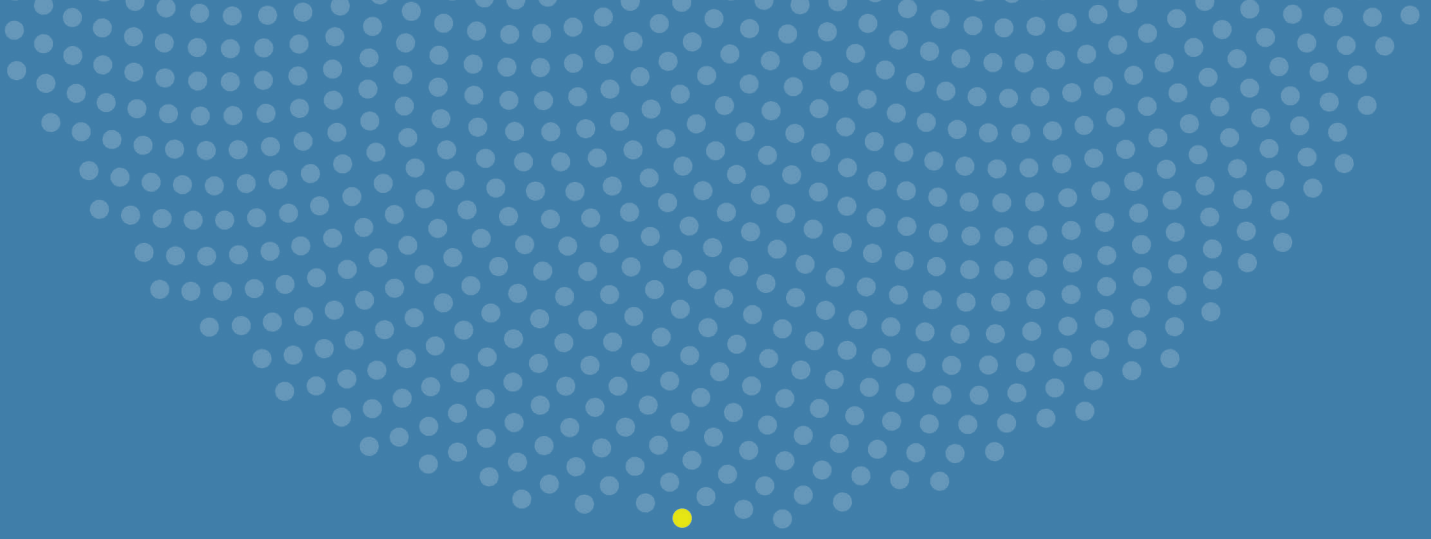




ZICO HOLDINGS INC.

SUSTAINABILITY REPORT 2017





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MESSAGE FROM THE MANAGING DIRECTOR

We present here, ZICO Holdings Inc. first sustainability report. This report covers the environmental, social, economic and governance efforts of ZICO Holdings Inc. and the ZICO Group for the financial year 2017.

As a first-mover and industry disruptor, we pride ourselves on being dynamic and responsive to new market trends and global concerns. One such growing concern is the need for corporations to maintain sustainable development within an environmental, social and economic context.

How does this play out for us? – The Group is constantly looking for ways to expand and strengthen our capabilities in the professional services sector, which will in turn translate to real rewards for our investors and other stakeholders.

With the growing emphasis on sustainable development, we recognise that the Group's expansion will have to take place within a sustainable context. The Company is also aware that it has a corporate and social responsibility towards our stakeholders – shareholders, employees, clients, business partners, and government regulators – whose support we are reliant on, to ensure that sustainability considerations are incorporated into our strategic goals.

As such, with the oversight of the Board, the Company will be identifying sustainability aspects (environmental, social, economic and governance) that have a material impact on the Group and set out attainable sustainability goals by way of a sustainability policy. The Company will further dedicate special personnel to initiate strategies for achieving such goals, to monitor progress, and to continuously review sustainability aspects to ensure relevancy to the Group's operations.

We welcome feedback from our stakeholders regarding this report. Feedback and comments may forwarded to joyce.yong@zicoholdings.com.

Mr Chew Seng Kok
Managing Director





ABOUT ZICO HOLDINGS INC.

