

**Unaudited Financial Statements and Dividend Announcement  
For the Three Months Ended 30 June 2015**

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*ZICO Holdings Inc. (formerly known as ZICOlaw 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 (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**" or "**PPCF**").*

*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.*

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**Background**

The Company was incorporated in Labuan on 9 December 2010 under the Labuan Companies Act as a company limited by shares under the name of "ZI Holdings Inc.". The Company changed its name to "ZICOlaw Holdings Inc." on 30 June 2011 and subsequently to "ZICO Holdings Inc." on 30 April 2014. The Company, its subsidiaries and associated companies (the "**Group**") were formed with our corporate history as set out in the Company's Offer Document dated 30 October 2014. Prior to the listing on the Catalist of the SGX-ST on 11 November 2014, the Group undertook a restructuring exercise (the "**Restructuring Exercise**"). Please refer to the Company's Offer Document dated 30 October 2014 for further details on the Restructuring Exercise. As such, the results of the Group for the three months ended 30 June 2014 were presented in a manner on the basis that the Restructuring Exercise had been completed.

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group			Group		
	Three Months Ended			Six Months Ended		
	30 June	30 June		30 June	30 June	
	2015	2014		2015	2014	
	(Unaudited)	(Unaudited)	Change	(Unaudited)	(Unaudited)	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	13,858	11,545	20.0	23,786	17,565	35.4
<b>Other items of income</b>						
Interest income	42	20	110.0	97	42	130.9
Other income	402	320	25.6	1,570	785	100.0
	14,302	11,885	20.3	25,453	18,392	38.4
<b>Items of expense</b>						
Amortisation and depreciation expenses	(609)	(168)	262.5	(1,051)	(536)	96.1
Employee benefits expense	(4,852)	(2,162)	124.4	(9,514)	(4,570)	108.2
Rental expense	(595)	(327)	82.0	(1,668)	(564)	195.7
Retainer fees and consultation fees	(2,119)	(860)	146.4	(3,136)	(1,207)	159.8
Other expenses	(3,399)	(1,094)	210.7	(4,526)	(1,538)	194.3
Finance costs	(77)	(43)	79.1	(118)	(103)	14.6
Share of results of associates, net of tax	18	153	(88.2)	45	(366)	n.m
<b>Profit before income tax</b>	2,669	7,384	(63.9)	5,485	9,508	(42.3)
Tax income/(expense)	101	(1,159)	(108.7)	(582)	(1,555)	(62.6)
<b>Profit for the financial period</b>	2,770	6,225	(55.5)	4,903	7,953	(38.4)
<b>Other comprehensive income</b>						
<i>Items that will or may be reclassified subsequently to profit or loss</i>						
Exchange differences arising from translation of foreign operations	1,264	(121)	n.m	2,510	(241)	n.m
Reclassification arising from disposal of foreign subsidiary	-	-	n.m	-	(239)	n.m
<b>Other comprehensive income for the period</b>	1,264	(121)	n.m	2,510	(480)	n.m
<b>Total comprehensive income for the financial period</b>	4,034	6,104	(33.9)	7,413	7,473	(0.8)
<b>Profit attributable to:</b>						
Owner of the parent	2,480	6,256	(60.4)	4,449	8,045	(44.7)
Non-controlling interests	290	(31)	n.m	454	(92)	n.m
	2,770	6,225	(55.5)	4,903	7,953	(38.4)
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	3,715	6,132	(39.4)	6,921	7,565	(8.5)
Non-controlling interests	319	(28)	n.m	492	(92)	n.m
	4,034	6,104	(33.9)	7,413	7,473	(0.8)

n.m. – not meaningful

**1(a)(ii) Notes to Consolidated Statement of Comprehensive Income**

Profit for the financial period is stated after charging/(crediting) the following:	Three Months Ended		Six Months Ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
<b><i>Amortisation and depreciation expenses</i></b>				
Amortisation of intangible assets	316	97	445	193
Depreciation of plant and equipment	293	71	606	343
<b><i>Employee benefits expense</i></b>				
Share option expenses	68	-	136	-
<b><i>Rental expense</i></b>				
Rental of premises	544	327	1,514	564
Rental of accommodation	51	-	154	-
<b><i>Other expenses</i></b>				
Allowance for impairment loss on doubtful trade receivables	(22)	166	-	166
Bad trade receivables written off	26	105	55	105
Unrealised foreign exchange loss, net	-	41	-	41

