

**ZICO HOLDINGS INC.**

(Company Registration No. LL07968)

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**Unaudited Financial Statements and Dividend Announcement  
For the Financial Period [6 months] Ended 30 June 2020**

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**PART I - INFORMATION REQUIRED FOR HALF-YEAR ANNOUNCEMENTS**

**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**

|                                               | <b>Group</b>            |                     |               |
|-----------------------------------------------|-------------------------|---------------------|---------------|
|                                               | <b>Six Months Ended</b> |                     |               |
|                                               | <b>30 June 2020</b>     | <b>30 June 2019</b> | <b>Change</b> |
|                                               | <b>(Unaudited)</b>      | <b>(Unaudited)</b>  |               |
|                                               | <b>RM'000</b>           | <b>RM'000</b>       | <b>%</b>      |
| Revenue                                       | 32,850                  | 42,787              | (23.2)        |
| <b>Other items of income</b>                  |                         |                     |               |
| Interest income                               | 96                      | 635                 | (84.9)        |
| Other income                                  | 3,969                   | 2,620               | 51.5          |
|                                               | 36,915                  | 46,042              | (19.8)        |
| <b>Other gains and losses</b>                 |                         |                     |               |
| Others                                        | (929)                   | (350)               | 165.4         |
| Loss allowance on trade and other receivables | (653)                   | 159                 | (510.7)       |
|                                               | 35,333                  | 45,851              | (22.9)        |
| <b>Items of expense</b>                       |                         |                     |               |
| Amortisation and depreciation expenses        | (4,953)                 | (2,626)             | 105.3         |
| Employee benefits expense                     | (24,631)                | (27,514)            | (10.5)        |
| Operating lease expenses                      | (161)                   | (3,357)             | (109.4)       |
| Retainer fees and consultancy fees            | (2,861)                 | (3,335)             | (14.2)        |
| Other expenses                                | (4,801)                 | (7,124)             | (32.6)        |
| Finance costs                                 | (1,206)                 | (1,868)             | (31.9)        |
|                                               | (38,613)                | (45,824)            | (15.7)        |
|                                               | (3,280)                 | 27                  | n.m.          |
| Share of results of associates, net of tax    | 18                      | 5                   | 260.0         |
| Share of results of joint venture, net of tax | 2,754                   | 1,418               | 94.2          |
| <b>Profit/(Loss) before income tax</b>        | (508)                   | 1,450               | (135.0)       |
| Income tax credit / (expense)                 | 478                     | 553                 | (13.6)        |
| <b>Profit/(Loss) for the financial period</b> | (30)                    | 2,003               | (101.5)       |

|                                                                              | <b>Group</b>            |                     |               |
|------------------------------------------------------------------------------|-------------------------|---------------------|---------------|
|                                                                              | <b>Six Months Ended</b> |                     |               |
|                                                                              | <b>30 June 2020</b>     | <b>30 June 2019</b> | <b>Change</b> |
|                                                                              | <b>(Unaudited)</b>      | <b>(Unaudited)</b>  |               |
|                                                                              | <b>RM'000</b>           | <b>RM'000</b>       | <b>%</b>      |
| <b>Other comprehensive income</b>                                            |                         |                     |               |
| <i>Items that may be reclassified subsequently to profit or loss</i>         |                         |                     |               |
| Foreign currency translation differences                                     | 1,052                   | 55                  | (1,813)       |
|                                                                              | 1,052                   | 55                  | (1,813)       |
| Fair value losses on financial assets, at FVOCI                              | (811)                   | (355)               | 128.5         |
| Foreign currency translation differences                                     | (16)                    | (274)               | (94.2)        |
| <b>Other comprehensive income/ (loss) for the financial year, net of tax</b> | 225                     | (574)               | (139.2)       |
| <b>Total comprehensive income for the financial year</b>                     | 195                     | 1,429               | (86.4)        |
| <b>Profit/(Loss) attributable to:</b>                                        |                         |                     |               |
| Owners of the parent                                                         | (173)                   | 1,534               | (111.3)       |
| Non-controlling interests                                                    | 143                     | 469                 | (69.5)        |
|                                                                              | (30)                    | 2,003               | (180.8)       |
| <b>Total comprehensive income attributable to:</b>                           |                         |                     |               |
| Owners of the parent                                                         | 60                      | 1,269               | (95.3)        |
| Non-controlling interests                                                    | 135                     | 160                 | (15.6)        |
|                                                                              | 195                     | 1,429               | (110.9)       |

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:

|                                                                 | Six Months Ended |              |
|-----------------------------------------------------------------|------------------|--------------|
|                                                                 | 30 June 2020     | 30 June 2019 |
|                                                                 | (Unaudited)      | (Unaudited)  |
|                                                                 | RM'000           | RM'000       |
| <b><i>Other gains and losses</i></b>                            |                  |              |
| Trade and other receivables written off                         | (528)            | (101)        |
| Unrealised foreign exchange loss, net                           | (285)            | (178)        |
| Realised foreign exchange loss, net                             | (116)            | (71)         |
| <b><i>Amortisation and depreciation expenses</i></b>            |                  |              |
| Amortisation of intangible assets                               | 1,505            | 1,870        |
| Amortisation of right-of-use assets                             | 2,803            | -            |
| Depreciation of plant and equipment                             | 645              | 756          |
| <b><i>Employee benefits expense</i></b>                         |                  |              |
| Share based payment expenses                                    | (110)            | 596          |
| <b><i>Operating lease expenses</i></b>                          |                  |              |
| Amortisation of right-of-use assets                             | -                | 2,899        |
| Rental of premises                                              | 84               | 422          |
| Rental of accommodation                                         | 77               | 36           |
| <b><i>Other expenses</i></b>                                    |                  |              |
| Loss on disposal of plant and equipment                         | 18               | -            |
| Plant and equipment written off                                 | 1                | -            |
| <b><i>Income tax expenses</i></b>                               |                  |              |
| Under provision of income tax expenses in respect of prior year | 4                | -            |