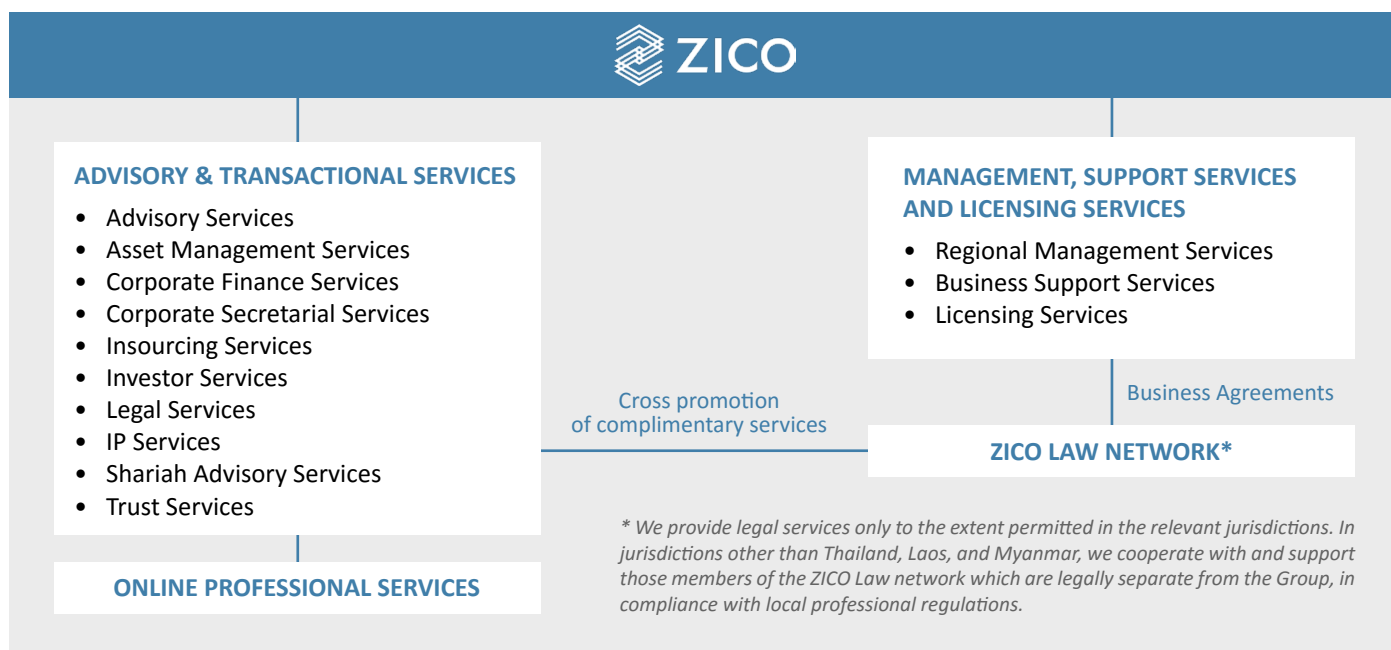
ZICO Holdings Inc. (the “**Company**”, and together with its subsidiaries and associate companies, the “**Group**”) is a company incorporated under the laws of the Federal Territory of Labuan, Malaysia. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 11 November 2014.