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2015</b>	<b>31 December 2014</b>	<b>30 June 2015</b>	<b>31 December 2014</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	5,822	4,426	122	122
Intangible assets	50,540	6,588	-	-
Investment in a subsidiary	-	-	47,875	32
Investment	1,743	-	1,715	-
Associates	43	38	-	-
Deferred tax assets	7	7	-	-
	<b>58,155</b>	<b>11,059</b>	<b>49,712</b>	<b>154</b>
<b>Current assets</b>				
Trade and other receivables	39,664	28,755	35,026	23,067
Prepayments	1,525	994	377	-
Current income tax recoverable	556	62	-	-
Cash and cash equivalents	22,679	34,424	10,713	31,090
Other current assets	2,992	2,949	-	-
	<b>67,416</b>	<b>67,184</b>	<b>46,116</b>	<b>54,157</b>
<b>Total assets</b>	<b>125,571</b>	<b>78,243</b>	<b>95,828</b>	<b>54,311</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	68,413	51,219	68,413	51,219
Share options reserve	170	34	170	34
Retained earnings	11,125	6,676	1,428	731
Foreign currency translation account	2,437	(35)	3,636	30
<b>Equity attributable to owners of the parent</b>	<b>82,145</b>	<b>57,894</b>	<b>73,647</b>	<b>52,014</b>
Non-controlling interests	822	330	-	-
<b>Total equity</b>	<b>82,967</b>	<b>58,224</b>	<b>73,647</b>	<b>52,014</b>
<b>Non-current liabilities</b>				
Interest bearing liabilities	10,230	83	10,016	-
Other payables	1,092	1,316	-	-
Provisions	42	60	-	-
Deferred tax liabilities	1,615	96	-	-
	<b>12,979</b>	<b>1,555</b>	<b>10,016</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	18,772	14,981	2,367	1,081
Interest bearing liabilities	9,868	1,294	9,786	1,204
Current income tax payable	985	2,189	12	12
	<b>29,625</b>	<b>18,464</b>	<b>12,165</b>	<b>2,297</b>
<b>Total liabilities</b>	<b>42,604</b>	<b>20,019</b>	<b>22,181</b>	<b>2,297</b>
<b>Total equity and liabilities</b>	<b>125,571</b>	<b>78,243</b>	<b>95,828</b>	<b>54,311</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

<b>As at 30 June 2015 (Unaudited)</b>		<b>As at 31 December 2014 (Audited)</b>	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
4,374	5,494	90	1,204

**Amount repayable after one year**

<b>As at 30 June 2015 (Unaudited)</b>		<b>As at 31 December 2014 (Audited)</b>	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
10,230	-	83	-

**Details of any collateral**

The secured borrowings comprised:

	<b>As at 30 June 2015 (Unaudited) RM'000</b>	<b>As at 31 December 2014 (Audited) RM'000</b>	<b>Secured by</b>
Finance Lease Facilities	296	173	RM272,000 mortgage over the leased motor vehicles and RM24,000 mortgage over the leased photocopy machine.
Term loan	14,308	-	1) First party charge over shares held in a subsidiary entity; 2) Charge and assignment over all rights on a designated banking account; and 3) Deed of subordination of all financial indebtedness extended by the shareholders or related parties of the Company, save for trade related transactions.
	<u>14,604</u>	<u>173</u>	