**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**

|                                                    | <b>Group</b>                                       |                                                      | <b>Company</b>                                     |                                                      |
|----------------------------------------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
|                                                    | <b>30 June<br/>2020<br/>(Unaudited)<br/>RM'000</b> | <b>31 December<br/>2019<br/>(Audited)<br/>RM'000</b> | <b>30 June<br/>2020<br/>(Unaudited)<br/>RM'000</b> | <b>31 December<br/>2019<br/>(Audited)<br/>RM'000</b> |
| <b>ASSETS</b>                                      |                                                    |                                                      |                                                    |                                                      |
| <b>Non-current assets</b>                          |                                                    |                                                      |                                                    |                                                      |
| Plant and equipment                                | 4,458                                              | 4,929                                                | 63                                                 | 70                                                   |
| Right-of-use assets                                | 12,154                                             | 12,274                                               | 673                                                | 887                                                  |
| Intangible assets                                  | 35,006                                             | 36,259                                               | 1,511                                              | 1,742                                                |
| Subsidiaries                                       | -                                                  | -                                                    | 39,662                                             | 39,028                                               |
| Associates                                         | 35                                                 | 17                                                   | 2                                                  | 2                                                    |
| Joint venture                                      | 15,631                                             | 12,897                                               | 9,448                                              | 9,342                                                |
| Investments                                        | 1,599                                              | 2,085                                                | -                                                  | -                                                    |
| Deferred income tax assets                         | 8,878                                              | 7,520                                                | -                                                  | -                                                    |
| Trade and other receivables                        | 34,282                                             | 34,282                                               | 62,320                                             | 62,320                                               |
|                                                    | <b>112,043</b>                                     | <b>110,263</b>                                       | <b>113,679</b>                                     | <b>113,391</b>                                       |
| <b>Current assets</b>                              |                                                    |                                                      |                                                    |                                                      |
| Trade and other receivables                        | 70,372                                             | 64,693                                               | 46,247                                             | 48,145                                               |
| Prepayments                                        | 590                                                | 409                                                  | 51                                                 | 59                                                   |
| Current income tax recoverable                     | 640                                                | 620                                                  | 2                                                  | -                                                    |
| Cash and cash equivalents                          | 11,656                                             | 19,423                                               | 153                                                | 233                                                  |
| Other current assets                               | 3,065                                              | 4,065                                                | 5                                                  | 5                                                    |
|                                                    | <b>86,323</b>                                      | <b>89,210</b>                                        | <b>46,458</b>                                      | <b>48,442</b>                                        |
| <b>Total assets</b>                                | <b>198,366</b>                                     | <b>199,473</b>                                       | <b>160,137</b>                                     | <b>161,833</b>                                       |
| <b>EQUITY AND LIABILITIES</b>                      |                                                    |                                                      |                                                    |                                                      |
| <b>Equity</b>                                      |                                                    |                                                      |                                                    |                                                      |
| Share capital                                      | 95,014                                             | 94,328                                               | 95,014                                             | 94,328                                               |
| Share based-reserve                                | 2,091                                              | 2,882                                                | 2,091                                              | 2,882                                                |
| Currency translation reserve                       | 1,428                                              | 376                                                  | 11,497                                             | 10,112                                               |
| Fair value reserve                                 | (2,837)                                            | (2,018)                                              | -                                                  | -                                                    |
| Retained earnings                                  | 16,530                                             | 16,703                                               | 13,883                                             | 15,528                                               |
| <b>Equity attributable to owners of the parent</b> | <b>112,226</b>                                     | <b>112,271</b>                                       | <b>122,485</b>                                     | <b>122,850</b>                                       |
| Non-controlling interests                          | (1,483)                                            | (1,618)                                              | -                                                  | -                                                    |
| <b>Total equity</b>                                | <b>110,743</b>                                     | <b>110,653</b>                                       | <b>122,485</b>                                     | <b>122,850</b>                                       |
| <b>Non-current liabilities</b>                     |                                                    |                                                      |                                                    |                                                      |
| Interest-bearing liabilities                       | 2,408                                              | 2,486                                                | 2,407                                              | 2,486                                                |
| Lease liabilities                                  | 10,235                                             | 8,471                                                | 475                                                | 470                                                  |
| Provisions                                         | 239                                                | 235                                                  | -                                                  | -                                                    |
| Deferred income tax liabilities                    | 1,431                                              | 1,470                                                | -                                                  | -                                                    |
|                                                    | <b>14,313</b>                                      | <b>12,662</b>                                        | <b>2,882</b>                                       | <b>2,956</b>                                         |
| <b>Current liabilities</b>                         |                                                    |                                                      |                                                    |                                                      |
| Trade and other payables                           | 18,828                                             | 20,482                                               | 1,553                                              | 1,147                                                |
| Interest-bearing liabilities                       | 43,425                                             | 44,947                                               | 32,989                                             | 34,428                                               |
| Lease liabilities                                  | 3,497                                              | 5,314                                                | 228                                                | 446                                                  |
| Contracted liabilities                             | 4,364                                              | 2,756                                                | -                                                  | -                                                    |
| Provisions                                         | 20                                                 | 20                                                   | -                                                  | -                                                    |
| Current income tax payable                         | 3,176                                              | 2,639                                                | -                                                  | 6                                                    |
|                                                    | <b>73,310</b>                                      | <b>76,158</b>                                        | <b>34,770</b>                                      | <b>36,027</b>                                        |
| <b>Total liabilities</b>                           | <b>87,623</b>                                      | <b>88,820</b>                                        | <b>37,652</b>                                      | <b>38,983</b>                                        |