BUSINESS SEGMENTS

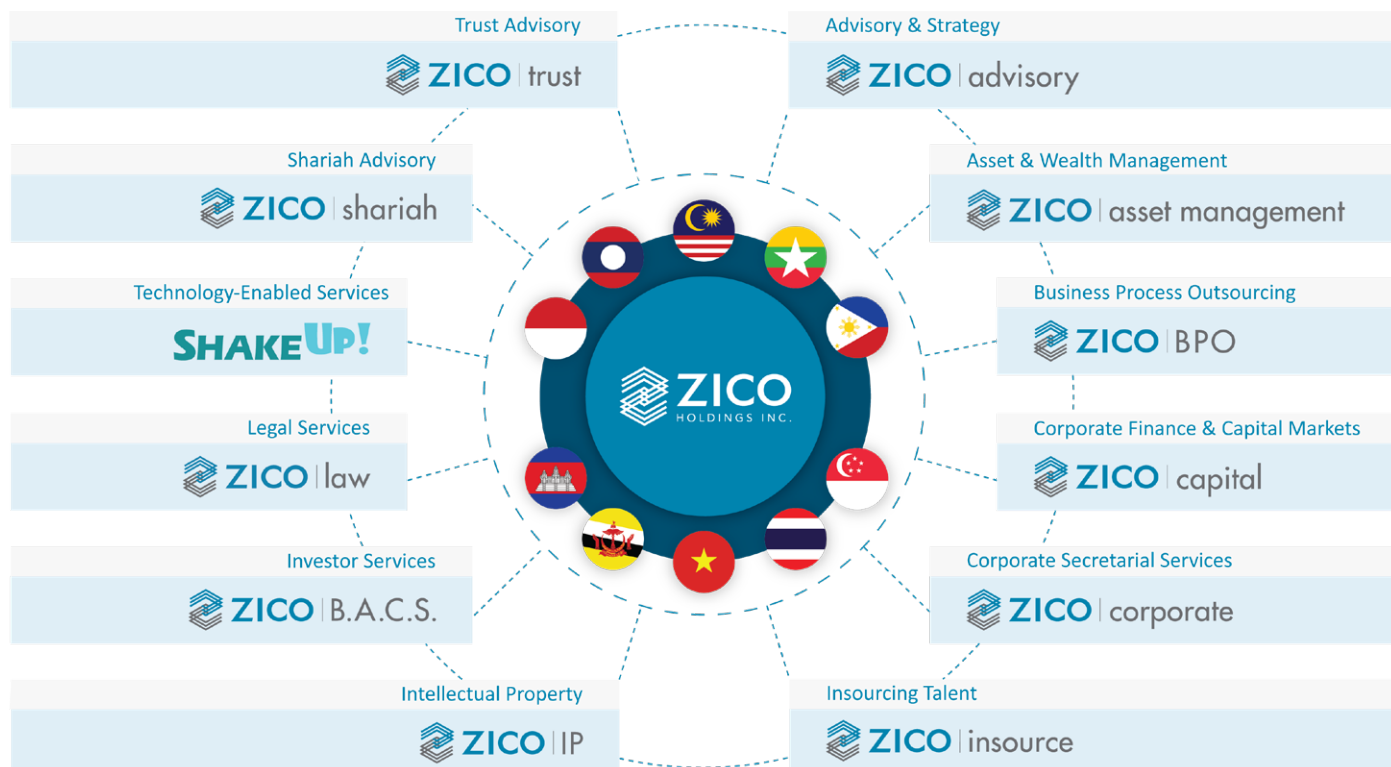
The Group is an integrated provider of multidisciplinary professional services. It is widely regarded as the Go-To Professional Services Provider of “cradle-to-grave” business life cycle solutions in the ASEAN region. It currently operates in the key following business segments:

- advisory and transactional services;
- management, support services and licensing services; and
- online professional service.



OUR PRESENCE

The Group has its headquarters in Singapore. Its business operations spans Indonesia, Lao PDR, Malaysia, Myanmar, Singapore, Thailand, and the Philippines. The Group augments its existing regional presence with that of the ZICO Law network to extend its reach across all 10 countries in Southeast Asia. These 10 countries include those where the Group has business operations in, as well as Brunei, Cambodia, and Vietnam where the Group does not presently have business operations.



The Group's clients include governments and government-linked companies, law firms, private and public listed companies, law firms, private and public listed companies, multinational corporations, and high-net-worth individuals.



BOARD STATEMENT

The Company is committed towards demonstrating and practising responsible corporate conduct in its daily business activities across all aspects of our operations. The Board works closely with senior management representatives to identify material sustainability aspects that affect the Group's operations, to set attainable sustainability goals, and to develop methods of monitoring achievement.

ABOUT THIS REPORT

The Company has prepared this report with reference to Rule 711B of Section B: Rules of Catalist of the Listing Manual of the SGX-ST, the Sustainability Reporting Guide of the SGX-ST, and the core principals of the Global Reporting Initiative ("GRI") Sustainability Reporting Guidelines.

The Company has chosen the GRI standards as it represents the global best practices for reporting on economic, environmental and social topics.

The Company has applied sections of the GRI Standards which are relevant to economic performance, energy, water, emission, employment, training and education, and diversity.

REPORTING PERIOD AND SCOPE

This report is for the financial year 2017.

All data and activities reported are in relation to the Group's business operations of the Group in Singapore and Malaysia, from 1 January 2017 to 31 December 2017, unless stated otherwise. We choose to report the Group's operations in Singapore and Malaysia as these represent the core of the Group's business, contributing over 88% of the Group's turnover for the financial year ended 31 December 2017.

This report is released on the SGXnet and is available for download via our website at: www.zicoholdings.com

STAKEHOLDERS ENGAGEMENT

As a service provider, the Group recognizes the importance of constantly keeping in touch and engaging its stakeholders to identify and address stakeholders concerns.

