

## NEWS RELEASE

### ZICO HOLDINGS INC. REGISTERS 52.4% Y-O-Y TOPLINE GROWTH TO RM15.1 MILLION<sup>1</sup> IN 1Q2016

- ***Revenue improvement across all three business segments, largely driven by recognition of revenue from new businesses***
- ***Profit after tax decreases 4.0% to RM2.0 million<sup>2</sup> due mainly to investment in human resources***
- ***Continues to invest in support infrastructure to raise cost efficiencies and enhance shareholder returns***
- ***Remains prudent in investments and to selectively seek opportunities to strengthen portfolio of services***

**Singapore, 12 May 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 three months ended 31 March 2016 (“1Q2016”). The Group registered a 52.4% increase in topline to RM15.1 million during the quarter from RM9.9 million in the previous corresponding period (“1Q2015”).

---

<sup>1</sup> *Approximately S\$5.1 million based on an exchange rate of S\$1.00 to RM 2.9357*

<sup>2</sup> *Approximately S\$0.7 million based on an exchange rate of S\$1.00 to RM 2.9357*

Mr Chew Seng Kok (“周成国”), Managing Director of ZICO, said, “We are pleased with the improvement of our overall revenue in 1Q2016. Operationally, we have continued to implement improvements by investing in our information technology and human resource infrastructure – key pillars in supporting our operations across Southeast Asia. Our progressive scaling up of our support capabilities will enable us to capitalise on increased efficiencies across our existing business segments. As opportunities to develop new businesses arise, the support infrastructure can be cost effectively and rapidly deployed to support these pursuits.”

## **FINANCIAL REVIEW**

The Group’s overall revenue growth in 1Q2016 was driven mainly by its Advisory and Transactional Services (“ATS”) and Management and Support Services (“MSS”) segments. Sales of the ATS business during the quarter witnessed an 84.4% rise to RM8.3 million largely due to contributions from businesses acquired in the second quarter of 2015 as well as the growth of the trust business in Singapore. For the MSS business, it grew 30.8% to RM5.1 million during the quarter as compared to 1Q2015 as a result of higher support services fees generated. The Licensing Services (“LS”) business also reported a RM1.7 million increase in revenue, representing a 13.3% increase over 1Q2015. This was led by higher royalty fees generated from ZICO’s licensees’ net revenue.

The ATS segment remained ZICO’s largest revenue contributor in 1Q2016, accounting for 54.9% of total sales while the MSS and LS segments contributed 33.8% and 11.3% respectively.

Increases of RM2.4 million in employee expenses, RM1.1 million in retainer fees and consultancy fees, as well as RM1.8 million in other expenses were main factors for the rise in overall operating costs during 1Q2016. The increase in employee benefit expenses was largely attributable to additional headcount arising from new businesses that were acquired and organically established, as well as experienced management team hires. Retainer fees and consultancy fees rose mainly as a result of business development activities and expenses incurred by the trust business in Singapore. Other expenses were largely due to disbursements arising from acquisitions made in the second quarter of 2015.

As a result of the above, ZICO recorded a 4.0% y-o-y decrease in profit after tax to RM2.0 million in 1Q2016.

The Group's cash and cash equivalents stood at RM22.8 million as at 31 March 2016.

## **OUTLOOK**

Whilst the Group recognises the headwinds posed by the challenging economic outlook in the short term, it continues to invest resources in pursuing growth both organically and through acquisitions of services which are synergistic and provide opportunities for cross selling and integration; and at the same time, leveraging on the investments already made in ZICO's human resource and technological infrastructure.

Mr Chew said, "Amidst this difficult business climate, we continue to selectively strengthen our portfolio of services through organic and acquisitive opportunities that are highly value accretive and strategically complementary to ZICO's 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, 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**") was listed on Catalist Board 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.*

---

ISSUED ON BEHALF OF : ZICO Holdings Inc.  
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd  
55 Market Street  
#02-01  
SINGAPORE 048941  
CONTACT : Ms Dolores Phua / Mr Han Zhongchou  
at telephone  
DURING OFFICE HOURS : 6534-5122 (Office)  
AFTER OFFICE HOURS : 9750-8237 / 9154-3765 (Handphone)  
EMAIL : [dolores.phua@citigatedrimage.com](mailto:dolores.phua@citigatedrimage.com)  
[zhongchou.han@citigatedrimage.com](mailto:zhongchou.han@citigatedrimage.com)

---

12 May 2016