**Total equity and liabilities**

|         |         |         |         |
|---------|---------|---------|---------|
| 198,366 | 199,473 | 160,137 | 161,833 |
|---------|---------|---------|---------|

**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 June 2020<br>(Unaudited) |                     | As at 31 December 2019<br>(Audited) |                     |
|-----------------------------------|---------------------|-------------------------------------|---------------------|
| Secured<br>RM'000                 | Unsecured<br>RM'000 | Secured<br>RM'000                   | Unsecured<br>RM'000 |
| 46,922                            | -                   | 50,261                              | -                   |

**Amount repayable after one year**

| As at 30 June 2020<br>(Unaudited) |                     | As at 31 December 2019<br>(Audited) |                     |
|-----------------------------------|---------------------|-------------------------------------|---------------------|
| Secured<br>RM'000                 | Unsecured<br>RM'000 | Secured<br>RM'000                   | Unsecured<br>RM'000 |
| 12,643                            | -                   | 10,957                              | -                   |

**Details of any collateral**

The secured borrowings comprised:

|                          | As at 30<br>June 2020<br>(Unaudited)<br>RM'000 | As at 31<br>December 2019<br>(Audited)<br>RM'000 | Secured by                                                                                                   |
|--------------------------|------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Finance lease facilities | -                                              | 2                                                | Not applicable                                                                                               |
| Term loan                | 2,989                                          | 3,417                                            | 1) Letter of undertaking by a director; and<br>2) Assignment of dividends due to the Company by a subsidiary |
| Revolving credit         | 34,453                                         | 35,543                                           | Corporate guarantee for all moneys owing by certain subsidiaries                                             |
| Bank overdraft           | 8,391                                          | 8,473                                            | Corporate guarantee by a subsidiary                                                                          |
| Lease liabilities        | 13,732                                         | 13,783                                           | Secured over the rights and benefits to lease the office units                                               |
|                          | <u>59,565</u>                                  | <u>61,218</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**

|                                                                 | <b>Six Months Ended</b> |                     |
|-----------------------------------------------------------------|-------------------------|---------------------|
|                                                                 | <b>30 June 2020</b>     | <b>30 June 2019</b> |
|                                                                 | <b>(Unaudited)</b>      | <b>(Unaudited)</b>  |
|                                                                 | <b>RM'000</b>           | <b>RM'000</b>       |
| <b>Operating activities</b>                                     |                         |                     |
| Profit / (Loss) before income tax                               | (508)                   | 1,450               |
| Adjustments for:                                                |                         |                     |
| Amortisation of intangible assets                               | 1,505                   | 1,870               |
| Amortisation of right-of-use                                    | 2,803                   | 2,899               |
| Trade and other receivables written off                         | 528                     | 101                 |
| Depreciation of plant and equipment                             | 645                     | 756                 |
| Loss allowance on trade and other                               | 653                     | (159)               |
| Interest income                                                 | (96)                    | (635)               |
| Interest expense                                                | 1,206                   | 1,305               |
| Loss on disposal of plant and equipment                         | 18                      | -                   |
| Plant and equipment written off                                 | 1                       | -                   |
| Share of results of associates, net of tax                      | (18)                    | (5)                 |
| Share of results of joint venture, net of tax                   | (2,754)                 | (1,418)             |
| Unrealised foreign exchange loss/(gain), net                    | 285                     | 178                 |
| Share based payment expenses                                    | (110)                   | 596                 |
| <b>Operating cash flows before working capital changes</b>      | <b>4,158</b>            | <b>6,938</b>        |
| <b>Working capital changes:</b>                                 |                         |                     |
| Trade and other receivables                                     | (5,298)                 | (13,253)            |
| Prepayments                                                     | (182)                   | 290                 |
| Trade and other payables                                        | 490                     | 1,196               |
| Cash generated from/(used in) operations                        | (832)                   | (4,829)             |
| Income tax paid                                                 | (362)                   | 409                 |
| <b>Net cash generated from / (used in) operating activities</b> | <b>(1,194)</b>          | <b>(4,420)</b>      |