The list of the Group's stakeholders and methods of engagement are listed below:

Community 	Social media	Community events	Publications, interviews			
Partner ZICO Law Network 	Joint events	Cross-selling				
Clients 	Email updates	Social media	Client events and social gatherings	Knowledge publications	Customer feedback forms	
Employees 	Sports events	Internal communications	Social gatherings, festival events	Company trips	Internal trainings	Performance appraisals
Regulators 	Inspections	Email communications	Consultations			
Shareholders 	General meetings	Announcements via SGX-Net and the Company's website	Annual report and circulars	Analyst briefing and roadshows		

In recognition of the Company's efforts at stakeholder engagement, the Company received the following awards in 2017:

Singapore Corporate Awards
– Bronze award for “Best Investor Relations”, under the category of “Companies with less than \$300 million in market capitalisation”



ASEAN Business Advisory Council, 10th ASEAN Business Awards 2017 - SME Employment award



MATERIAL SUSTAINABILITY TOPICS

IDENTIFICATION OF MATERIAL SUSTAINABILITY TOPICS

For this initial sustainability report, the Group has engaged its internal stakeholders (employees) to identify the environmental, social and governance (“ESG”) issues that are material to the Group. These internal stakeholders are asked to review their work processes and business activities, in order to identify factors that would have an impact on the business, operations, finance, and reputation of the Group, from an ESG perspective. The stakeholders were then asked to list the factors that they have identified in order of priority.

ENGAGE

IDENTIFY

PRIORTISE

By applying the above methodology, the following material sustainability topics:

Area	Material sustainability topics	Corresponding GRI Framework Disclosure
Environmental	<ul style="list-style-type: none">• Energy• Greenhouse gas emissions	GRI 302 GRI 305
Social	<ul style="list-style-type: none">• Training and development• Health and safety• Diversity (gender/skill/experience)• Contribution to community• Customer Satisfaction• Sustainable procurement	GRI 404 Non-GRI GRI 405 Non-GRI Non-GRI Non-GRI
Governance	<ul style="list-style-type: none">• Corporate governance• Business ethics/anti bribery• Whistleblowing	Non-GRI Non-GRI Non-GRI

The following sections elaborate on the ESG factors identified above.



ENVIRONMENTAL

The Group is committed to ensuring that its business operations will have minimal impact on the environment. Hence, it places importance on the efficient use and conservation of our resources.

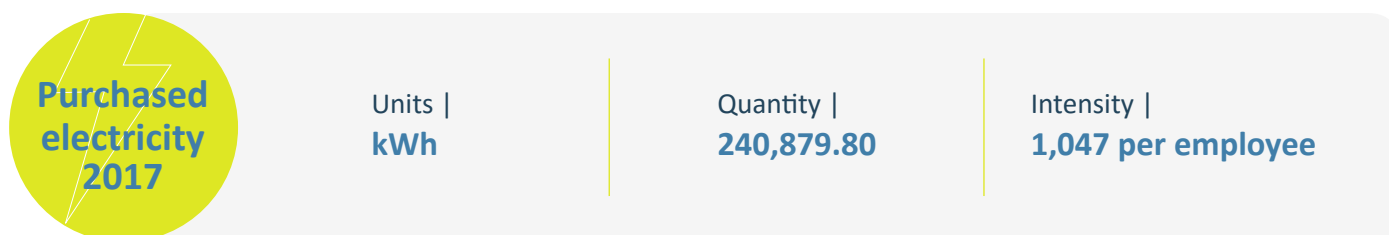
As the Group provides professional services, our business operations do not involve the use of natural resources or manufacturing processes. As such, there are no direct environmental impact through our business operations.

Any environmental impact mostly derives from the use of energy resources such as electricity to service the Group's offices. The Group has only started to monitor the usage of these two resources for the financial year ended 31 December 2017. As such, there are no comparative statistics available for the purpose of this report.

It has always been the practice in the Group's operations to encourage all employees to conserve the use of energy by switching off the lights when leaving their work place, switching off office equipment or computers when not in use, and to practice a "paperless" environment.

(A) Energy Usage

Below is the data for the usage of energy for the Group.

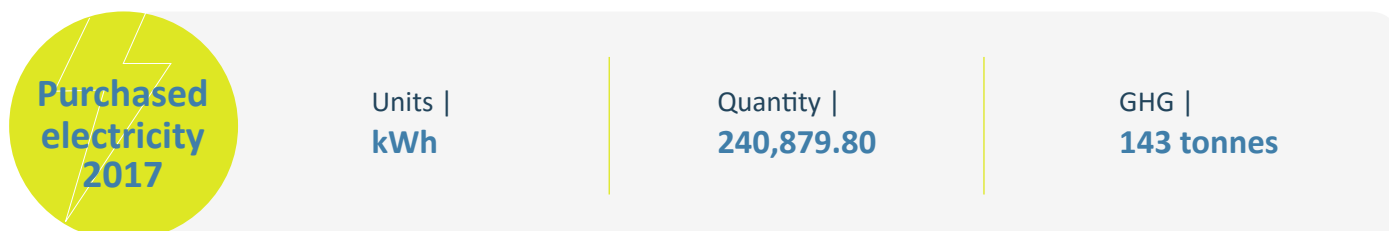


Our offices in Singapore and Malaysia accounted for 34% and 66% respectively of the total electricity used.

