



For Immediate Release

NEWS RELEASE

ZICO Holdings Inc. Announces Results for 1HFY2022

Singapore, 12 August 2022 – ZICO Holdings Inc. (“ZICO” and together with its subsidiaries and associated companies, the “Group”) announced today its results for the first half of the financial year ended 31 December 2022 (“1HFY2022”).

Revenue decreased by approximately 19.9% to RM29.8 million compared to RM37.2 million in the corresponding period of the first half of the financial year ended 31 December 2021 (“1HFY2021”). Profit before tax reduced to RM0.5 million in 1HFY2022 as compared to RM2.3 million in 1HFY2021 (or a reduction of approximately 76.3%). Profit after tax reduced to RM0.1 million as compared to RM0.6 million in the corresponding period of 1HFY2021 (or a reduction of approximately 78.5%).

The decrease in revenue in 1HFY2022 is mainly due to lower revenue from Advisory and Transactional Services (“ATS”) segment and Management and Support Services & Licensing Services (“MSSL”) segment. The decrease in revenue from MSSL was mainly due to lower revenue contributions from support services under ZICO Knowledge Services Sdn Bhd (“ZIKS”) and royalty fees under ZICO IP Inc. ZIKS has stopped providing certain support services to the ZICOlaw network firms and there was a downward revision in royalty rates charged to the ZICOlaw network firms with effect from 1 August 2021. The decrease in revenue from ATS segment was due to lower revenue contributions from corporate finance under ZICO Capital Pte Ltd, mainly due to timing differences on billing of corporate finance transactions. The reduction in after-tax result in 1HFY2022 is attributable mainly to lower revenue generated and higher expenses incurred for 1HFY2022.

Total expenses increased by RM0.8 million. This was mainly due to, amongst others, expenses from office renovations, IT software and equipment maintenance.

Cash and cash equivalents decreased from RM18.2 million as at 31 December 2021 to RM17.4 million as at 30 June 2022 mainly due to cash being utilised in operations.

Mr Chew Seng Kok, Managing Director of ZICO, commented, “The recovery from COVID-19 at the end of 2021 has been met with strong headwinds since early 2022. This is driven by global conflicts such as the Russia-Ukraine war and rising geopolitical tensions particularly between the United States and China, both of which have ripple effects throughout the global economy and for businesses in the region. Immediate challenges faced by businesses include continuing disruption of supply chains, higher inflation and commodity prices. These developments have created weaker market conditions, which have severely impacted the transactional and advisory services of the Group. The softer market environment has also resulted in a more cautious approach by potential clients in our corporate, wealth management and trust services. Whilst we are prudently optimistic of an improved performance in the second half of 2022, we will be careful in managing the continuing challenges in the business environment.”

****End of News Release****

About ZICO Holdings Inc.

ZICO, an integrated provider of multidisciplinary professional services focused on the ASEAN region, provides advisory and transactional services, management and support 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 two key business segments: (i) Advisory and Transactional Services (“ATS”); and (ii) Management Support Services and Licensing Services (“MSSL”).

Within the ATS, ZICO provides legal services, Shariah advisory, trust advisory, corporate services, consulting services, investor services, wealth management services, corporate finance advisory services and immigration 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, Lao PDR, and Thailand.

For the MSSL segment, the Group provides business support services to members of the ZICOLaw Network and certain entities within the Group. The Group also provides regional management services 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, Singapore and Thailand. 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>.