|                                                                                        | <b>Six Months Ended</b> |                    |
|----------------------------------------------------------------------------------------|-------------------------|--------------------|
|                                                                                        | <b>30-Jun-20</b>        | <b>30-Jun-19</b>   |
|                                                                                        | <b>(Unaudited)</b>      | <b>(Unaudited)</b> |
|                                                                                        | <b>RM'000</b>           | <b>RM'000</b>      |
| <b>Investing activities</b>                                                            |                         |                    |
| Advances to associate                                                                  | (584)                   | (1,845)            |
| Repayment (to)/ from third parties                                                     | -                       | 44                 |
| Interest received                                                                      | 96                      | 635                |
| Proceeds from disposal of plant and equipment                                          | 75                      | -                  |
| Purchase of plant and equipment                                                        | (74)                    | (70)               |
| Purchase of intangible assets                                                          | -                       | (51)               |
| Purchase of financial asset, available-for-sale                                        | -                       | (330)              |
| <b>Net cash used in investing activities</b>                                           | <b>(487)</b>            | <b>(1,617)</b>     |
| <b>Financing activities</b>                                                            |                         |                    |
| Interest paid                                                                          | (822)                   | (1,305)            |
| Issuance of ordinary shares                                                            | 84                      | 10,196             |
| Dividends paid to non-controlling interests                                            | -                       | (1,770)            |
| Proceeds from term loan facility                                                       | -                       | 3,060              |
| Repayment of revolving credit facility                                                 | (2,012)                 | (5,337)            |
| Repayments of finance lease payables                                                   | (2)                     | (53)               |
| Repayment lease liabilities                                                            | (3,120)                 | -                  |
| <b>Net cash (used in)/ generated from financing activities</b>                         | <b>(5,872)</b>          | <b>4,791</b>       |
| Net change in cash and cash equivalents                                                | (7,553)                 | (1,246)            |
| Cash and cash equivalents at beginning of financial year                               | 10,950                  | 7,456              |
| Effect of exchange rate changes on cash and cash equivalents                           | (132)                   | (31)               |
| <b>Cash and cash equivalents at end of the financial period</b>                        | <b>3,265</b>            | <b>6,179</b>       |
| <b>Cash and cash equivalents comprise:</b>                                             |                         |                    |
| Cash and cash equivalents as shown in the Consolidated Statement of Financial Position | 11,656                  | 14,628             |
| Less: Bank overdraft                                                                   | (8,391)                 | (8,449)            |
|                                                                                        | <b>3,265</b>            | <b>6,179</b>       |

**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**

| <b>(Unaudited)</b>                                                | <b>Share capital</b> | <b>Share-based reserve</b> | <b>Retained earnings</b> | <b>Currency translation reserve</b> | <b>Fair value reserve</b> | <b>Equity attributable to owners of the parent</b> | <b>Non-controlling interests</b> | <b>Total equity</b> |
|-------------------------------------------------------------------|----------------------|----------------------------|--------------------------|-------------------------------------|---------------------------|----------------------------------------------------|----------------------------------|---------------------|
|                                                                   | <b>RM'000</b>        | <b>RM'000</b>              | <b>RM'000</b>            | <b>RM'000</b>                       | <b>RM'000</b>             | <b>RM'000</b>                                      | <b>RM'000</b>                    | <b>RM'000</b>       |
| Balance as at 1 January 2020                                      | 94,328               | 2,882                      | 16,703                   | 376                                 | (2,018)                   | 112,271                                            | (1,618)                          | 110,653             |
| <b>Profit for the financial period</b>                            | -                    | -                          | (173)                    | -                                   | -                         | (173)                                              | 143                              | (30)                |
| <b>Other comprehensive loss:</b>                                  |                      |                            |                          |                                     |                           |                                                    |                                  |                     |
| Fair value loss on financial assets                               | -                    | -                          | -                        | -                                   | (819)                     | (819)                                              | 8                                | (811)               |
| Foreign currency translation differences                          | -                    | -                          | -                        | 1,052                               | -                         | 1,052                                              | (16)                             | 1,036               |
| <b>Total comprehensive income/(loss) for the financial period</b> | -                    | -                          | (173)                    | 1,052                               | (819)                     | 60                                                 | 135                              | 195                 |
| <b>Contributions by and distributions to owners of the parent</b> |                      |                            |                          |                                     |                           |                                                    |                                  |                     |
| Issuance of ordinary shares                                       | 84                   | -                          | -                        | -                                   | -                         | 84                                                 | -                                | 84                  |
| Exercise of share awards                                          | 602                  | (602)                      | -                        | -                                   | -                         | -                                                  | -                                | -                   |
| Forfeited share awards                                            | -                    | (393)                      | -                        | -                                   | -                         | (393)                                              | -                                | (393)               |
| Grant of share awards                                             | -                    | 204                        | -                        | -                                   | -                         | 204                                                | -                                | 204                 |
| <b>Total transactions with owners of the parent</b>               | 686                  | (791)                      | -                        | -                                   | -                         | (105)                                              | -                                | (105)               |
| <b>Transactions with non-controlling interests</b>                |                      |                            |                          |                                     |                           |                                                    |                                  |                     |
| Dividend paid to non-controlling interests                        | -                    | -                          | -                        | -                                   | -                         | -                                                  | -                                | -                   |
| <b>Total transactions with non-controlling interests</b>          | -                    | -                          | -                        | -                                   | -                         | -                                                  | -                                | -                   |
| Balance as at 30 June 2020                                        | 95,014               | 2,091                      | 16,530                   | 1,428                               | (2,837)                   | 112,226                                            | (1,483)                          | 110,743             |