Our energy consumption per employee was 1,047 kWh per employee.

(B) Carbon Emission

For the purposes of this report, we report our carbon dioxide (CO₂) emission using the guidelines of the Greenhouse Gas Protocol ("GHG Protocol"). In view of the fact that our energy usage are confined to our offices, our GHG emissions are associated with purchased electricity. As such, Scope 2 of the GHG protocol is relevant to this report.



The Group will strive to reduce the usage of energy and water in order to protect the environment and reduce costs.

(C) Target

The Group will strive to reduce the usage of energy and water in order to protect the environment and reduce cost.

SOCIAL

(A) Employment

As a provider of professional services, our employees, consultants, and advisers are the corner stone of the Group's business as they determine the quality and efficiency of the business and customer satisfaction.

As at 31 December 2017, the Company has 191 employees in its Malaysia and Singapore offices. The terms of employment and benefits are documented in various Company's HR policies that apply to the relevant type of personnel and staff level. Fair and non-discriminatory employment policies are put in place to attract and retain talent.

Details of the new hires and attrition rate for financial year 2017 are as follows:

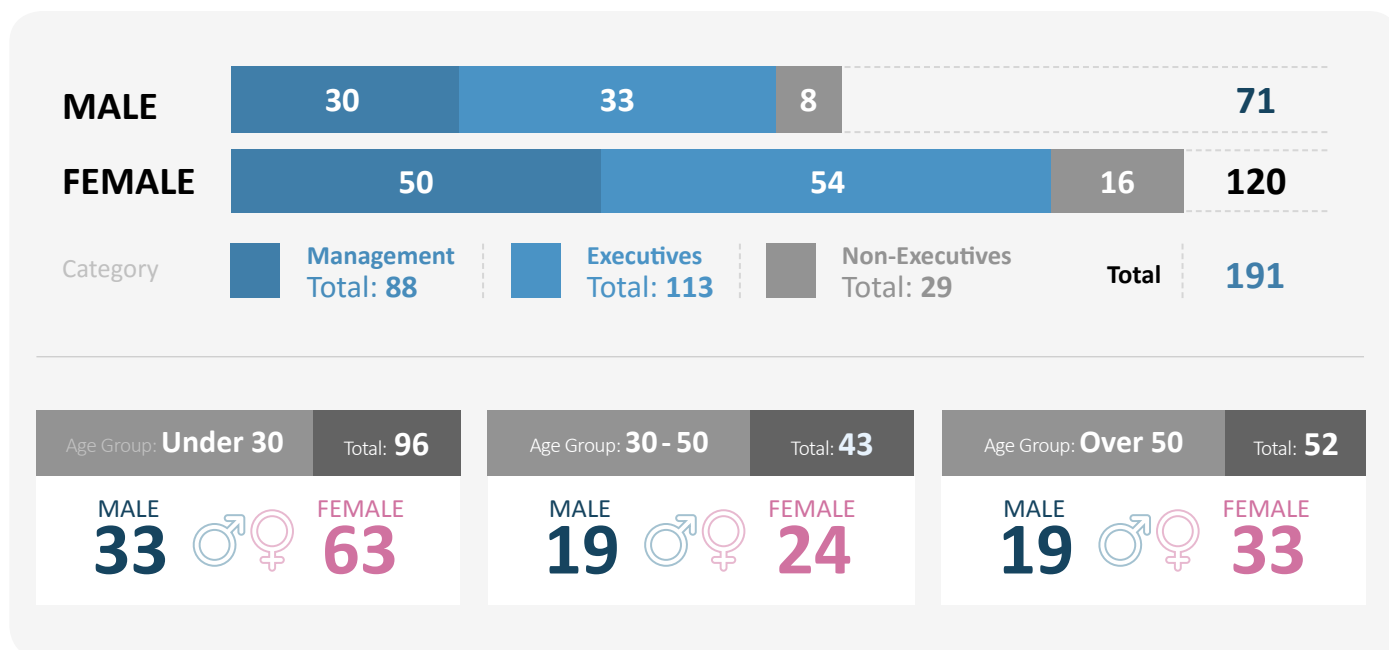
Total employees as at 1 January 2017	179
No of new employees	60
No of employee turnover	48
Total employees as at 31 December 2017	191

Diversity

The Group believes in diversity at the work place as a diverse workforce can bring about a multitude of talent and skill sets. The Group does not discriminate any employee based on race, religion, gender or political belief.

