NEWS RELEASE

ZICO HOLDINGS INC. ANNOUNCES 47.9% RISE IN REVENUE TO RM52.8 MILLION[1] IN FY2015

- ***Improvement in topline due to ATS and MSS business segments' growth***
- ***ATS continues to be the largest contributor at 56.3% of total revenue***
- ***31.9% decline in profit after tax to RM7.3 million[2] mainly attributable to investments for growth***
- ***Acquisitions in FY2015 strengthen resilience of overall business through recurring income streams and foreign currency billings***
- ***Remains committed to enhancing strong regional market position and to seek compelling growth opportunities***

Singapore, 26 February 2016 – 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 full year ended 31 December 2015 ("FY2015"). The Group recorded a 47.9% rise in revenue to RM52.8 million in FY2015, up from RM35.7 million in the previous corresponding year ("FY2014").

[1] *Approximately S$17.5 million based on an exchange rate of S$1.00 to RM 3.0091*
[2] *Approximately S$2.4 million based on an exchange rate of S$1.00 to RM 3.0091*

ZICO Holdings Inc.

(Incorporated in the Federal Territory of Labuan,
Malaysia with limited liability on 9 December 2010)
(Company Registration No. LL07968)

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Mr Chew Seng Kok (“周成国”), Managing Director of ZICO, said, “2015 has been a transformative year for us, with a number of significant transactions that have built our overall resilience and enhanced our operational capabilities. During the year, we made several notable acquisitions – a corporate secretarial portfolio, B.A.C.S. Private Limited, and Finova Singapore Pte. Ltd. and Finova Associates Pte. Ltd. – that are now housed within our Advisory and Transaction Services business segment.

“The acquisition of these businesses with underlying streams of strong recurring income provides ballast and stability to ZICO, especially against the backdrop of uncertainties of the global and regional economies. Further, as our acquired businesses’ billings are largely denominated in Singapore Dollar and United States Dollar, they have also mitigated the effects of our currency exposure to the weakening Ringgit.

“Beyond acquisitive pursuits, we are focusing our energy on organic growth. We established several subsidiaries such as ZICO Knowledge Services Sdn. Bhd., to tap on the growing demand for outsourcing and insourcing of information technology, business and knowledge processes.”

FINANCIAL REVIEW

ZICO’s topline growth in FY2015 was largely attributable to its Advisory and Transactional Services (“ATS”) business segment which saw a 68.8% increase in sales to RM29.7 million, as well as the 43.8% growth in the Management and Support Services (“MSS”) business segment’s revenue to RM17.4 million. For the Licensing Services (“LS”) business segment, sales in FY2015 saw a 5% decline to RM5.7 million.

The revenue contribution of the ATS, MSS and LS business segments during the year were 56.3%, 33.0% and 10.7% respectively, with the ATS business segment continuing to be the largest contributor which was similar to FY2014.

The overall increase in the Group's cost base was led primarily by a RM13.3 million rise in employee benefits expenses and a RM5.2 million increase in retainer fees and consultancy fees. New businesses and acquisitions in FY2015 resulted in a rise in the ATS and MSS business segments' headcount and a corresponding increase in employee benefits expenses. To further invest and prepare for ZICO's growth, there were also experienced management personnel hires during the year. In addition, ZICO's executive directors' remuneration only commenced after the listing of the Group on 11 November 2014, thereby contributing to the lower level of employee benefit expenses in FY2014 as compared to a full year of directors' remuneration expenses incurred in FY2015. As for the rise in retainer fees and consultancy fees, it was mainly due to referral fees, in line with market practices, which were necessary for business development activities.

Total operating expenses also rose as a result of additional rental expenses, amortisation and depreciation expenses, and other expenses arising from the expansion of ZICO's business.

The Group consequently registered a 31.9% decline in profit after tax to RM7.3 million in FY2015 as compared to RM10.7 million in FY2014.

As at 31 December 2015, ZICO had cash and cash equivalents of RM26.5 million.

OUTLOOK

The low oil and commodities prices coupled with volatility in the global stock markets and exchange rates, have led to depressed business sentiments in ASEAN. These factors have adversely impacted different market sectors which our clients operate in, thereby affecting the Group's operational and financial performance.

Mr Chew said, "Over the short-term, we expect our operations to remain impacted by the uncertain macroeconomic outlook, particularly in the more established legal markets where the ZICOlaw network has a presence. Our largest business segment, ATS, whose corporate services and trusts are more resilient, is however, anticipated to better withstand the volatility."

To raise its profitability, the Group intends to strengthen the links of its professional services ecosystem through a number of strategic approaches. These include the extraction of further efficiencies from investments in ZICO's human capital and IT infrastructure and in continuing to cross-sell services across the ZICO platform, including the newly acquired businesses which remain well on track.

Concluding, Mr Chew said, "Given the current lacklustre business environment, we are highly cognisant of the need to have a balanced and measured approach towards growth. We remain committed to enhancing our strong regional market position and to be on the lookout for organic and inorganic opportunities. Should there be opportunities that are highly complementary and synergistic to our operations, backed by compelling cost structures, we will carefully assess and potentially pursue them to drive further economies of scale for the benefit of our investors and stakeholders."

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, investor services and wealth planning 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**") has been listed on Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") since 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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