ZICO

Integrated Provider Of Multidisciplinary Professional Services

2Q2016 RESULTS PRESENTATION

August 2016

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Presentation Outline

1. Corporate Overview
2. Financial Review
3. Recent Corporate Developments
4. Prospects and Outlook
5. Growth Plans
6. Why Invest in Us

Corporate Overview

About ZICO

ZICO Holdings Inc. is a listed integrated provider of multi-disciplinary services in ASEAN

Cross selling and integrated services

Framework to facilitate referrals and cross-selling of clients incl. public sector entities, government-linked companies, public-listed and private companies, MNCs, SMEs, law firms, and individuals

Multi-disciplinary practice (MDP)

A holistic suite of services housed under a regional brand synonymous with quality solutions. Resource sharing ensures efficient delivery of comprehensive services to clients

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Strong relationship with ZICOlaw network

ZICOlaw has offices in 15 cities across 8 countries throughout SE Asia. We leverage on ZICOlaw's local market presence to access clients across ASEAN

Focus on the ASEAN Region

ASEAN-based professional services firms, offering advisory and transactional services, management and support, and licensing services

We are innovative entrepreneurs riding on disruptions in legal services

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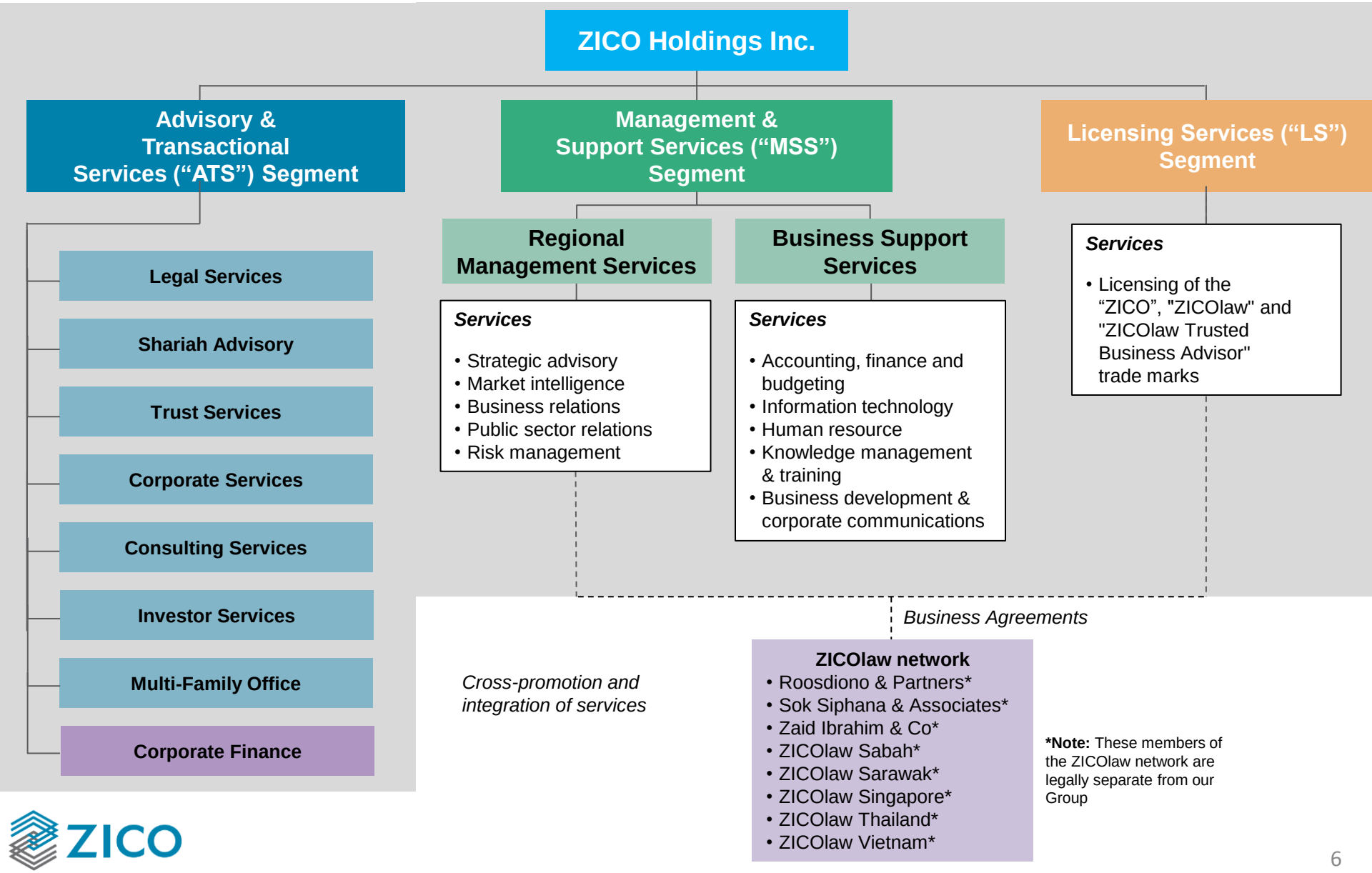
Multidisciplinary Services



***Note:** These members of the ZICOlaw network are legally separate from our Group

ASEAN Presence

Our regional presence

Member firms of the network

- Zaid Ibrahim & Co
- Roosdiono & Partners
- ZICOlaw Singapore
- ZICOlaw Thailand
- ZICOlaw Vietnam
- Sok Siphana & Associates
- ZICOlaw Myanmar
- ZICOlaw (Laos) Sole Co. Ltd.

A well-connected and deep-rooted network of homegrown ASEAN firms without affiliations with any international firms

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Stock Information

Listing	▪ Catalist of the SGX-ST on 11 Nov 2014
Sponsor	▪ PrimePartners Corporate Finance Pte. Ltd.
Market Capitalisation	▪ S$83.3 million(1)
Share Price	▪ S$0.295(1) (closing price on 15 August 2016)
PE Ratio	▪ 49.2 times based on trailing-12-months EPS of 0.60 Singapore cent(2)
Number of outstanding shares	▪ 282.4 million
Public Float	▪ 43.7%(1)
Use of Listing Proceeds (Other than listing expenses)	▪ Expansion of business operations including potential acquisitions ▪ Capital expenditure on information technology infrastructure ▪ General working capital

(1) Source: Bloomberg, 15 August 2016
(2) Based on an 1.79 sens using average exchange rate of S$1.00 to RM2.9739 from 1 July 2015 to 30 June 2016 (Source: Bloomberg)