In the Board, diversity is also observed to ensure a board that is not only multi-talented but also has diverse qualifications and work experience. Please refer to Section 2 of the Corporate Governance Report in the Annual Report 2017 for details.

The diversity in our workforce is reflected below, where 63% of the workforce are female. These statistics are as at 31 December 2017:



Employee Engagement

We believe in the importance of inculcating a sense of belonging among our employees. As such, we make an effort to bring together the employees in the Group through various initiatives to allow the employees to interact with each other and build our “ZICO” family. In the last financial year, we had organized events such as 30 Years Anniversary dinner, Eid Al-Fitr staff gathering, Durian Party. In Singapore, Chinese New Year and Christmas get togethers were organised. The sports club in the Group also hosted sports competitions such as futsal, table tennis, bowling to allow the employees to foster better relationship with each other through sports.



Learning and Development

Our reputation is our people. This is because the quality of our services is dependent on our people. As such, we are constantly promoting a culture of learning and development in the workplace.

Recruiting the right talent is also crucial to ensure that we have the right fit. As such, our Human Capital team is tasked to work closely with business units to understand their requirements. To attract and retain talent, the Group has in place training programmes to further develop and enhance its employees’ skills.

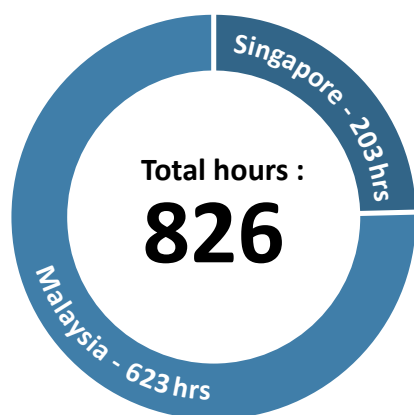
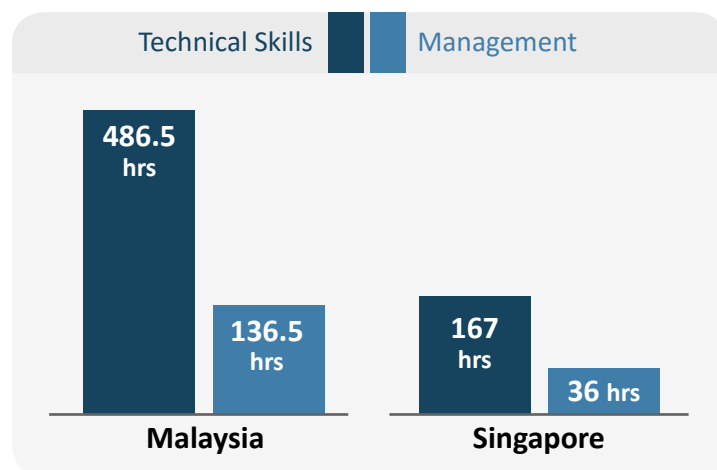
Training programmes for both technical and soft skills are conducted periodically, and employees are sent for external training sessions as required. Majority of the classroom training sessions are also recorded and made available to other employees via the Group e-learning platform.

The Group's training team conducts training needs analysis to evaluate the skill gaps and to design the training programmes required.

Managing performance is also critical to maintain the quality of service in the Group. We have in place a comprehensive and transparent performance management system. Annual performance evaluation is conducted annually and employees are rewarded and promoted based on their performance.

Below is the data on the training hours for the Group:

The number of hours of training for the respective categories is as follows:



The number of training hours per employee that underwent training is 2.04 hours. The Company intends to increase more training hours per employee in the coming financial years.

Health & Safety

To encourage a safe working environment, our employees are reminded to observe safety measures such as ensuring the floors are clean and dry, not to clutter the walkways with items and paying attention to fire drills held annually. The Company also encourages its employees to practice a healthy lifestyle hence in last financial year the Company organized events such as "Free Eye Screening", "Total Wellness Initiative Panel Discussion", and "Chi Fitness Talk", which the employees are encouraged to attend. For the financial year 2017, there were no injuries at the work place.

Child/Forced Labour

The Group does not support nor allow the usage of such labour.

(B) Community

The Group believes in contributing back to the community. Hence, each year it will carry out a community project. In the financial year 2017, the Company had organized a "ZICO Step Up for Clarity 2017". It was a project to collect used spectacles and frames for the purposes of refurbishing and converting them into brand new sets for the needy.