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Statement of Cash Flows**

	Three months Ended		Six months Ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
<b>Operating activities</b>				
Profit before tax	2,669	7,384	5,485	9,508
Adjustments for:				
Allowance for impairment loss on doubtful trade receivables	(22)	166	-	166
Allowance for impairment loss on doubtful trade receivables written back	(48)	25	(50)	(4)
Amortisation of intangible assets	316	97	445	193
Bad trade receivables written off	26	105	55	105
Depreciation of plant and equipment	293	71	606	343
Gain on disposal of a subsidiary	-	-	-	(239)
Gain on disposal of plant and equipment	-	(70)	-	(70)
Interest income	(42)	(20)	(94)	(42)
Interest expense	56	1	65	17
Notional finance cost	21	42	53	86
Provisions	52	-	32	-
Share of results of associates, net of tax	(18)	(153)	(45)	366
Unrealised foreign exchange gain/(loss), net	(186)	41	(179)	41
Share based payment expenses	68	-	136	-
<b>Operating cash flows before working capital changes</b>	<b>3,185</b>	<b>7,689</b>	<b>6,509</b>	<b>10,470</b>
<b>Working capital changes</b>				
Trade and other receivables	(6,474)	(8,861)	(9,082)	(5,544)
Prepayments	(789)	(857)	(440)	(864)
Trade and other payables	5,243	(3,943)	2,738	(3,629)
Cash generated from /(utilised in) operations	1,165	(5,972)	(275)	433
Income tax paid	(279)	(46)	(812)	(94)
<b>Net cash generated from/(used in) operating activities</b>	<b>886</b>	<b>(6,018)</b>	<b>(1,087)</b>	<b>339</b>

	Three months Ended		Six months Ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
<b>Investing activities</b>				
Acquisition of subsidiaries, net of cash acquired	(20,369)	104	(20,369)	104
Repayment from associates	-	238	-	238
(Advances to)/Repayment from third parties	(2,713)	5,646	(4,337)	(190)
Disposal of a subsidiary	-	-	-	(130)
Disposal of an associated company, ZICOLaw Thailand	-	(702)	-	-
Dividend received	-	45	40	45
Interest received	42	7	94	10
Placement of fixed deposits with a bank	-	-	(3)	-
Proceeds from disposal of plant and equipment	-	70	-	70
Purchase of plant and equipment	(684)	(276)	(1,592)	(558)
Payment for intangible assets	(577)	(80)	(583)	(200)
Purchase of investment	(807)	-	(1,716)	-
Payment for deferred consideration to acquire a subsidiary	(180)	-	(360)	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(25,288)</b>	<b>5,052</b>	<b>(28,826)</b>	<b>(611)</b>
<b>Financing activities</b>				
Dividends paid	-	(2,473)	-	(7,516) <sup>(1)</sup>
Interest paid	(56)	(1)	(65)	(17)
Advance from shareholders	-	1,670	-	318
Repayment to directors	-	(9)	(2)	(9)
Proceeds from term loan facility	14,308	-	14,308	-
Proceeds from revolving credit facility	4,265	-	4,290	-
Issuance of ordinary shares	-	3,739	-	6,928
Redemption of preference shares	-	(349)	-	(747)
Repayments of finance lease payables	(20)	(11)	(36)	(24)
<b>Net cash generated from/(used in) financing activities</b>	<b>18,497</b>	<b>2,566</b>	<b>18,495</b>	<b>(1,067)</b>
Net change in cash and cash equivalents	(5,905)	1,600	(11,418)	(1,339)
Cash and cash equivalents at beginning of financial period	28,776	1,063	34,424	3,998
Effect of exchange rate changes on cash and cash equivalents	(192)	1	(327)	5
<b>Cash and cash equivalents at end of the financial period</b>	<b>22,679</b>	<b>2,664</b>	<b>22,679</b>	<b>2,664</b>

Note:-

(1) Interim tax-exempt dividends of RM7,516,000 paid for the financial period ended 30 June 2014

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Statement of Changes in Equity**

**Group**

**(Unaudited)**

	Share Capital	Share options reserve	Retained earnings	Foreign currency translation account	Equity attributable to owners of the parent	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2015	51,219	34	6,676	(35)	57,894	330	58,224
<b>Profit for the financial period</b>	-	-	4,449	-	4,449	454	4,903
<b>Other comprehensive income:</b>							
Exchange differences arising from translation of foreign operations	-	-	-	2,472	2,472	38	2,510
<b>Total comprehensive income for the period</b>	-	-	4,449	2,472	6,921	492	7,413
<b>Contributions by and distributions to owners of the parent</b>							
Issuance of ordinary shares	17,194	-	-	-	17,194	-	17,194
Grant of share options	-	136	-	-	136	-	136
<b>Total transactions with owners of the parent</b>	17,194	136	-	-	17,330	-	17,330
Balance as at 30 June 2015	68,413	170	11,125	2,437	82,145	822	82,967