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Financial Review

Financial Review – 2Q2016

2Q2016

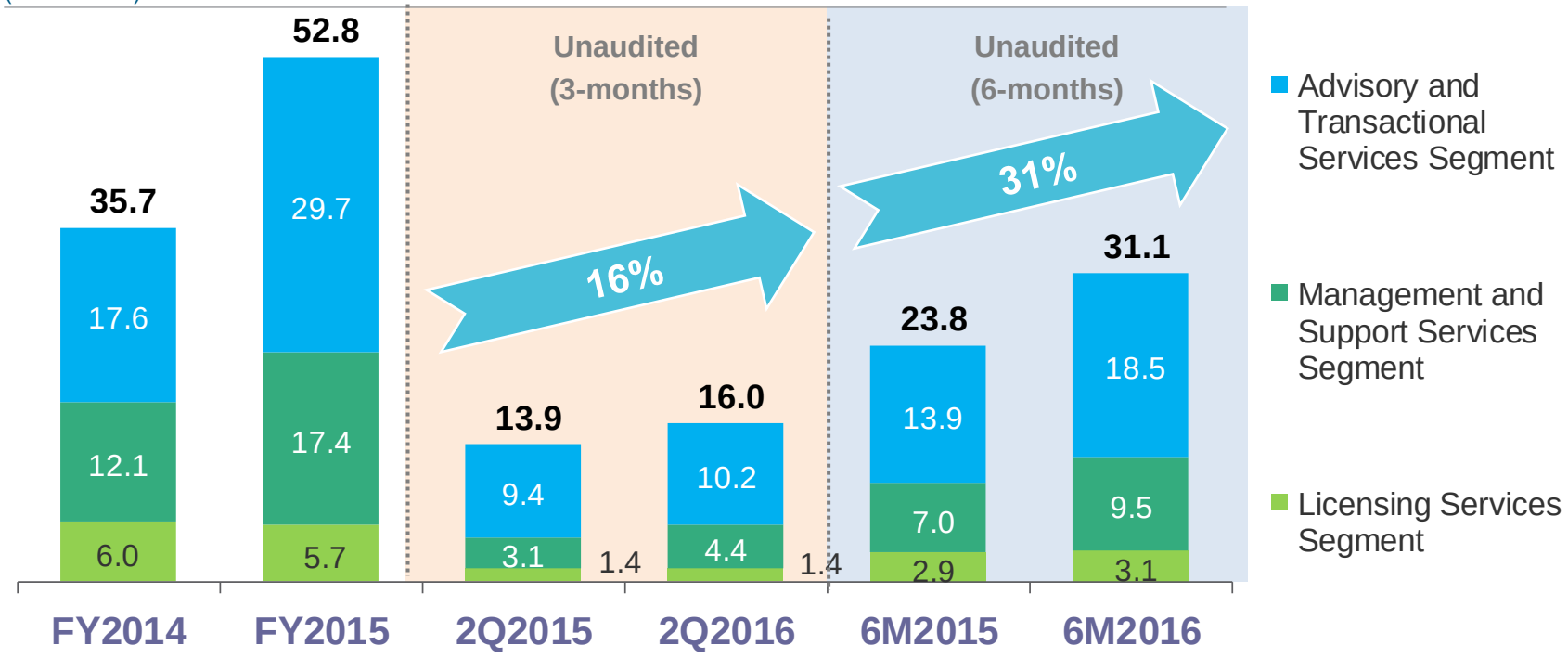
- Revenue grew **15.7%** to **RM16.0 million**
- Topline driven by strong growth from ATS and MSS segments
- Profit mainly impacted by RM3.3 million increase in employee benefits expenses due to the increase in headcount and share based payment expenses arising from the Group's Performance Share Plan
- Recorded profit after tax of **RM1.3 million**

Shareholders equity of **RM89.4 million,** (↑ by 1.2% from RM88.3 million)

Financial Review – Revenue

Revenue

(RM 'million)

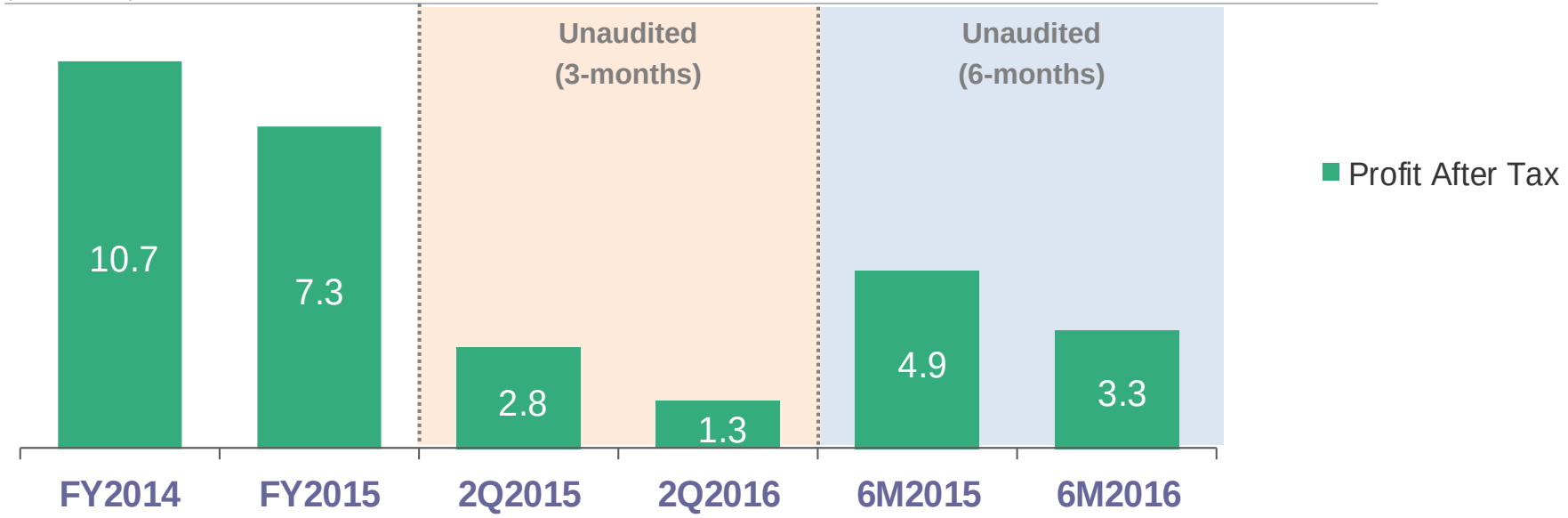


- ATS segment growth boosted by:
  - Additional contributions from secretarial business under Finova Singapore Pte Ltd and services under ZICO BPO Pte Ltd
  - Growth of investor services (B.A.C.S. Pte Ltd), and corporate secretarial business in Singapore and Malaysia
- Anaemic business environment adversely affected transaction-based services
- MSS segment growth from higher fees from provision of support services
- Stable LS segment revenue