| <b>(Unaudited)</b>                                                | <b>Share capital</b> | <b>Share-based reserve</b> | <b>Retained earnings</b> | <b>Currency translation reserve</b> | <b>Fair value reserve</b> | <b>Equity attributable to owners of the parent</b> | <b>Non-controlling interests</b> | <b>Total equity</b> |
|-------------------------------------------------------------------|----------------------|----------------------------|--------------------------|-------------------------------------|---------------------------|----------------------------------------------------|----------------------------------|---------------------|
|                                                                   | <b>RM'000</b>        | <b>RM'000</b>              | <b>RM'000</b>            | <b>RM'000</b>                       | <b>RM'000</b>             | <b>RM'000</b>                                      | <b>RM'000</b>                    | <b>RM'000</b>       |
| Balance as at 1 January 2019                                      | 84,132               | 3,294                      | 25,705                   | 3,637                               | (1,295)                   | 115,473                                            | 552                              | 116,025             |
| Adoption of IFRS 16                                               | -                    | -                          | (1,240)                  | -                                   | -                         | (1,240)                                            | -                                | (1,240)             |
|                                                                   | 84,132               | 3,294                      | 24,465                   | 3,637                               | (1,295)                   | 114,233                                            | 552                              | 114,785             |
| <b>Profit for the financial period</b>                            | -                    | -                          | 1,534                    | -                                   | -                         | 1,534                                              | 469                              | 2,003               |
| <b>Other comprehensive loss:</b>                                  |                      |                            |                          |                                     |                           |                                                    |                                  |                     |
| Fair value loss on financial assets                               | -                    | -                          | -                        | -                                   | (321)                     | (321)                                              | (34)                             | (355)               |
| Foreign currency translation differences                          | -                    | -                          | -                        | 55                                  | -                         | 55                                                 | (274)                            | (219)               |
| <b>Total comprehensive income/(loss) for the financial period</b> | -                    | -                          | 1,534                    | 55                                  | (321)                     | 1,268                                              | 161                              | 1,429               |
| <b>Contributions by and distributions to owners of the parent</b> |                      |                            |                          |                                     |                           |                                                    |                                  |                     |
| Issuance of ordinary shares                                       | 9,030                | -                          | -                        | -                                   | -                         | 9,030                                              | -                                | 9,030               |
| Exercise of share awards                                          | 1,166                | (1,166)                    | -                        | -                                   | -                         | -                                                  | -                                | -                   |
| Grant of share awards                                             | -                    | 582                        | -                        | -                                   | -                         | 582                                                | -                                | 582                 |
| <b>Total transactions with owners of the parent</b>               | 10,196               | (584)                      | -                        | -                                   | -                         | 9,612                                              | -                                | 9,612               |
| <b>Transactions with non-controlling interests</b>                |                      |                            |                          |                                     |                           |                                                    |                                  |                     |
| Dividend paid to non-controlling interests                        | -                    | -                          | -                        | -                                   | -                         | -                                                  | (1,770)                          | (1,770)             |
| <b>Total transactions with non-controlling interests</b>          | -                    | -                          | -                        | -                                   | -                         | -                                                  | (1,770)                          | (1,770)             |
| Balance as at 30 June 2019                                        | 94,328               | 2,710                      | 25,999                   | 3,692                               | (1,616)                   | 125,113                                            | (1,057)                          | 124,056             |

**Statement of Changes in Equity  
Company**

| <b>(Unaudited)</b>                                                              | <b>Share<br/>capital</b> | <b>Share-based<br/>reserve</b> | <b>Retained<br/>earnings</b> | <b>Currency<br/>translation<br/>reserve</b> | <b>Total<br/>equity</b> |
|---------------------------------------------------------------------------------|--------------------------|--------------------------------|------------------------------|---------------------------------------------|-------------------------|
|                                                                                 | <b>RM'000</b>            | <b>RM'000</b>                  | <b>RM'000</b>                | <b>RM'000</b>                               | <b>RM'000</b>           |
| Balance as at 1 January 2020                                                    | 94,328                   | 2,882                          | 15,528                       | 10,112                                      | 122,850                 |
| <b>Profit for the financial period</b>                                          | -                        | -                              | (1,645)                      | -                                           | (1,645)                 |
| <b>Other comprehensive loss:</b><br>Foreign currency translation<br>differences | -                        | -                              | -                            | 1,385                                       | 1,385                   |
| <b>Total comprehensive income /<br/>(loss) for the financial period</b>         | -                        | -                              | (1,645)                      | 1,385                                       | 260                     |
| <b>Contributions by and<br/>distributions to owners of the<br/>parent</b>       |                          |                                |                              |                                             |                         |
| Issuance of ordinary shares                                                     | 84                       | -                              | -                            | -                                           | 84                      |
| Exercise of share awards                                                        | 602                      | (602)                          | -                            | -                                           | -                       |
| Forfeited share awards                                                          | -                        | (393)                          | -                            | -                                           | (393)                   |
| Grant of share awards                                                           | -                        | 204                            | -                            | -                                           | 204                     |
| <b>Total transactions with owners<br/>of the parent</b>                         | 686                      | (791)                          | -                            | -                                           | (105)                   |
| Balance as at 30 June 2020                                                      | 95,014                   | 2,091                          | 13,883                       | 11,497                                      | 122,485                 |