	Share Capital	Share options reserve	Retained earnings	Foreign currency translation account	Equity attributable to owners of the parent	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>(Unaudited)</b>							
Balance as at 1 January 2014	3,281	-	7,852	34	11,167	-	11,167
<b>Profit for the financial period</b>	-	-	8,045	-	8,045	(92)	7,953
<b>Other comprehensive income:</b>							
Exchange differences arising from translation of foreign operations	-	-	-	(241)	(241)	-	(241)
Reclassification adjustment arising from disposal of a subsidiary	-	-	-	(239)	(239)	-	(239)
<b>Total comprehensive income for the financial period</b>	-	-	8,045	(480)	7,565	(92)	7,473
<b>Contributions by and distributions to owners of the parent</b>							
Issuance of ordinary shares	6,928	-	-	-	6,928	-	6,928
Issuance of preference shares	-	-	(1,493)	-	(1,493)	-	(1,493)
Dividends	-	-	(7,516)	-	(7,516)	-	(7,516)
<b>Total transactions with owners of the parent</b>	6,928	-	(9,009)	-	(2,081)	-	(2,081)
<b>Transaction with non-controlling interests</b>							
Subscription of shares of a subsidiary	-	-	-	-	-	372	372
<b>Total transaction with non-controlling interests</b>	-	-	-	-	-	372	372
Balance as at 30 June 2014	10,209	-	6,888	(446)	16,651	280	16,931

**Statement of Changes in Equity  
Company**

<b>(Unaudited)</b>	<b>Share Capital</b>	<b>Share options reserve</b>	<b>Retained earnings</b>	<b>Foreign currency translation account</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January 2015	51,219	34	731	30	52,014
<b>Profit for the financial period</b>	-	-	697	-	697
<b>Other comprehensive income:</b>					
Exchange differences arising from translation of the Company's financial statements	-	-	-	3,606	3,606
<b>Total comprehensive income for the period</b>	-	-	697	3,606	4,303
<b>Contributions by and distributions to owners of the parent</b>					
Issuance of ordinary shares	17,194	-	-	-	17,194
Grant of share options	-	136	-	-	136
<b>Total transactions with owners of the parent</b>	17,194	136	-	-	17,330
Balance as at 30 June 2015	68,413	170	1,428	3,636	73,647

<b>(Unaudited)</b>	<b>Share Capital</b>	<b>Share options reserve</b>	<b>Retained earnings</b>	<b>Foreign currency translation account</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January 2014	3,281	-	783	37	4,101
<b>Profit for the financial period</b>	-	-	7,517	-	7,517
<b>Other comprehensive income:</b>					
Exchange differences arising from translation of the Company's financial statements	-	-	-	(89)	(89)
<b>Total comprehensive income for the period</b>	-	-	7,517	(89)	7,428
<b>Contributions by and distributions to owners of the parent</b>					
Issuance of ordinary shares	6,928	-	-	-	6,928
Issuance of preference shares	-	-	(747)	-	(747)
Dividends	-	-	(7,516)	-	(7,516)
<b>Total transactions with owners of the parent</b>	6,928	-	(8,263)	-	(1,335)
Balance as at 30 June 2014	10,209	-	37	(52)	10,194

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**Shares Capital – Ordinary Shares**

	<b>Number of issued shares</b>	<b>Issued and paid-up share capital (RM)</b>
Balance as at 1 April 2015	267,078,800	51,218,857
Issuance of new shares <sup>(1)</sup>	7,487,879	8,118,745
Issuance of new shares <sup>(2)</sup>	7,522,498	9,075,752
<b>Balance as at 30 June 2015</b>	<b>282,089,177</b>	<b>68,413,354</b>

Notes:-

- (1) The issuance of new shares is in relation to the acquisition of B.A.C.S. Private Limited ("B.A.C.S.") on 20 April 2015.
- (2) The issuance of new shares is in relation to the acquisition of Finova Singapore Pte. Ltd. and Finova Associates Pte. Ltd. (collectively, "FINOVA") on 29 May 2015.