(C) Targets

The Company believes in creating awareness of social topics among the Group's employees. As such, an internal month-long awareness campaign in celebration of International Women's Day was conducted in March 2018, which included a discrimination and sexual harassment awareness session in Kuala Lumpur, a moderated panel session titled "Celebrating Women's Achievements" which was broadcasted live from the Company's Singapore office, a talk conducted by Ms Ivy Josiah (former executive director of Women's Aid Organisation) titled, "Influencing Other's Belief/ Actions & Women's Empowerment", and a benefit reading of Eve Ensler's "The Vagina Monologues" by female members of the Group.

ECONOMIC

(A) Economic Performance

The Group places emphasis on economic performance. It monitors economic performance by having an annual budget and having periodic review of the same. Monthly updates are given by each business unit to the senior management. For the year ended, the Group has achieved revenue of RM 81.9 million with a profit before tax of RM8.9 million.

For financial year ended 31 December 2017, the Group has the following:

Economic Value Generated	RM 81.9 million
Economic Value Retained	RM 5.7 million
Economic Value Distributed	Nil. As stated on Page 11 of the Company's Annual Report of 2017, no dividend has been declared for financial year 2017, as the Company continues to reinvest retained profits into infrastructure whilst deepening the Group's suite of services.

(B) Customer Satisfaction

To understand the demands of its customers, the Company holds events periodically to create an opportunity for the Company to interact with its customers to gather feedback on their satisfaction with the service of the Company and to learn what improvements or new services its customers would suggest. Last financial year, the Group sponsored events such as the In-house Community Congress in Singapore and Hong Kong.

(C) Supplier Management

As the Group is a service provider, its procurement is mainly for office supplies and essentials, and services required for its operations. The Company has in place a policy on procurement which sets out the processes for selection of supplier which includes criteria for selecting suppliers. It also outlines the procurement process such as the number of quotation to be obtained based on the value of the purchase. In addition, it also practices socially responsible procurement which covers all social impacts of products and services including health, safety, human rights, ethical production processes, social justice, fair trade, diversity, access and purchasing locally and domestically made products. The Company hopes to include processes for annual evaluation of suppliers.

(D) Targets

The Company is continuously seeking to enhance its economic performance. As stated on Page 15 of the Company's Annual Report of 2017, the Company is determined to strengthen the Group's fundamentals and establish enduring partnerships to ensure sustainability. So far, in the year 2018, this has been evidenced by the Monetary Authority of Singapore ("MAS")'s grant of a capital markets services licence to ZICO Asset Management Pte Ltd to conduct the regulated activity of fund management (as announced by the Company on 15 August 2018), MAS's approval for ZICO Allshores Trust (S) Ltd to act as a trustee for collective investment schemes pursuant to Section 289(1) of the Securities and Futures Act (as announced by the Company on 1 August 2018), and the Company's completion of acquisition of 50% equity interest in Fragomen (Malaysia) Sdn Bhd (as announced by the Company on 31 July 2018).

GOVERNANCE

The Company believes in maintaining a high level of integrity and propriety in all dealings by itself and its subsidiaries. It does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing in its business operations.

(A) Whistleblowing

To encourage employees to report impropriety or wrongdoing within the Group, the Company has implemented a Whistleblowing Policy which sets out the framework to promote responsible and secure whistleblowing by affording protection to the whistleblower. This policy applies to all personnel within the Group and to third parties dealing with the Group.

A copy of the Whistleblowing Policy is available on the Company's website at <http://www.zicoholdings.com/whistleblowing-policy/>. A report can be lodged in writing by email or by telephone with the Chief Risk Officer of the Group.

(B) Compliance

The Group's policy is to conduct all of its business in an honest and ethical manner. It adopts a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates.

The Company has adopted an Anti-Corruption and Bribery Policy, which describes what amounts to bribery or corruption and what is the action to be taken in respect of the same. The policy also sets out the manner in which such conduct can be reported and the consequences of breaching this policy.

Company	Regulating Body
ZICO Trust Limited	Labuan Financial Services Authority, Malaysia
ZICO Shariah Advisory Services Sdn Bhd	Securities Commission of Malaysia
ZICO Capital Sdn Bhd	Securities Commission of Malaysia
ZICO Capital Pte Ltd	Monetary Authority of Singapore
ZICO Asset Management Pte Ltd	Monetary Authority of Singapore
ZICO Allshores Trust (S) Ltd	Monetary Authority of Singapore

In the financial year 2017, Compliance Policies have been put in place for ZICO Trust Limited, ZICO Shariah Advisory Services Sdn Bhd, ZICO Capital Pte Ltd, and ZICO Allshores Trust (S) Ltd.