| <b>(Unaudited)</b>                                                | <b>Share capital</b> | <b>Share-based reserve</b> | <b>Retained earnings</b> | <b>Currency translation reserve</b> | <b>Total equity</b> |
|-------------------------------------------------------------------|----------------------|----------------------------|--------------------------|-------------------------------------|---------------------|
|                                                                   | <b>RM'000</b>        | <b>RM'000</b>              | <b>RM'000</b>            | <b>RM'000</b>                       | <b>RM'000</b>       |
| Balance as at 1 January 2019                                      | 84,132               | 3,294                      | 3,491                    | 9,908                               | 100,825             |
| Adoption of IFRS 16                                               | -                    | -                          | (26)                     | -                                   | (26)                |
|                                                                   | 84,132               | 3,294                      | 3,465                    | 9,908                               | 100,799             |
| <b>Profit for the financial period</b>                            | -                    | -                          | 12                       | -                                   | 12                  |
| <b>Other comprehensive loss:</b>                                  |                      |                            |                          |                                     |                     |
| Foreign currency translation differences                          | -                    | -                          | -                        | 769                                 | 769                 |
| <b>Total comprehensive income/(loss) for the financial period</b> | -                    | -                          | 12                       | 769                                 | 781                 |
| <b>Contributions by and distributions to owners of the parent</b> |                      |                            |                          |                                     |                     |
| Issuance of ordinary shares                                       | 9,030                | -                          | -                        | -                                   | 9,030               |
| Exercise of share awards                                          | 1,166                | (1,166)                    | -                        | -                                   | -                   |
| Grant of share awards                                             | -                    | 582                        | -                        | -                                   | 582                 |
| <b>Total transactions with owners of the parent</b>               | 10,196               | (584)                      | -                        | -                                   | 9,612               |
| Balance as at 30 June 2019                                        | 94,328               | 2,710                      | 3,477                    | 10,677                              | 111,192             |

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

**Shares Capital – Ordinary Shares**

|                                             | <b>Number of<br/>issued shares</b> | <b>Issued and paid-up<br/>share capital (RM)</b> |
|---------------------------------------------|------------------------------------|--------------------------------------------------|
| Balance as at 1 January 2020                | 324,250,742                        | 94,328,342                                       |
| Issue of new ordinary shares <sup>(1)</sup> | 675,020                            | 306,352                                          |
| Issue of new ordinary shares <sup>(2)</sup> | 1,020,300                          | 379,628                                          |
| <b>Balance as at 30 June 2020</b>           | <b>325,946,062</b>                 | <b>95,014,322</b>                                |

Notes:-

- (1) The issuance of new shares is in relation to the vesting of 675,020 share awards new shares pursuant to the New Awards on 21 April 2020 under the ZICO Holdings Performance Share Plan ("PSP").
- (2) The issuance of new shares is in relation to the vesting of 793,319 share awards and 226,981 new shares pursuant to the New Awards on 26 May 2020 under the ZICO Holdings Performance Share Plan ("PSP").

There were 3,500,000 outstanding options (30 June 2019: 3,500,000 options) and 793,362 share awards granted but unvested under the PSP as at 30 June 2020 (30 June 2019: 2,785,045). There were 323,336 unvested PSP shares that had expired as at 30 June 2020.

Save for the above, the Company did not have any convertibles or treasury shares as at 30 June 2020 and 30 June 2019.

The Company did not have any subsidiary holdings as at 30 June 2020 and 30 June 2019.

- 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**

|                               | <b>As at 30 June 2020</b> | <b>As at 31 December 2019</b> |
|-------------------------------|---------------------------|-------------------------------|
| Total number of issued shares | 325,946,062               | 324,250,742                   |

The Company did not have any treasury shares as at 30 June 2020 and 31 December 2019.

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

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

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

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

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

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

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

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

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

**(a) Updates on the efforts taken to resolve each outstanding audit issue**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

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

The Group's financial statements for the financial period ended 30 June 2020 was prepared in accordance with the International Financial Reporting Standards ("IFRSs"). The Group has performed a detailed analysis of the transition options and other requirements of IFRSs and has determined that there are no changes to the Group's current accounting policies under the IFRSs or material adjustments on the initial transition to the new framework.

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

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

Please refer to paragraph 4 above.

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

| Earnings per share ("EPS")                                                                | Group                          |                                |
|-------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
|                                                                                           | Six Months Ended               |                                |
|                                                                                           | 30 June<br>2020<br>(Unaudited) | 30 June<br>2019<br>(Unaudited) |
| Profit/(Loss) attributable to owners of the parent (RM'000)                               | (173)                          | 1,534                          |
| Weighted average number of ordinary shares in issue (in thousands)                        | 324,716 <sup>(1)</sup>         | 313,468 <sup>(3)</sup>         |
| Basic EPS (RM cents)                                                                      | (0.05)                         | 0.49                           |
| Weighted average number of ordinary shares in issue on fully diluted basis (in thousands) | 327,869 <sup>(2)</sup>         | 318,223 <sup>(4)</sup>         |
| Fully diluted EPS (RM cents)                                                              | (0.05)                         | 0.48                           |

Note:-

- (1) Adjusted for 1,468,339 ordinary shares allotted and issued pursuant to the vesting of share awards under the PSP.
- 675,020 share on 21 April 2020
  - 793,319 share on 26 May 2020

and; the issuance of new 226,981 shares pursuant to the New Award under the PSP on 26 May 2020.

- (2) Adjusted for 4,269,362 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options and vesting of 769,362 outstanding share awards as at 30 June 2020.
- (3) Adjusted for 2,463,322 ordinary shares allotted and issued pursuant to the vesting of share awards under the PSP.
- 788,352 shares on 21 March 2019
  - 771,653 shares on 22 April 2019
  - 903,317 shares on 21 May 2019

and; the issuance of new 217,957 shares pursuant to the New Award under the PSP on 21 March 2019; and subscription of 20,000,000 placement shares on 25 March 2019.