Save for the above, there were no changes in the issued share capital of the Company since 31 March 2015.

There were 3,500,000 outstanding options as at 30 June 2015 (30 June 2014: Nil).

The Company did not have any treasury shares as at 30 June 2015 and 30 June 2014.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	<b>As at 30 June 2015</b>	<b>As at 31 December 2014</b>
Total number of issued shares	282,089,177	267,078,800

The Company did not have any treasury shares as at 30 June 2015 and 31 December 2014.

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the most recently audited consolidated financial statements for the financial year ended 31 December 2014.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted all the applicable new and revised International Financial Reporting Standards ("IFRS") that are mandatory for the accounting periods beginning on or after 1 January 2015. The adoption of these new and revised IFRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earnings per share ("EPS")	Group			
	Three Months Ended		Six Months Ended	
	30 June 2015 (Unaudited)	30 June 2014 (Unaudited)	30 June 2015 (Unaudited)	30 June 2014 (Unaudited)
Profit attributable to owners of the parent (RM'000)	2,480	6,256	4,449	8,045
Weighted average number of ordinary shares in issue <sup>(1)</sup>	271,428,909	267,078,800	271,428,909	267,078,800
Basic EPS (RM cents)	0.91	2.34	1.64	3.01
Fully diluted EPS (RM cents)	0.90 <sup>(2)</sup>	2.34 <sup>(3)</sup>	1.62 <sup>(2)</sup>	3.01 <sup>(3)</sup>

Notes:-

- (1) The weighted average number of ordinary shares in issue for the 6 months ended 30 June 2015 were computed based on the issued and paid-up ordinary share capital of 267,078,800 shares and the newly issued shares of 7,487,879 and 7,522,498 in respect of the acquisition of B.A.C.S. on 20 April 2015 and FINOVA on 29 May 2015 respectively.

The weighted average number of ordinary shares in issue for the 6 months ended 30 June 2014 were based on the issued and paid-up ordinary share capital of 1,000,000 shares and adjusted for 29,850 ordinary shares issued on 31 March 2014, 28,000 ordinary shares issued on 15 April 2014, 15,112 Tranche 1 of Pre-IPO New Shares issued on 19 September 2014, subdivision of each ordinary shares into 200 ordinary Shares and subsequent issue of 1,000,000 LPL Shares, 1,295,400 Tranche 2 of Pre-IPO New Shares and 2,191,000 PPCF Shares as well as the issue of 48,000,000 Placement Shares. The subdivision was taken into account as if it had taken place on 1 January 2014.

- (2) Adjusted for 3.5 million ordinary shares which may be allotted and issued upon the conversion of 3.5 million outstanding options as at 30 June 2015.
- (3) The basic and fully diluted earnings per share were the same as there were no dilutive ordinary shares in issue as at 30 June 2014.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the
- (a) Current period reported on; and
- (b) Immediately preceding financial year

Net asset value ("NAV")	Group		Company	
	30 June 2015 (Unaudited)	31 December 2014 (Audited)	30 June 2015 (Unaudited)	31 December 2014 (Audited)
NAV (RM'000)	82,145	57,894	73,647	52,014
Number of ordinary shares in issue	282,089,177	267,078,800	282,089,177	267,078,800
NAV per ordinary share (RM cents)	29.12	21.68	26.11	19.48

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

**Review for the performance of the Group for the three months ended 30 June 2015 ("2Q2015") as compared to the three months ended 30 June 2014 ("2Q2014").**

Consolidated Statement of Comprehensive Income

Revenue

The Group's revenue breakdown for each business segment in 2Q2015 and 2Q2014 was as follows:

	2Q2015 (RM million)	2Q2014 (RM million)	% change
Advisory and Transactional Services ("ATS")	9.4	5.4	74.1
Management and Support Services business ("MSS")	3.1	4.3	-27.9
Licensing Services ("LS")	1.4	1.8	-22.2
Total	13.9	11.5	20.0

The Group's revenue increased by 20% in 2Q2015 to RM13.9 million as compared to RM11.5 million in 2Q2014. The increase was mainly due to the higher revenue from ATS which increased by 74.1% when compared to 2Q2014.

