

NEWS RELEASE

REVENUE OF ZICO HOLDINGS INC. INCREASES 108.1% TO RM15.5 MILLION¹ IN 3Q2015

- *Revenue increase driven mainly by growth in ATS and MSS business segments*
- *Higher costs relating to business expansion impacted profit after tax; a 47.4% decline to RM2.1 million²*
- *Integration of B.A.C.S. and Finova remains on-track*

Singapore, 12 November 2015 – 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 three months ended 30 September 2015 (“3Q2015”). ZICO’s revenue increased 108.1% to RM15.5 million in 3Q2015 from RM7.4 million in the previous corresponding period (“3Q2014”).

Mr Chew Seng Kok (“周成国”), Managing Director of ZICO, said, “We are glad to have achieved a robust rise in revenue, boosted by the organic growth of our business, as well as selective and value-accretive acquisitions.

¹ Approximately S\$5.0 million based on an exchange rate of S\$1.00 to RM3.0804

² Approximately S\$0.7 million based on an exchange rate of S\$1.00 to RM3.0804

“We made a conscious decision to invest heavily in ZICO’s management infrastructure. By doing so, it has provided us with the breadth and depth in human capital to pursue promising growth prospects. While this puts some pressure on our current cost base and will take some time for the full benefits to take root, we believe this long-term approach will bear fruit and be a key driver of our business’ sustainability.

“The integration of our recently acquired businesses remains on-track and represents the culmination of a strategy to not just deepen our relationships with existing clients through the offering of complementary professional services, but to also extend our reach to prospective new clients.”

During the quarter, the Group incorporated a new subsidiary, ZICOInsource Sdn. Bhd. (“ZICOInsource”), as a new subsidiary to provide insourcing, outsourcing and consultancy services.

FINANCIAL REVIEW

The Group’s increase in revenue for the quarter was mainly attributable to the higher revenue contribution from its Advisory and Transactional Services (“ATS”) and Management and Support Services (“MSS”) business segments. The ATS segment recorded a 117.9% increase in its 3Q2015 revenue to RM8.5 million while the MSS segment’s revenue rose 176.2% to RM5.8 million and the Licensing Services (“LS”) segment’s revenue declined 14.3% to RM1.2 million.

For the ATS segment, additional income streams from the acquisitions of a corporate secretarial business; B.A.C.S. Private Limited; and Finova Singapore Pte. Ltd. and Finova Associates Pte. Ltd. (now known as ZICO BPO Pte. Ltd.) (collectively known as “Finova”) during the year, as well as revenue growth in ZICO’s trust business in Singapore, gave rise to the segment’s better performance.

For the MSS segment, revenue improved as a result of an upward revision of fees for the provision of support services, in which the fees are reviewed and adjusted every six months. However, these fees were offset by the lower royalties from the more established legal markets of the ZICOlaw network.

Expenses on an overall basis increased by RM9.3 million to RM13.5 million, led primarily by a RM4.4 million rise in employee benefits expenses. In preparation for the Group's growth, its management team and business were augmented. This led to an increase in staff and management headcount across most of its business segments, which included the new businesses, such as ZICO Corporate Services Pte Ltd, which commenced operations in January 2015, ZICOInsource in July 2015 and the acquired businesses such as B.A.C.S. Pte Ltd and Finova in the preceding quarter. In addition, the remuneration of ZICO's executive directors only commenced subsequent to the Group's listing on 11 November 2014. In line with ZICO's business development plans, it also incurred an increase of RM1.9 million in retainer fees and consultation fees, as well as higher other expenses of RM2.3 million.

Consequently, ZICO recorded a 47.4% decline in profit after tax to RM2.1 million in 3Q2015 as compared to RM4.0 million in 3Q2014.

The Group's cash and cash equivalents position stood at RM26.0 million as at 30 September 2015.

OUTLOOK

Business sentiment in our markets continues to be affected by the low oil prices, uncertain interest rate environment and slowing growth in China which has some impact in Asia at large and ASEAN in particular. These recent developments have negatively impacted different sectors of the markets where our clients operate in, thereby impacting our Group's operations and profitability.

Mr Chew said, “While the external regional business environment remains challenging in the near-term, the transformational strategies to beef up our operational capabilities through acquisitions, integrate them into ZICO, and the expansion of our management team have enhanced our competitive position in the market. These have also allowed us to steer synergistic initiatives such as the potential cross-selling of professional services and capabilities across our client base.

“Going forward, we are in a good position to invest strategically in the expansion and optimisation of our operations.”

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 and investor 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 8 out of 10 countries in Southeast Asia. These 8 countries include those where ZICO has business operations in as well as Cambodia, Thailand and Vietnam where ZICO does not presently have business operations.

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

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

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income At Raffles, Singapore 049318, telephone (65) 6229 8088.

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