Financial Review – Profit After Tax

Profit After Tax ("PAT")

(RM 'million)

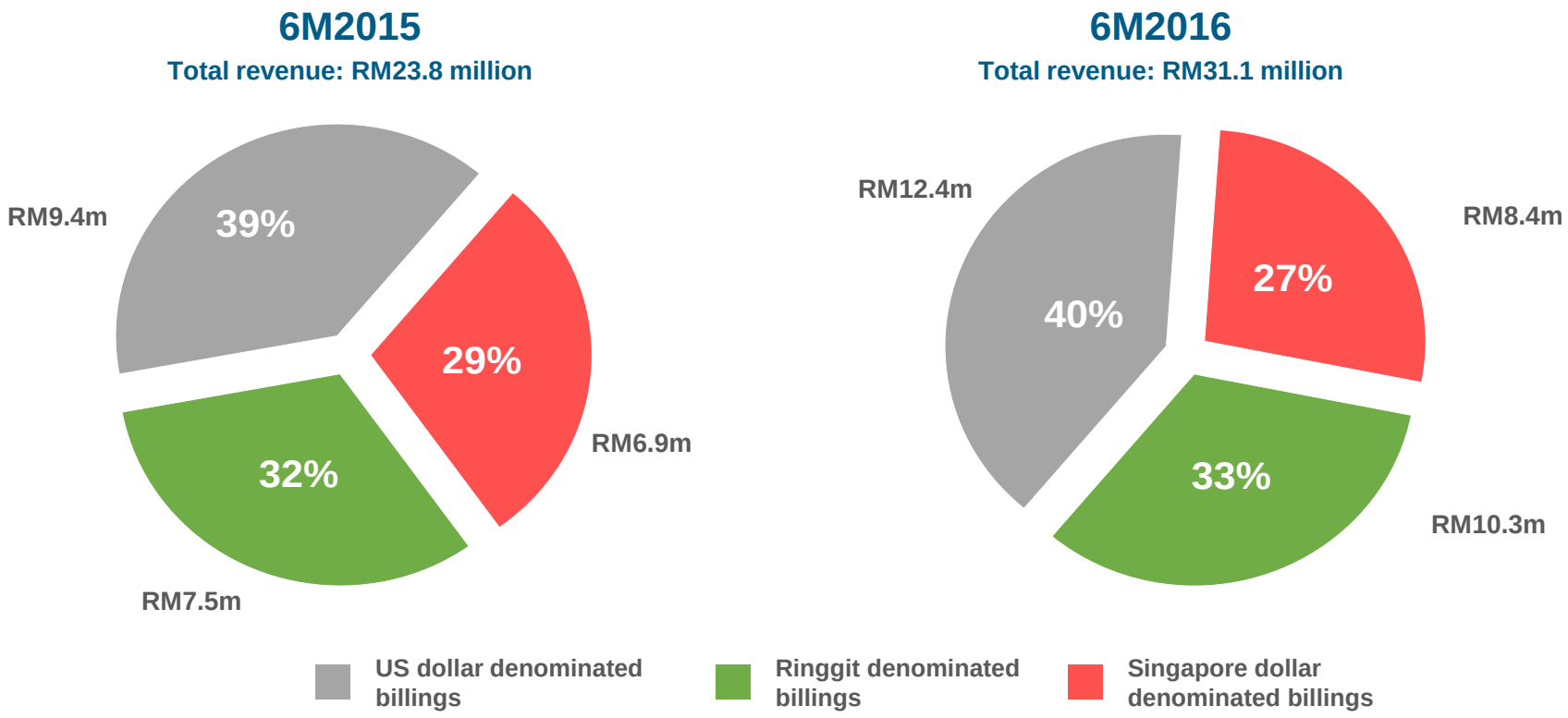


	FY2014	FY2015	2Q2015	2Q2016	6M2015	6M2016
Profit after tax margin	30%	14%	20%	8%	21%	11%

- Profit mainly affected by rise in employee benefits expense largely due to increase in headcount for MSS and ATS from organically grown businesses, acquisition of new businesses, and hiring of experienced management personnel

Financial Review – Currency denomination

Revenue breakdown by currency denomination



- Exposure to Ringgit stabilised
- Diversified currency denomination which mitigates effects of Ringgit fluctuations against other major currencies

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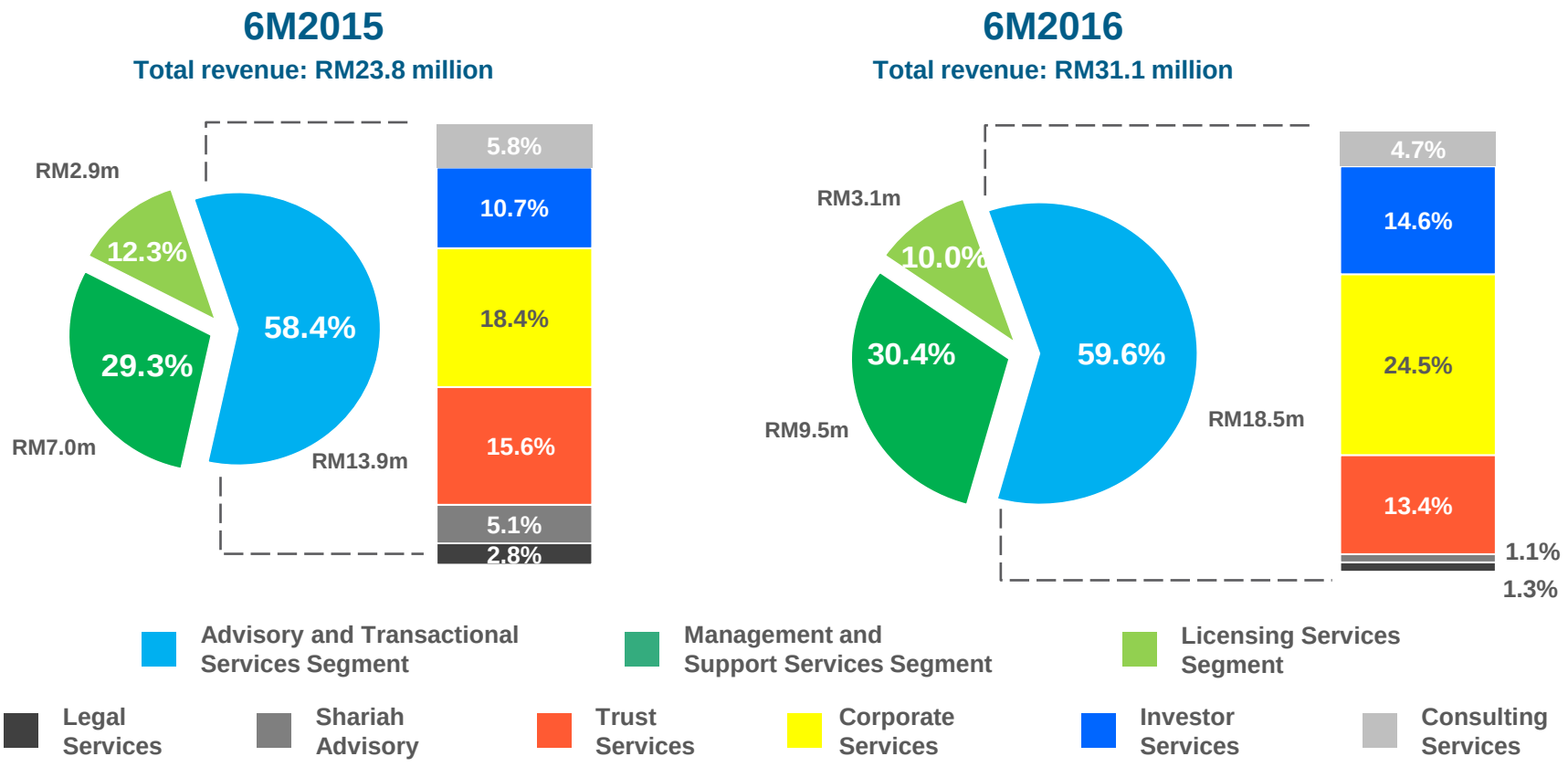
Financial Review – Business Segments