- (4) Adjusted for 6,285,045 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options and vesting of 2,785,045 outstanding share awards as at 30 June 2019.

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                        |                                  |
|------------------------------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
|                                                      | 30 June<br>2020<br>(Unaudited) | 31 December<br>2019<br>(Audited) | 30 June<br>2020<br>(Unaudited) | 31 December<br>2019<br>(Audited) |
| NAV (RM'000)                                         | 112,226                        | 112,271                          | 122,485                        | 122,850                          |
| Number of ordinary shares in issue<br>(in thousands) | 325,946                        | 324,251                          | 325,946                        | 324,251                          |
| NAV per ordinary share (RM cents)                    | 34.43                          | 34.62                            | 37.58                          | 37.89                            |

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 three months ended 30 June 2020 ("2Q2020") as compared to the three months ended 30 June 2019 ("2Q2019").***

Revenue

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

|                                                                                   | <b>HY2020<br/>(RM million)</b> | <b>HY2019<br/>(RM million)</b> | <b>% change</b> |
|-----------------------------------------------------------------------------------|--------------------------------|--------------------------------|-----------------|
| Advisory and Transactional Services (" <b>ATS</b> ")                              | 27.1                           | 33.6                           | (19.3)          |
| Management and Support Services Business & Licensing Services ( (" <b>MSSL</b> ") | 5.8                            | 9.2                            | (37.0)          |
| <b>Total</b>                                                                      | <b>32.9</b>                    | <b>42.8</b>                    | <b>(23.1)</b>   |

The decrease in the Group's revenue was due to the lower revenue from ATS and MSSL segments.

The decrease of revenue in ATS segment mainly to the disposal of subsidiaries Finova Singapore Pte. Ltd. ("**FINOVA**") and ZICO BPO Pte. Ltd. ("**BPO**") in Oct 2019.

The decrease in revenue from MSSL was mainly due to the lower revenue contributions from management and support services under ZICO Knowledge Services Sdn. Bhd. ("**ZIKS**").

Other items of income

*Interest income*

The interest income decreased by RM539k due to lower interest income charged on trade debtors outstanding.

*Other income*

Other income increased by RM1.3 million mainly due to wage subsidies of RM1.4 million received from the Singapore and Malaysia Government.

Items of expense

*Amortisation and depreciation expenses*

Amortisation and depreciation expenses increased by RM2.3 million mainly due to amortisation of right-of-use assets that has been reclassified from operating lease expenses in HY2020.

#### *Employee benefits expense*

Employee benefits expense decreased by RM2.9 million due to (i) reduction of employee expenses due to the disposal of subsidiaries, FINOVA and BPO; (ii) decrease in headcount; (iii) Management has taken cost-cutting measures in FY2020 by reducing the remuneration of Directors, Key Management Personnel and Senior Management as a mitigating measure against the financial crisis brought on by the COVID-19 pandemic.

#### *Operating lease expenses*

Operating lease expenses decreased by RM3.2 million mainly due to (i) rental rebate given by the landlord due to COVID-19 pandemic; and (ii) amortisation of right-of-use assets that has been reclassified to amortization and depreciation expenses in HY2020.

#### *Retainer fees and consultancy fees*

Retainer fees and consultancy fees had decreased by RM0.5 million mainly due to lower consultancy fees incurred by ZICOInsource Inc.

#### *Other losses*

Other losses increased by RM0.6 million mainly due to bad debt written off of RM0.5 million, unrealized forex losses of RM0.3 million and realized forex losses of RM0.1 million in HY2020.

#### *Loss allowance on trade and other receivables*

The loss on allowance on trade and other receivables is higher by RM 0.8 million due to additional allowance for doubtful debts provided during the period under review.

#### *Other expenses*

Other expenses decreased by RM2.3 million mainly due to (i) decrease in other expenses due to the disposal of subsidiaries, FINOVA and BPO amounted to RM1.7 million, and (ii) lower travelling related expenses by RM0.6 million.

#### *Finance Costs*

Finance costs decreased by RM0.7 million mainly due to the moratorium of finance costs granted by the bankers in lieu of the COVID-19 pandemic.

#### *Share of associates results*

Share of associate results increased by RM13k mainly due to higher income generated by the associate.

#### *Share of joint venture results*

Share of joint venture results is higher by RM1.3 million due to higher income generated by a joint venture company.

Loss before income tax

Loss before income tax of RM0.5million mainly due to reduction in total income generated and offset with the reduction in expenses incurred by the Group.

Income tax credit

Income tax credit decreased by RM0.1 million in HY2020 mainly due to lower deferred tax assets recognized for the unutilised tax losses of the subsidiaries as compared to HY2019.

Fair value losses on financial assets / Fair value loss on financial assets, available-for-sale

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

Foreign currency translation difference

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

Loss for the financial period

Loss for the financial period of RM30,000 was mainly due to loss before income tax offset by higher income tax credit incurred by the Group.

## Consolidated Statement of Financial Position

***The comparative performance for both the assets and liabilities are based on the financial statements as at 30 June 2020 and 31 December 2019.***

### Non-current assets

Plant and equipment decreased by RM0.5 million mainly due to (i) depreciation charge for the current financial period; and (ii) translation of plant and equipment at different closing rate as compared to 31 December 2019.