The revenue increase for ATS was due to the additional revenue contributions from the recently completed acquisition of corporate secretarial business, B.A.C.S. and FINOVA as well as the growth in revenue of the trust business in Singapore under ZICO Allshores Trust ("ZAT") during 2Q2015. The revenue contribution in 2Q2015 from B.A.C.S is only for 3 months from 1 April 2015 whilst the revenue contribution from FINOVA is only for 1 month from 1 June 2015. The acquisitions of B.A.C.S. and FINOVA have also contributed to an increase in foreign currency billings from approximately 46% to 70% with Ringgit denominated billings reducing from 54% to 30% when compared to the previous corresponding period.

The above was offset by lower regional management fees and royalty fees from MSS and LS respectively in 2Q2015 due to the seasonal nature of our clients' business as well as on the back of softening economic activities within some of the ASEAN countries.

Other items of income

*Interest income*

The interest income in 2Q2015 increased from RM20,000 in 2Q2014 to RM42,000 in 2Q2015 mainly due to interest income derived from placement of time deposit by the Company.

### *Other income*

Other income in 2Q2015 was approximately RM0.4 million as compared to RM0.3 million in 2Q2014. The increase was mainly due to allowance for doubtful debts written back and addition disbursement income in relation to recovery from clients in the ATS arising from the recent acquisition.

### Items of expense

The items of expense of RM11.6 million in 2Q2015 as compared to RM4.5 million in 2Q2014 was mainly due to increase in amortisation and depreciation expenses, employee benefits expense, rental expense, retainer fees and consultation fees, other expenses, finance costs and lower share of associate results.

### *Amortisation and depreciation expenses*

The amortisation and depreciation expenses increased from RM168,000 in 2Q2014 to RM609,000 in 2Q2015 were mainly due to the amortization of identifiable intangible assets arising from the acquisition of B.A.C.S and FINOVA as well as the addition of plant and equipment arising from the renovation of MSS's office and additional computer hardware and software being installed.

### *Employee benefits expense*

The Company has expanded and augmented its management team and business since its listing in preparation for future growth. As a result, employee benefits expense increased significantly.

The increase in employee benefits expense to RM4.9 million in 2Q2015 as compared to RM2.2 million in 2Q2014, was mainly due to the following:

- (a) increase in headcount in MSS, and ATS which included the recently acquired businesses such as ZAT, Vientiane Law and PT ZICOLaw Indonesia which commenced operation in July 2014, as well as B.A.C.S. and FINOVA in 2Q2015;
- (b) increase in headcount of experienced management personnel in the Company, as investment for future growth of the Group; and
- (c) the remuneration of the executive directors of the Company, that commenced from 11 November 2014 (the date the Company was listed on the Catalist of SGX-ST).

### *Rental expense*

Rental expense increased by approximately RM0.3 million from RM0.3 million in 2Q2014 to RM0.6 million in 2Q2015, mainly due to additional office space taken up by MSS for PT ZICOLaw Indonesia and recently acquired businesses in 2Q2015.

#### *Retainer fees and consultation fees*

Retainer fees and consultation fees of RM2.1 million in 2Q2015 was higher by RM1.2 million as compared to RM0.9 million in 2Q2014, mainly due to professional and consultation fees incurred by the Group for infrastructure building and business development and for ZAT in Singapore.

#### *Other expenses*

Other expenses of RM3.4 million in 2Q2015 was higher by RM2.3 million as compared to RM1.1 million in 2Q2014, mainly due to the following:

- (a) disbursement expenses of RM1.4 million arising from the ATS as a result of the recent acquisitions of B.A.C.S. and FINOVA;
- (b) increase in travelling expenses by RM0.4 million;
- (c) increase in staff welfare by RM0.2 million;
- (d) increase in printing and stationeries by RM0.2 million; and
- (e) RM0.1 million incurred by the newly acquired businesses.

#### *Finance Costs*

The finance costs increased to RM77,000 in 2Q2015 from RM43,000 in 2Q2014 mainly due to the interest incurred arising from the revolving credit facility and drawdown of term loan for expansion of business in 2Q2015.