Breakdown of Revenue by Business Segments



- Greater proportion of largely recurring income coming from Corporate Services and Investor Services within ATS segment

Financial Review – Key Financial Indicators

Profitability Ratios	Trailing 12-month period ended 30 June 2016	FY2015
Earnings Per Share ("EPS") (sens)(1)	1.8	2.4
Return On Assets (%)	3.4	4.3
Return On Equity (%)	5.7	7.5
Financial Position	**30 June 2016**	**31 December 2015**
Net Asset Value ("NAV") Per Share (sens)(2)	31.7	31.3
Cash and cash equivalent at end of period (RM' m)	19.1	26.5
Current Ratio	1.4	1.3
Gearing (ratio)	0.34	0.37

(1) For illustrative purposes, the EPS has been computed based on profit attributable to owners of the parent and the existing total issued share capital of 282,413,212 and 282,089,177 shares for trailing 12-month period ended 30 June 2016 and FY2015 respectively.

(2) NAV per share has been computed based on the existing total share capital of 282,413,212 shares and 282,089,177 shares as at 30 June 2016 and 31 December 2015 respectively.

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Update On The Use Of IPO Proceeds

Use of IPO net proceeds	Amount allocated (S$ '000)	Amount Utilised (S$ '000)	Balance (S$ '000)
Expansion of business operations including potential acquisitions	8,000	6,816	1,184
Capital expenditure on information technology infrastructure	1,000	404	596
General working capital	3,521	3,521(1)	-
Listing expenses	1,879	1,879	-
Total	**14,400**	**12,620**	**1,780**

As at 11 August 2016

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

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Recent Corporate Developments

ZICO Capital Pte. Ltd. (90% owned subsidiary)

22 July 2016

Announced the grant of Capital Markets Services license by:

Monetary Authority of Singapore

10 August 2016

Approved as accredited issue manager and full sponsor by:

SGX

Expands suite of professional services to include, amongst others:

- Advising on **corporate finance** (including listings on both the Mainboard and Catalist of the SGX-ST)
- **Continuing sponsorship** of Catalist-listed issuers

Management team:

- Helmed by Mr Alex Tan, Chief Executive Officer
- Supported by Mrs Karen Soh-Tham, Managing Director
- Each with over 20 years in banking, corporate finance and the capital markets

Key differentiators sought after by clients:

- Ability to leverage on ZICO's established business network across ASEAN
- Part of an independent, non-bank-owned and publicly-listed parent company

Further Organic Growth Opportunities

Prospects and Outlook

Prospects And Outlook

Re-emergence of Multidisciplinary Practices (MDPs)

- Shifting trend towards multidisciplinary practices where lawyers partner with non-lawyers in a professional entity that provides legal as well as non-legal services

Liberalisation of legal services market and introduction of Alternative Business Structures (ABS)

- Legal services markets in a number of countries in Southeast Asia are in the process of being liberalised to allow the entry of foreign law firms
- Various jurisdictions, including the UK, Singapore, Hong Kong and Canada have allowed for, or are considering, the introduction of ABS

Promising economic outlook in Southeast Asia

- ASEAN economy projected to increase from about US$2.1 trillion in 2015 to more than US$3.0 trillion in 2020(1)
- GDP for the ASEAN region forecasted to increase by 4.8% in 2016 and 5.1% in 2017(2)
- Introduction of the ASEAN Economic Community in 2015 anticipated to accelerate domestic growth, regional trade and foreign investments

(1) *This information was extracted from the International Monetary Fund's Database on World Economic Outlook, October 2015, which was accessed on 3 March 2016.*

(2) *This information was extracted from the International Monetary Fund's Database on World Economic Outlook, January 2016, which was accessed on 3 March 2016.*

