014.

The overall long term business environment in the ASEAN market remained broadly positive. The Group continues to be on the lookout for opportunities to enhance and diversify our existing services and offer new opportunities that may arise including acquisitions and joint ventures.

11. Dividend

If a decision regarding dividend has been made:-

- (a) Whether an interim (final) dividend has been declared (recommended); and
None.
- (b)(i) Amount per share (cents)
(Optional) Rate (%)
Not applicable.
- (b)(ii) Previous corresponding period (cents)
(Optional) Rate (%)
None.
- (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 3Q2014.

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 during the financial period reported on.

14. Use of IPO proceeds

The Company refers to the net proceeds amounting to S\$14.4 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	-	8,000
Capital expenditure on information technology infrastructure	1,000	-	1,000
General working capital	3,521	240 ⁽¹⁾	3,281
Listing expenses	1,879	1,329	550
Total	14,400	1,569	12,831

Note:

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

15. Negative Confirmation by the Board Pursuant to Rule 705(5) of the Catalist Listing Manual

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the 3 months and 9 months financial periods ended 30 September 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chew Seng Kok
Managing Director

8 December 2014