#### *Share of associates results*

Share of associate results decreased from RM153,000 in 2Q2014 to RM18,000 in 2Q2015 due to the absence of profit generated in 2Q2015 by its former associated company, ZICOLaw (Thailand) Limited which had been disposed of on 4 August 2014.

#### Profit before income tax

Profit before income tax of RM2.7 million in 2Q2015 was lower by approximately RM4.7 million as compared to RM7.4 million in 2Q2014, mainly due to higher expenses incurred by the Group as indicated above.

#### Tax income/(expense)

Tax income of RM101,000 in 2Q2015 as compared to tax expense of RM1.16 million in 2Q2014 was mainly due to the reversal for over-provision of tax expense recorded in 1Q2015 of RM0.3million, deferred tax income on amortization of identifiable intangible assets arising from the acquisition of B.A.C.S. and FINOVA as well as a lower tax expense incurred on the back of lower profit before tax for its Malaysia subsidiaries which are subject to higher effective tax rates compared to its foreign

subsidiaries.

## Consolidated Statement of Financial Position

### Non-current assets

Plant and equipment increased by RM1.4 million to RM5.8 million as at 30 June 2015 as compared to RM4.4 million as at 31 December 2014, mainly due to renovation of new offices and the additions of computer hardware for MSS.

Intangible assets increased by RM43.9 million to RM50.5 million as at 30 June 2015 as compared to RM6.6 million as at 31 December 2014, mainly due to goodwill and identifiable assets arising from the recently completed acquisition of B.A.C.S. and FINOVA in 2Q2015.

Investment of RM1.7 million as at 30 June 2015 was mainly in relation to the acquisition of corporate secretarial portfolio under ZICO-Stamford Corporate Services Pte Ltd, Singapore.

Investment in associates remained relatively unchanged at approximately RM40,000 as at 30 June 2015 and 31 December 2014 respectively.

Deferred tax assets remained unchanged at RM7,000 as at 30 June 2015 and 31 December 2014, respectively.

### Current assets

Trade and other receivables increased by RM10.9 million to RM39.7 million as at 30 June 2015 as compared to RM28.8 million as at 31 December 2014, mainly due to the trade and other receivables arising from the acquisition of new businesses in ATS and additional billings recognized at the end of June 2015 by ATS, MSS and LS.

Prepayments increased by RM0.5 million to RM1.5 million as at 30 June 2015 as compared to RM1.0 million as at 31 December 2014, mainly due to the prepayment of referral fees and consultation fees by ZAT in Singapore in 2Q2015.

Current income tax recoverable increased by RM0.5 million to RM0.6 million as at 30 June 2015 as compared to RM62,000 as at 31 December 2014, mainly due to the lower tax expense incurred for its Malaysia subsidiaries as compared to the actual tax installment paid to the Malaysia tax authorities

Cash and cash equivalents were lower by RM11.7 million from RM34.4 million as at 31 December 2014 to RM22.7 million as at 30 June 2015, mainly due to cash being utilized for the acquisitions in the first half of 2015.

Other current assets comprised clients' monies held in trust and fixed deposit with maturity of more than 90 days which remained unchanged at RM3 million as at 30 June 2015 and 31 December 2014 respectively.

### Non-current liabilities

Non-current liabilities comprised interest bearing liabilities, other payables, provisions and deferred tax liabilities. The increase in non-current liabilities by RM11.4 million to RM13.0 million as at 30 June 2015 as compared to RM1.6 million as at 31 December 2014 was mainly due to the term loan obtained for the acquisition of FINOVA.

The decrease in other payables by RM0.2 million from RM1.3 million as at 31 December 2014 to RM1.1 million as at 30 June 2015 was mainly due to progressive repayment of other payables in relation to the acquisition of ZICO Corporate Services Sdn Bhd in January 2012.

The increase in deferred tax liabilities by RM1.5 million from RM96,000 as at 31 December 2014 to RM1.6 million as at 30 June 2015 was mainly due to deferred tax liabilities on amortization of identifiable intangible assets arising from the acquisition of B.A.C.S. and FINOVA.

### Current liabilities

Trade and other payables increased by RM3.8 million to RM18.8 million as at 30 June 2015 as compared to RM15.0 million as at 31 December 2014 mainly due to the addition of other payables arising from the acquisition of B.A.C.S. and FINOVA.