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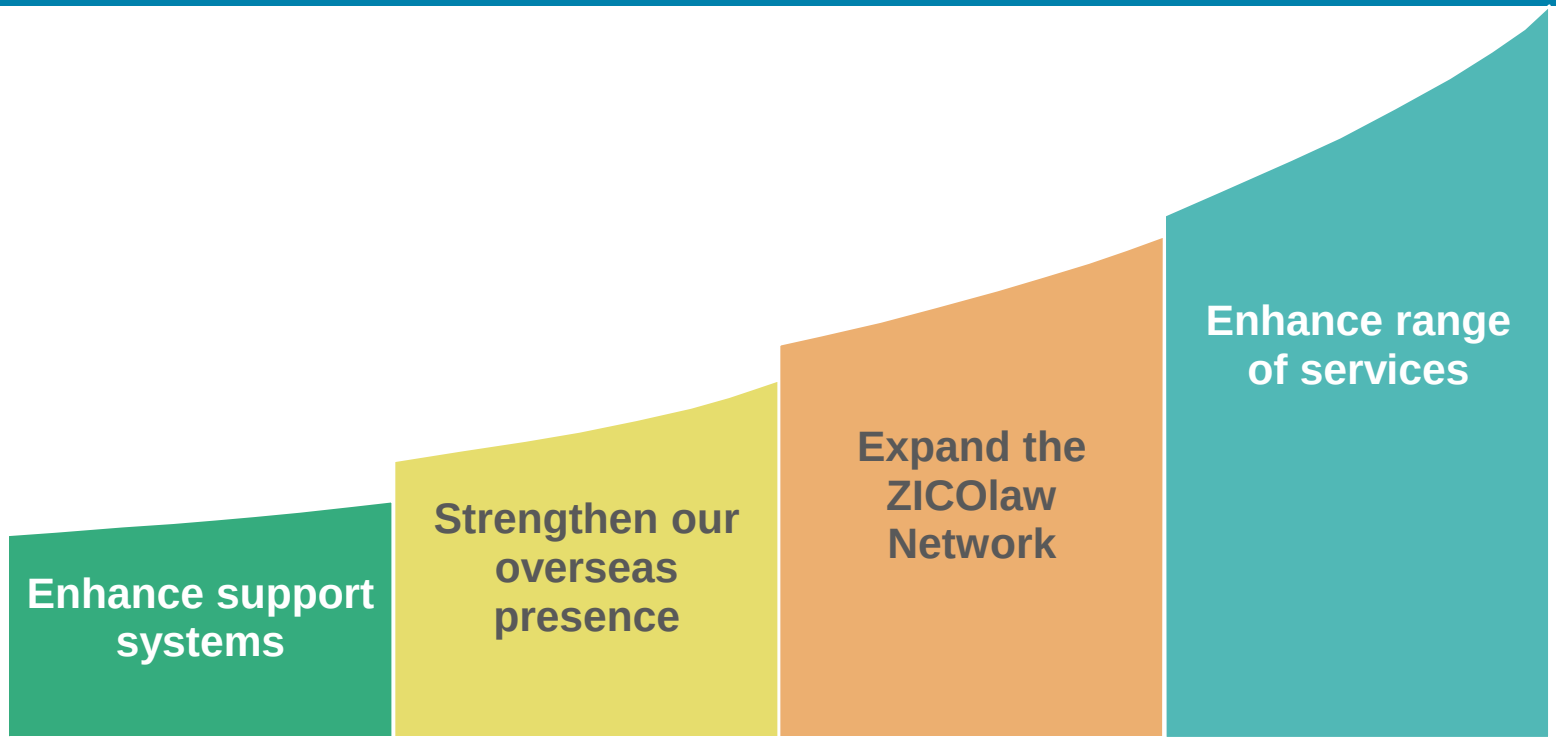
Growth Plans

Growth Plans



- Enhance support infrastructure, including human resources, IT, marketing, and knowledge management

- Expand existing services to other geographical areas
- Capitalise on regional network and relationships with existing clients to rapidly achieve economies of scale and scope

- License “ZICOlaw” and "ZICOlaw Trusted Business Advisor" trademarks to suitable law firms
- Provide regional management and support services to such firms

- Attract wider range of clients by diversifying range of professional services through M&A, JVs, strategic alliances or start-ups
- Seek opportunities to build recurring income

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Why Invest in Us

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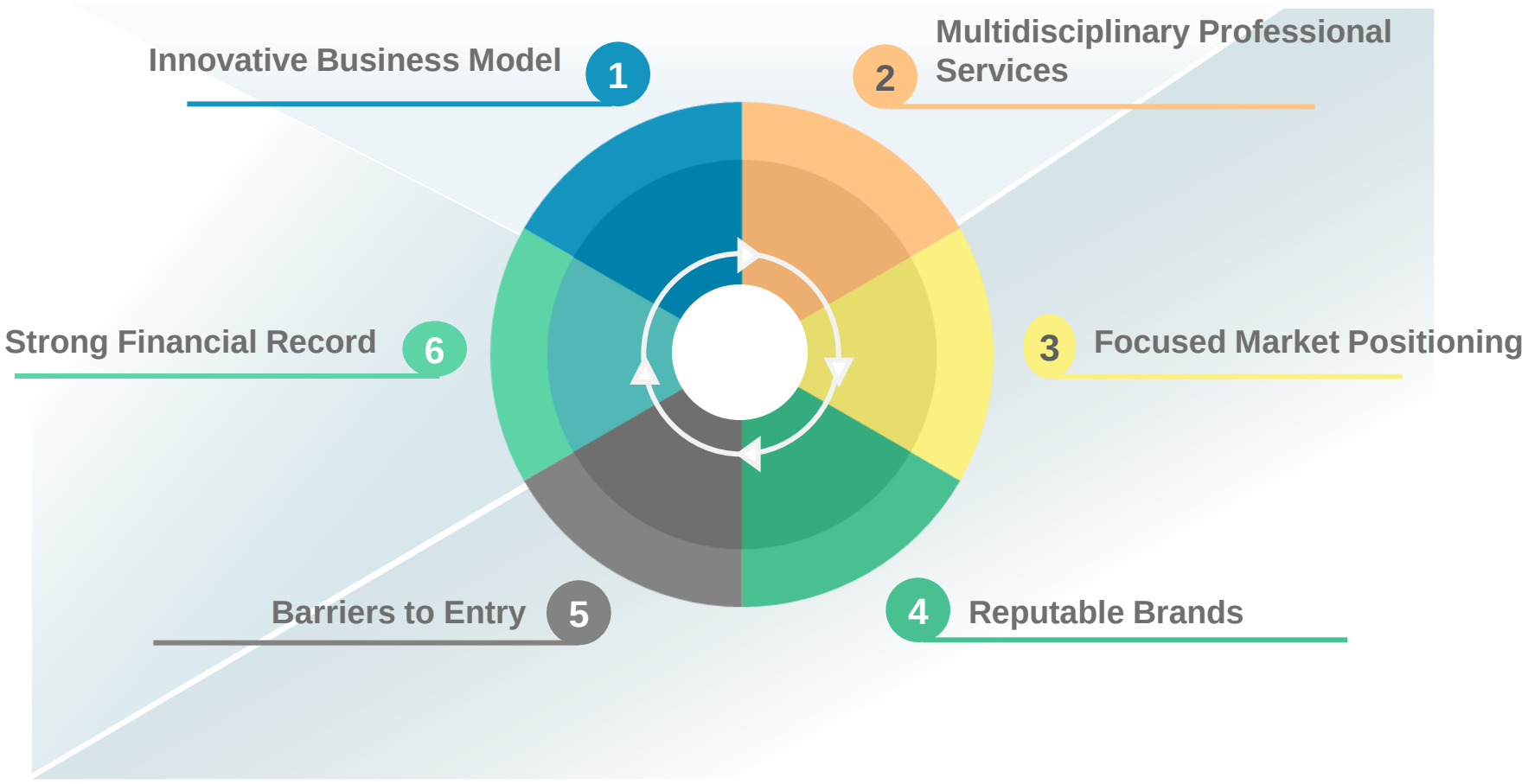
Why Invest In Us