Right-of-use assets decreased by RM0.1 million mainly due to the amortization charge for the current financial period according to IFRS16 using the modified retrospective method.

Intangible assets decreased by RM1.3 million mainly due to (i) translation of goodwill and identifiable assets arising from the acquisition of B.A.C.S., as well as the corporate secretarial portfolio under ZICO-Stamford Corporate Services Pte. Ltd. at a different closing rate as compared to 31 December 2019 and (ii) amortisation of the computer software and identifiable assets for the current financial period.

Investment in associates increased by RM18k mainly due to the shares of associate's profit offset by the dividend income received in FY2020.

Investment in a joint venture increased by RM2.7 million mainly due to the share of joint venture's profit during the current financial period ended 30 June 2020.

Investments decreased by RM 0.5 million mainly due to the fair value adjustments of shares held by ZICO Capital Pte. Ltd. ("ZICAPSG").

Deferred tax assets increased by RM1.4 million mainly due to recognition of deferred tax assets for the unutilised tax losses of certain subsidiaries.

There is no movement on the non-current trade and other receivables.

### Current assets

Current trade and other receivables increased by RM5.7 million mainly due to the additional billings recognized during the current financial period.

Prepayments increased by RM0.2 million mainly due to prepayment of insurance.

Current income tax recoverable increased by RM20k 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 decreased by RM7.8 million mainly due to cash being utilised for operations.

Other current assets (comprising clients' monies held in trust and fixed deposit with maturity of more than 90 days) decreased by RM1.0 million mainly due to the disbursement of monies held in trust for clients during financial period ended 30 June 2020.

### Non-current liabilities

The decreased in non-current interest-bearing liabilities by RM0.1 million was mainly due to the repayment of term loan facilities.

Lease liabilities increased by RM1.8 million mainly due to the renewal of Tenancy Agreements for some Malaysian entities.

The increase in the provisions due to fluctuation of the foreign exchange rate as compared to 31 December 2019.

The decrease in deferred tax liabilities (“DTL”) by RM39k was mainly due to the fluctuation of foreign currency from US Dollars and Singapore Dollars to Ringgit Malaysia on the DTL recognize by certain subsidiaries.

### Current liabilities

Trade and other payables decreased by RM1.7 million mainly due to the repayment of other payables in relation to the payroll related costs and reduction in clients’ monies held in trust during financial period ended 30 June 2020.

Current interest-bearing liabilities decreased by RM1.5 million mainly due to the repayment for the term loan facilities and the finance lease payables.

Lease liabilities decreased by RM1.8 million mainly due to the renewal of Tenancy Agreements for some Malaysian entities and most of the lease liabilities are now recorded under non-current liabilities.

Contracted liabilities increased by RM1.6 million mainly due to increased billings to the clients under the corporate secretarial and trust business and offset with the translation of deferred revenue at a different closing rate as compared to 31 December 2019.

There is no movement on the provision for leave benefits as compared to 31 December 2019.

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

### Consolidated Statement of Cash Flow

The net cash used in operating activities of RM1.9 million in HY2020 was mainly due to the loss before income tax of RM 0.5 million partially offset by (i) increase in trade and other receivables as a result of billings to debtors and (ii) increase in trade and other payables towards end of June 2020.

Net cash used in investing activities of RM0.5 million in HY2020 was mainly due to net cash utilised for advances to associates.

Net cash used in financing activities of RM5.9 million in HY2020 was mainly due to repayment of revolving credit facilities and lease liabilities.

**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.**

Since the Company's last results announcement on 28 February 2020, the COVID-19 situation has been declared to be a global pandemic. Consequently, the Group's financial performance has been adversely affected along with the rest of the global economy. The Company's first responses to this crisis had been to implement business continuity plans, flexible work arrangements, and COVID-19 standard operating protocols to ensure the continuity of the Group's operations and safety of its work force. The Company has enhanced its focus on reducing costs, preserving cash and sustaining the Group's revenue streams. The economic outlook remains uncertain and continues to hinge upon the COVID-19 situation.

**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 for the reason(s) for the decision.**

No dividend has been declared or recommended for HY2020 in view of the current phase of growth and the need to consolidate cash resources for business purposes.

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

The Company does not have a general mandate for recurrent interested person transactions. There were no interested person transactions of S\$100,000 and above in HY2020.

IPT below S\$100,000 comprise the following:

- 1) Advances to the Company's associated entity ShakeUp Online Sdn Bhd ("Shakeup") for operational requirements. Each transaction is below S\$100,000. Shakeup is an interested person under Chapter 9 of the Catalist Rules, as it is an associate of Mr Chew Liong Kim, a director of the Company. He holds 80% equity interest in Shakeup.

**14. Use of IPO proceeds**

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

**15. Use of Placement proceeds**

As announced on 13 May 2019, the proceeds from placement exercise announced on 14 March 2019 and completed on 25 March 2019 have been fully utilised. The utilisation is consistent with the announcement on 13 May 2019.

**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 as set out in Appendix 7H of the Catalist Rules.

**17. 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 six months ended 30 June 2020 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Chew Seng Kok  
Managing Director

13 August 2020

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("**Exchange**") Listing Manual Section B: Rules of Catalist for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

*This announcement has not been examined or approved by the Exchange and Exchange assume no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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