



## NEWS RELEASE

### **ZICO HOLDINGS INC. ACHIEVES 26.5% REVENUE INCREASE TO RM66.7 MILLION<sup>1</sup> IN FY2016**

- ***Achieves 26.5% revenue increase***
- ***Profit after tax declines 30.3% to RM5.1 million<sup>2</sup> mainly from higher operating costs to support business growth and lower other income***
- ***ZICO Capital Pte. Ltd. begins to generate revenue***
- ***ZICO Corporate Services expands to Philippines***
- ***ZICO extends its services to ZICOlaw Network firm in Brunei***
- ***New integrated online legal services platform, ShakeUp, is launched***

**Singapore, 28 February 2017** – ZICO Holdings Inc. (“ZICO” and together with its subsidiaries and associated companies, the “Group”), an integrated provider of multidisciplinary professional services, announced today its unaudited results for the full year ended 31 December 2016 (“FY2016”). The Group achieved a 26.5% growth in revenue to RM66.7 million during the year, up from RM52.8 million in the previous corresponding year (“FY2015”).

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<sup>1</sup> Approximately S\$22.3 million based on an exchange rate of S\$1.00 to RM 2.9945 (average rate for FY2016)

<sup>2</sup> Approximately S\$1.7 million based on an exchange rate of S\$1.00 to RM 2.9945 (average rate for FY2016)

Mr Chew Seng Kok (“周成国”), Managing Director of ZICO, said, “The fact that we have achieved revenue growth for four consecutive quarters in this financial year validates our strategy to broaden and deepen the range of integrated services under our multi-disciplinary (MDP) platform. We continuously seek to add services which offer opportunities for cross-selling and referrals across the ZICO group and the ZICOlaw network of law firms. At the same time, the integration of these services provide opportunities to expand the pool of clients served by the businesses and entities under the group.

“We are now able to offer corporate and management services through our newly launched ZICO Corporate Services, Inc. in the Philippines. In addition, we have extended our services to a new member firm of the ZICOlaw Network in Brunei.

“We further launched ShakeUp, an online legal services platform. This new service would target institutions and corporations wanting to improve the quality and cost efficiency of their in-house support services. Shakeup also provides affordable online legal services to small-medium enterprises in the ASEAN region.”

## **FINANCIAL REVIEW**

ZICO’s topline growth was largely attributable to the 43.8% increase in the ATS segment’s revenue to RM42.7 million and 10.5% rise in the Licensing Services (“LS”) segment’s revenue to RM6.3 million during the year. ATS’ topline was buoyed by a new revenue stream, from corporate finance advisory services under ZICO Capital Pte. Ltd. (“ZICAP”). Revenue increases from corporate secretarial business under Finova Singapore Pte. Ltd., accounting services under ZICO BPO Pte. Ltd., investor services under B.A.C.S. Private Limited in Singapore and business advisory services under ZICO Labuan LLP in Malaysia also contributed to the growth of this segment. The LS segment’s rise in revenue was due to increase in revenue from royalties.

The Management and Support Services (“MSS”) segment’s revenue increased to RM17.8 million in FY2016, from RM17.4 million in FY2015.

During the year, the ATS segment remained as ZICO's largest revenue contributor, making up 63.9% of overall topline while the MSS and LS segments accounted for 26.6% and 9.4% respectively.

Total operating costs for the quarter rose to RM66.2 million, of which employee benefits expenses stood at RM35.5 million. The bulk of this increase was due to additional headcount for new businesses in Singapore. There was also a rise in amortisation and depreciation, operating leases and impairment charge of RM1.1 million.

Overall, ZICO registered a 30.3% decrease in profit after tax to RM5.1 million in FY2016 from RM7.3 million in FY2015.

ZICO's cash and cash equivalents stood at RM19.6 million as at 31 December 2016.

## **OUTLOOK**

"We anticipate a challenging economic environment over the next 12 months as a result of global uncertainties following BREXIT, elections in the US and in Europe later in the year. As a result, the impact on international trade and investment, and coupled with the expected interest rates hikes may adversely affect business confidence. Whilst we will continue to invest in human resources, disruptive technology infrastructure and synergistic acquisitions where appropriate, we will be prudent in our approach. We have started new businesses in the form of ZICAP and more recently Shakeup, an online legal services platform," concluded Mr Chew.

## **ABOUT THE GROUP**

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

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

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

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

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

ZICO has business operations in Indonesia, Lao PDR, Malaysia (including Labuan), Myanmar and Singapore. The Group augments its existing regional presence with that of the ZICOLaw network to extend its reach to 10 out of 10 countries in Southeast Asia.

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

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.*

*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 accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this announcement.*

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28 February 2017