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Multidisciplinary Professional Services

Ability to combine a range of professional services to provide customised integrated business solutions to clients

Ability to cross-sell strengths in different sectors to wider pool of clients

Reduces reliance on external third parties to provide cost-effective and timely solutions to clients

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Innovative Business Model

ZICO | law

Partnership Model

- Focus on core competence of practising law
- Maintain professional independence and autonomy
- Compliant with regulatory rules on law firms

Integration and cross-selling of services

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Corporate Structure

- External capital to fund business expansion
- Incentivise performance and talent retention via share schemes
- Venture into new services
- Centralise management and support functions

ZICO And ZICOlaw – The Power Of "Together"

Unique platform to "go to the market" together

MDP - an umbrella for dynamic range of integrated services within a cross selling and referral framework

ASEAN footprint which benefits from AEC and TPPA

Unique business model – corporate structure tap capital and expertise to support investments in enhancing law firms in network

Independence of ZICOlaw network – attracts collaboration with leading independent foreign firms – Freshfields, S&M, Noerr, etc.

ZICO provides platform to recruit and retain talent for ZICOlaw network.

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Disrupting Legal Services and the New Normal

Client demand, legal technology and competition

Single –discipline firms e.g. legal, consulting, accounting firms etc.

- **Tax advisors**
- **Accountants**
- **Lawyers**
- **Financial advisors**
- **Management consultants**

Strict regulatory frameworks create clearly delineated boundaries between professions

Multi-disciplinary firms

Blurred boundaries between professions

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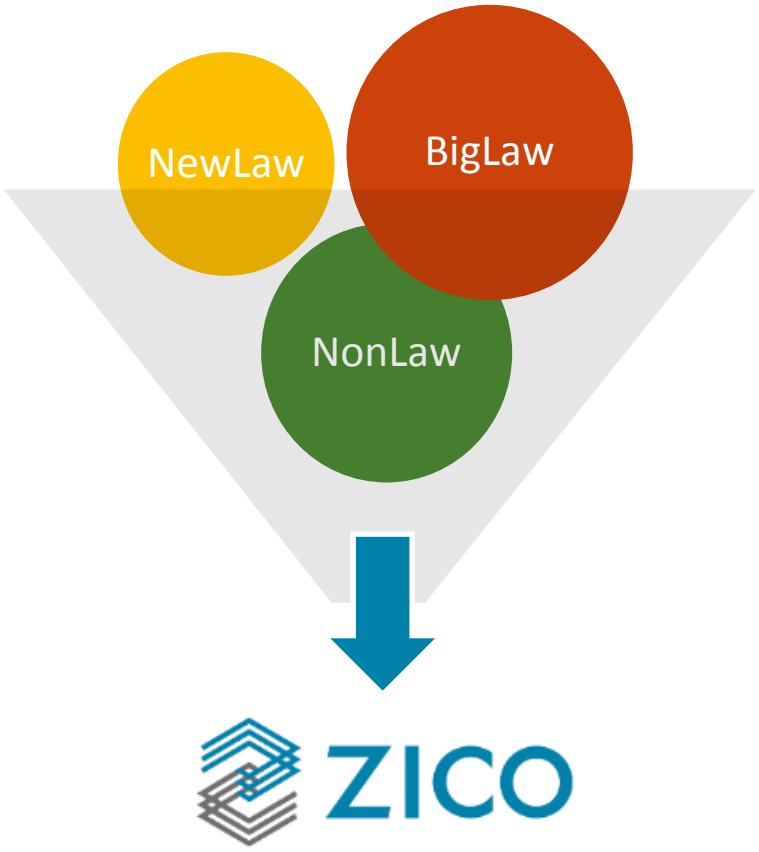
Alternative Organisational and Service Delivery Model



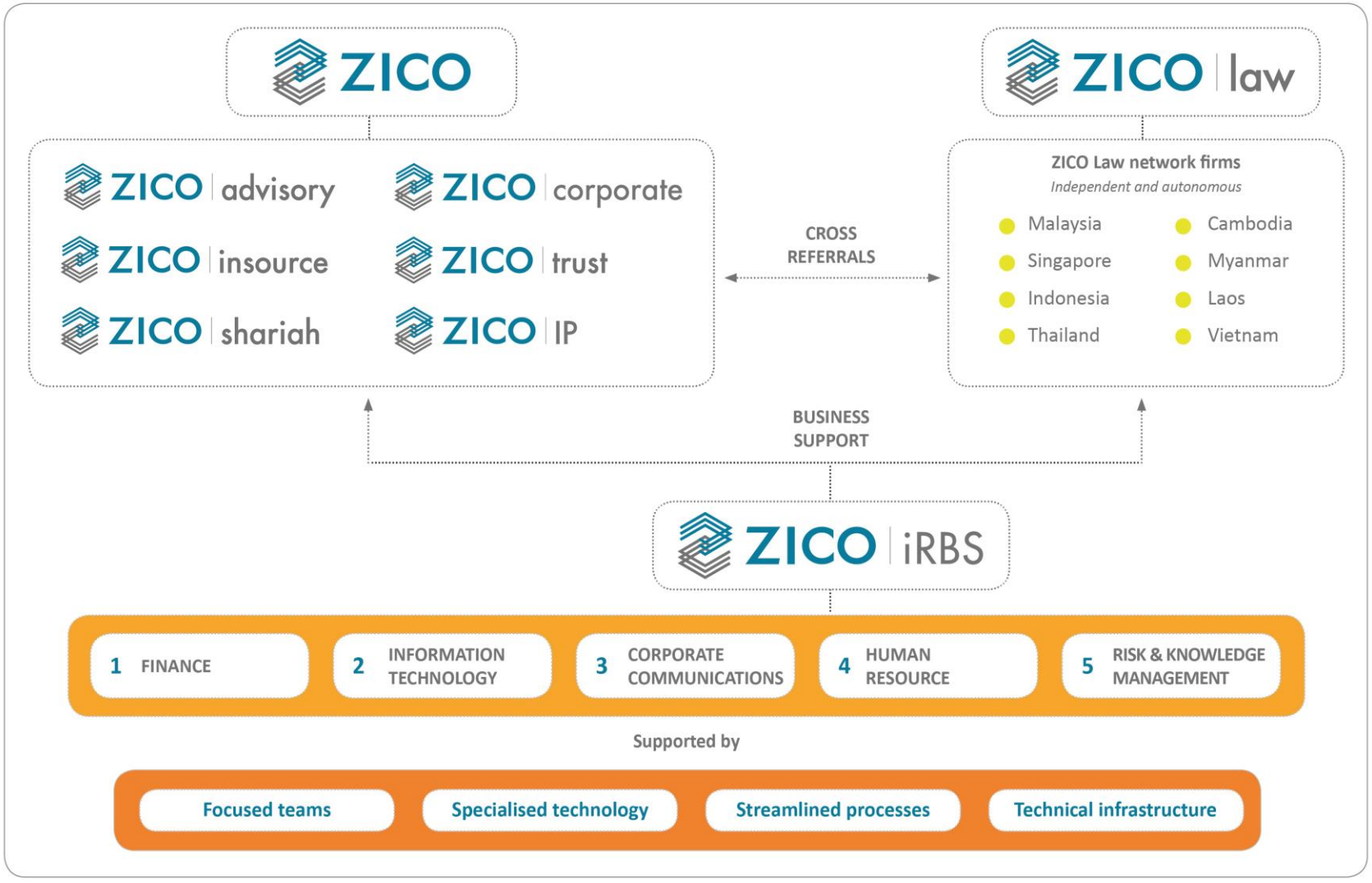
- Access to a wider platform of clients through cross selling and tapping into new markets
- Leverage on technology to improve business processes and user experience
- Enhancing suite of services anchored on legal under an MDP framework
- Allows disaggregation and re-packaging of legal services