(C) Corporate Governance

The Company places importance on corporate governance as that builds investors trust in the management and performance of the Company. Details of our corporate governance activities for financial year 2017 are available in our Annual Report 2017.

(D) Targets

The Company has been tightening controls to ensure business is conducted in an ethical manner and in compliance with anti-corruption regulations. The Company is also continuously improving Compliance aspects with a view to attaining zero non-compliance. Among the targets that the Company has set out for 2018, the following has been achieved:

- **Anti-corruption and bribery.** The Group's policy is to conduct all of its business in an honest and ethical manner. It adopts a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates. The Company has adopted an Anti-Corruption and Bribery Policy in 2018, which describes what amounts to bribery or corruption and what is the action to be taken in respect of the same. The policy also sets out the manner in which such conduct can be reported and the consequences of breaching this policy.
- **Compliance policies.** Compliance Policies of regulated entities, ZICO Capital Sdn Bhd and ZICO Asset Management Pte Ltd, have been put in place in the year 2018.
- **Introduction of risk register.** Risk registers have been introduced throughout the Group. The risk registers are integrated into an Enterprise Risk Management System based on the ISO 31000: 2018.
- **Integration of risk management systems enterprise-wide.**

GRI CONTENT INDEX – CORE OPTION

	GRI STANDARD	DISCLOSURE	REFERENCE
GENERAL DISCLOSURES	102-1	Name of the organisation	ZICO Holdings Inc.
	102-2	Activities, bands, products and services	<ul style="list-style-type: none"> Page 5 Annual Report 2017 (“AR”), AR Pages 2, 4 and 5
	102-3	Location of headquarters	Page 5
	102-4	Locations of operations	<ul style="list-style-type: none"> Page 5 AR Page 6
	102-5	Ownership and legal form	<ul style="list-style-type: none"> Page 4 AR Page 122
	102-6	Markets served	<ul style="list-style-type: none"> Page 5 AR Page 8
	102-7	Scale of the organisation	<ul style="list-style-type: none"> Pages 5 AR Pages 2, 8, 50 to 53
	102-8	Information on employees and other workers	Page 9 and 10
	102-9	Supply chain	Not applicable
	102-10	Significant changes to the organisation and its supply chain	Not applicable
	102-11	Precautionary principle or approach	Not applicable
	102-12	External initiatives	Page 11
	102-13	Membership of associations	Not applicable
	102-14	Statement from senior decision maker	Page 3
	102-18	Governance structure	AR Pages 21 to 39
	102-40	List of stakeholder groups	Page 7
	102-42	Identifying and selecting stakeholders	Page 7
	102-43	Approach to stakeholder engagements	Page 7
	102-44	Key topic and concerns raised	Page 8
	102-45	Entities included in the consolidated financial statements	AR Pages 83 to 85, Page 87
	102-46	Defining report content and topic boundaries	Page 8
	102-47	List of material topics	Page 8
	102-48	Restatements of information	Not applicable
	102-49	Changes in reporting	Not applicable
	102-50	Reporting period	Page 6
	102-51	Date of most recent report	Not applicable
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	Page 3
	102-54	Claims of reporting in accordance with the GRI Standards	This report is guided by GRI Standards (Core Option)
	102-55	GRI content index	Page 14
	102-56	External assurance	The Company may consider seeking external assurance in the future.

	GRI STANDARD	DISCLOSURE	REFERENCE
MATERIAL TOPICS	Economic Performance		
	103-1	Explanation of the material topic and its boundaries	Page 12
	201-1	Direct economic value generated and distributed	Page 12
	Energy		
	103-1	Explanation of the material topic and its boundaries	Page 9
	302-1	Energy consumption within the organisation	Page 9
	302-3	Energy intensity	Page 9
	Emissions		
	103-1	Explanation of the material topic and its boundaries	Page 9
	305-2	Energy indirect (Scope 2) GHG emissions	Page 9
	Employment		
	103-1	Explanation of the material topic and its boundaries	Page 9
	401-1	New employee hires and employee turnover	Page 10
	Occupational Health And Safety		
	103-1	Explanation of the material topic and its boundaries	Page 11
	403-2	Types of injury and rates of injury, lost days, absenteeism and no of work related fatalities	Page 11
	Training & Education		
	103-1	Explanation of the material topic and its boundaries	Page 10 and 11
	401-1	Average hours of training per year per employee	Page 11
	Diversity & Equal Opportunity		
	103-1	Explanation of the material topic and its boundaries	Page 10
	405-1	Diversity of governance bodies and employees	Page 10



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