The interest bearing liabilities increased by RM8.6 million to RM 9.9 million as at 30 June 2015 as compared to RM1.3 million as at 31 December 2014 mainly due to additional drawdown of revolving credit facility and current portion of term loan for working capital purposes and acquisition of FINOVA respectively.

The decrease in current income tax payable by RM1.2 million from RM2.2 million as at 31 December 2014 to RM1.0 million as at 30 June 2015, was mainly due to repayment of tax in 2Q2015.

### Consolidated Statement of Cash Flow

The net cash generated from operating activities of RM0.9 million in 2Q2015 as compared to net cash used in operating activities of RM6.0 million in 2Q2014, was mainly due to the increase in trade and other payables which was partially offset by the increase in trade and other receivables arising from the consolidation of the accounts of B.A.C.S. and FINOVA in 2Q2015.

Net cash used in investing activities of approximately RM25.2 million in 2Q2015 as compared to net cash generated from investing activities of RM5.1 million in 2Q2014, mainly due to the acquisition of B.A.C.S. and FINOVA in 2Q2015.

Net cash generated from financing activities of RM 18.5 million in 2Q2015 as compared to RM2.6 million in 2Q2014, was mainly due to proceeds from term loan facility for the acquisition of FINOVA and additional drawdown of revolving credit facility for working capital purposes in 2Q2015.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Business sentiment in our markets continues to be affected by depressed oil prices and the volatility in the equities market in China has some impact in Asia at large and ASEAN in particular. These recent developments may negatively impact different sectors of the markets where our clients operate in. Currency fluctuations in countries where we operate also impact our Group's operations and profitability.

In the short term, we anticipate there would be challenges arising from the uncertainties in the global and regional markets which could result in a slowdown in business activities in countries where we and our clients operate in.

The acquisition of the corporate secretarial portfolio of Stamford Law Corporation (now known as "Morgan Lewis Stamford LLC") has been completed, and successfully integrated into the business of ZICO Corporate Services Pte Ltd. In addition, following the acquisition of the entire equity interest in B.A.C.S. and FINOVA in the first half of 2015, the Group will now focus its attention on integrating these new businesses. We expect that these new acquisitions will contribute positively to the Group's results for the remainder of this year.

Whilst the Company has largely completed its investment in management infrastructure, the Group continues to invest resources in pursuing growth both organically and through acquisitions.

**11. Dividend**

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been declared or recommended for the current financial period reported on.

(b)(i) Amount per share (cents)  
(Optional) Rate (%)

Not applicable.

(b)(ii) Previous corresponding period (cents)  
(Optional) Rate (%)

None

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

- (d) The date the dividend is payable.

Not applicable.

- (e) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended for 2Q2015.

**13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have a general mandate for recurrent interested person transactions. There were no interested person transactions of S\$100,000 and above during the financial period reported on.

**14. Use of IPO proceeds**

The Company refers to the net proceeds amounting to S\$14.4 million (excluding listing expenses of approximately S\$1.879 million raised from the IPO on the Catalist Board of the SGX-ST on 11 November 2014).

As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

<b><u>Use of IPO Net Proceeds</u></b>	<b><u>Amount allocated (S\$'000)</u></b>	<b><u>Amount utilised (S\$'000)</u></b>	<b><u>Balance (S\$'000)</u></b>
Expansion of business operations including potential acquisitions	8,000	5,714 <sup>(1)</sup>	2,286
Capital expenditure on information technology infrastructure	1,000	-	1,000
General working capital	3,521	3,521 <sup>(2)</sup>	-
Listing expenses	1,879	1,879	-
<b>Total</b>	<b>14,400</b>	<b>11,114</b>	<b>3,286</b>

Note:

(1) S\$0.34 million was utilized in 1Q2015, S\$5.29 million was utilized in 2Q2015 and the balance of S\$0.08 million was utilized in July 2015.

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

**15. Negative Confirmation by the Board Pursuant to Rule 705(5) of the Catalist Listing Manual**

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the 3 months and 6 months financial periods ended 30 June 2015 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Chew Seng Kok  
Managing Director

11 August 2015