Instead of a zero sum game, BigLaw, NewLaw and NonLaw can collaborate!

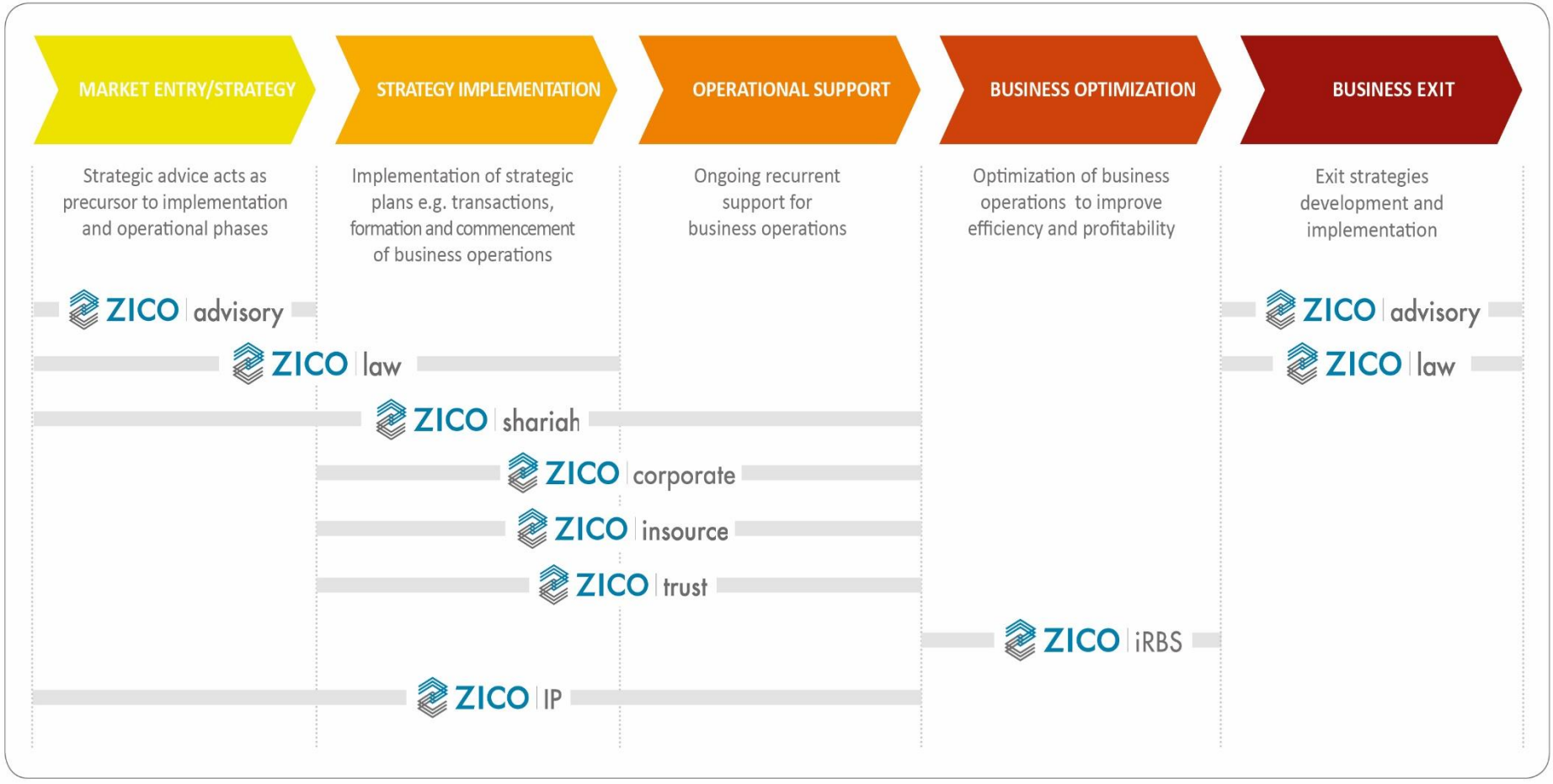
Collaborative “Ecosystem” of Services

Capitalises on disruptions in delivery of legal services

MDP Platform Supported By Shared Services Unit



Services Across The Business Life Cycle



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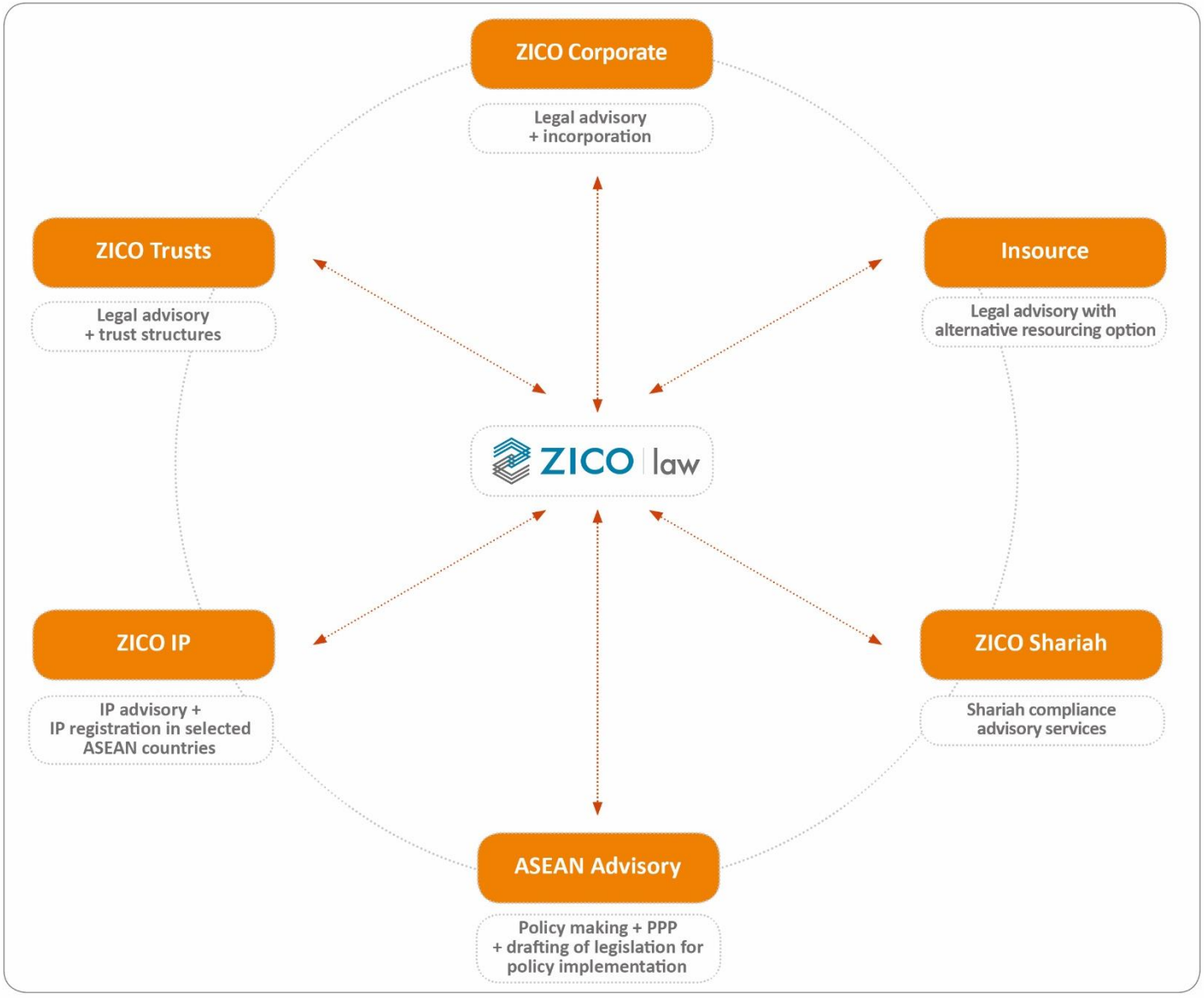
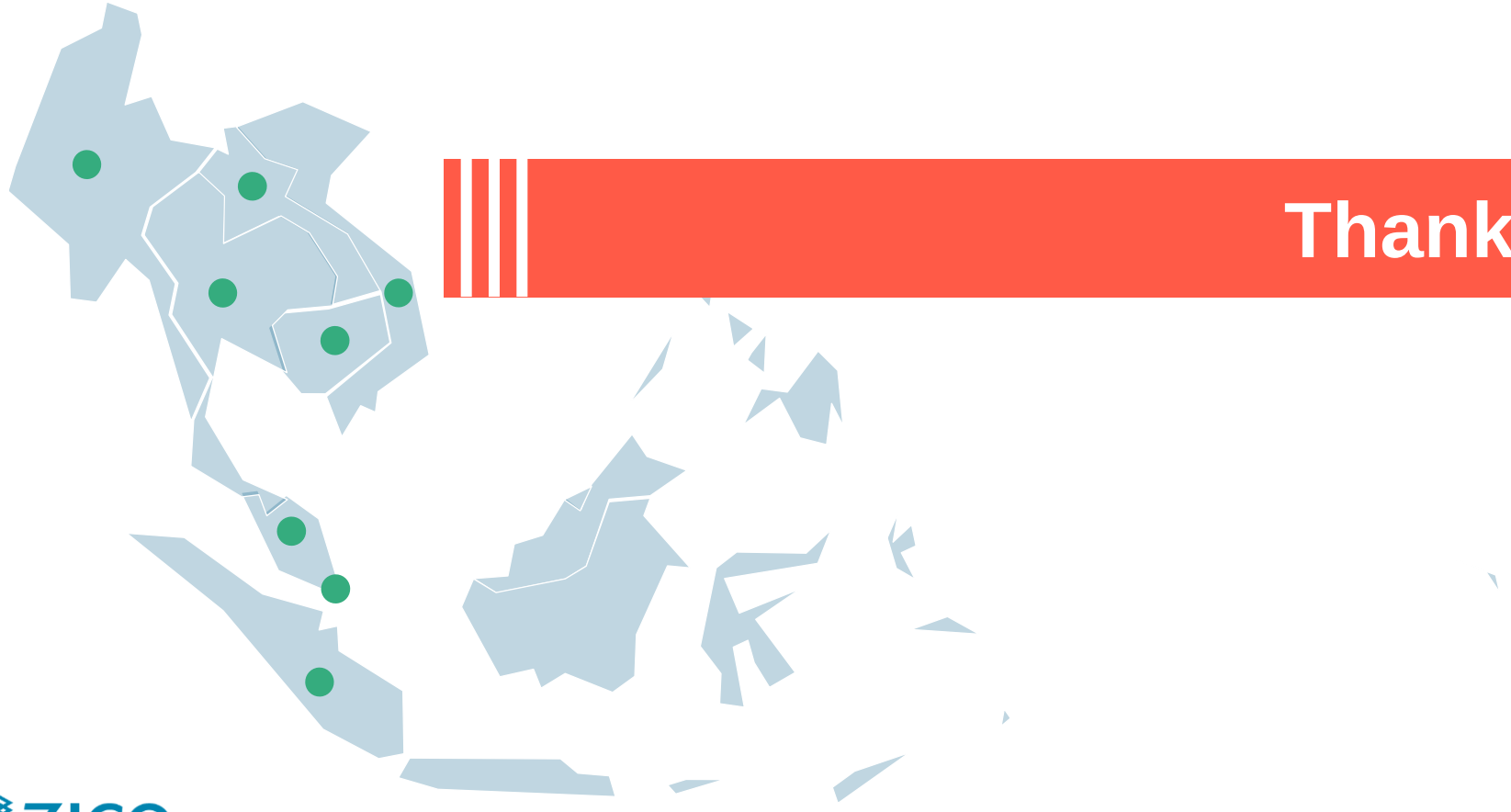
Potential for cross selling - ZICOlaw





Thank You

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