

**ZICO HOLDINGS INC.**

(Company Registration No. LL07968)

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**Unaudited Financial Statements and Dividend Announcement  
For the Three Months Ended 31 March 2017**

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*ZICO Holdings Inc. (the "**Company**") has been listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") since 11 November 2014. The initial public offering of the Company (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**"). The Company has appointed Stamford Corporate Services Pte. Ltd. (the "**Sponsor**" or "**SCS**") in place of PPCF as its continuing sponsor with effect from 7 September 2016.*

*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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**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**

	<b>Group</b>		
	<b>Three Months Ended</b>		
	<b>31 March 2017 (Unaudited) RM'000</b>	<b>31 March 2016 (Unaudited) RM'000</b>	<b>Change %</b>
Revenue	16,744	15,127	10.7
<b>Other items of income</b>			
Interest income	26	39	(33.3)
Other income	1,010	716	41.1
	17,780	15,882	12.0
<b>Items of expense</b>			
Amortisation and depreciation expenses	(1,237)	(957)	29.3
Employee benefits expense	(10,105)	(7,068)	43.0
Operating lease expenses	(1,300)	(853)	52.4
Retainer fees and consultancy fees	(1,307)	(2,074)	(37.0)
Other expenses	(2,197)	(2,959)	(25.8)
Finance costs	(295)	(283)	4.2
Share of results of associates, net of tax	3	6	(50.0)
<b>Profit before income tax</b>	1,342	1,694	(20.8)
Income tax credit	104	353	(70.5)
<b>Profit for the financial period</b>	1,446	2,047	(29.4)
<b>Other comprehensive income</b>			
<i>Items that will or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences	364	(4,685)	n.m.
<b>Other comprehensive income for the financial period, net of tax</b>	364	(4,685)	n.m.
<b>Total comprehensive income for the financial period</b>	1,810	(2,638)	n.m.
<b>Profit attributable to:</b>			
Owners of the parent	1,471	1,933	(23.9)
Non-controlling interests	(25)	114	(121.9)
	1,446	2,047	(29.4)
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	1,796	(2,702)	166.5
Non-controlling interests	14	64	(78.1)
	1,810	(2,638)	168.6

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	
	31 March 2017 (Unaudited) RM'000	31 March 2016 (Audited) RM'000
<b><i>Amortisation and depreciation expenses</i></b>		
Amortisation of intangible assets	824	577
Depreciation of plant and equipment	413	380
<b><i>Employee benefits expense</i></b>		
Share based payment expenses	175	60
<b><i>Operating lease expenses</i></b>		
Rental of premises	1,292	853
Rental of accommodation	8	-
<b><i>Other expenses</i></b>		
Plant and equipment written off	-	4
Allowance for impairment loss on doubtful trade receivables written back	-	(36)
Unrealised foreign exchange loss/(gain), net	39	(79)

**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>31 March 2017</b>	<b>31 December 2016</b>	<b>31 March 2017</b>	<b>31 December 2016</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	7,243	7,111	112	113
Intangible assets	64,488	64,162	4,105	4,098
Subsidiaries	-	-	61,875	58,874
Associates	41	38	-	-
Investments	32	30	-	-
Deferred income tax assets	3,364	2,733	-	-
Trade and other receivables	9,270	10,013	20,976	19,116
	<b>84,438</b>	<b>84,087</b>	<b>87,068</b>	<b>82,201</b>
<b>Current assets</b>				
Trade and other receivables	62,394	56,110	39,445	38,070
Prepayments	1,777	911	144	32
Current income tax recoverable	1,172	1,090	-	-
Cash and cash equivalents	17,626	19,592	3,312	3,666
Other current assets	4,351	6,509	848	861
	<b>87,320</b>	<b>84,212</b>	<b>43,749</b>	<b>42,629</b>
<b>Total assets</b>	<b>171,758</b>	<b>168,299</b>	<b>130,817</b>	<b>124,830</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	69,440	68,685	69,440	68,685
Retained earnings	19,042	17,571	415	367
Share-based reserve	1,127	1,707	1,127	1,707
Currency translation reserve	7,957	7,632	13,405	11,432
<b>Equity attributable to owners of the parent</b>	<b>97,566</b>	<b>95,595</b>	<b>84,387</b>	<b>82,191</b>
Non-controlling interests	1,353	1,251	-	-
<b>Total equity</b>	<b>98,919</b>	<b>96,846</b>	<b>84,387</b>	<b>82,191</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	8,855	7,468	8,761	7,363
Other payables	-	-	-	-
Provisions	61	61	-	-
Deferred income tax liabilities	1,753	1,758	-	-
	<b>10,669</b>	<b>9,287</b>	<b>8,761</b>	<b>7,363</b>
<b>Current liabilities</b>				
Trade and other payables	13,882	19,947	1,386	2,055
Interest-bearing liabilities	36,328	33,274	36,269	33,207
Deferred revenue	9,065	6,315	-	-
Provisions	63	62	-	-
Current income tax payable	2,832	2,568	14	14
	<b>62,170</b>	<b>62,166</b>	<b>37,669</b>	<b>35,276</b>
<b>Total liabilities</b>	<b>72,839</b>	<b>71,453</b>	<b>46,430</b>	<b>42,639</b>
<b>Total equity and liabilities</b>	<b>171,758</b>	<b>168,299</b>	<b>130,817</b>	<b>124,830</b>

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

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

As at 31 March 2017 (Unaudited)		As at 31 December 2016 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
13,437	22,891	4,738	28,536

**Amount repayable after one year**

As at 31 March 2017 (Unaudited)		As at 31 December 2016 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
8,855	-	7,468	-

**Details of any collateral**

The secured borrowings comprised:

	As at 31 March 2017 (Unaudited) RM'000	As at 31 December 2016 (Audited) RM'000	Secured by
Finance Lease Facilities	153	172	RM144,000 mortgage over the leased motor vehicles and RM9,000 mortgage over the leased photocopy machine.
Term loan	13,589	12,034	<ol style="list-style-type: none"> <li>1) First party charge over shares held in a subsidiary entity;</li> <li>2) Charge and assignment over all rights on a designated banking account; and</li> <li>3) Deed of subordination of all financial indebtedness extended by the shareholders or related parties of the Company, save for trade related transactions.</li> <li>4) Letter of undertaking by the director</li> <li>5) Assignment of dividends due to the Company by certain subsidiaries</li> </ol>
Revolving credit	8,550	-	Corporate guarantee for all moneys owing by certain subsidiaries
	<u>22,292</u>	<u>12,206</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**

	<b>Three Months Ended</b>	
	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
Profit before income tax	1,342	1,694
Adjustments for:		
Allowance for impairment loss on doubtful trade receivables written back	-	(36)
Amortisation of intangible assets	824	577
Depreciation of plant and equipment	413	380
Interest income	(26)	(39)
Interest expense	285	261
Interest expense on deferred consideration	10	22
Plant and equipment written off	-	4
Share of results of associates, net of tax	(3)	(6)
Unrealised foreign exchange loss/(gain), net	39	(79)
Share based payment expenses	175	60
<b>Operating cash flows before working capital changes</b>	<b>3,059</b>	<b>2,838</b>
<b>Working capital changes:</b>		
Trade and other receivables	(9,078)	(3,402)
Prepayments	(866)	30
Trade and other payables	1,963	(2,642)
Cash generated from operations	(4,922)	(3,175)
Income tax paid	(377)	(72)
<b>Net cash used in operating activities</b>	<b>(5,299)</b>	<b>(3,248)</b>

	Three Months Ended	
	31 March 2017	31 March 2016
	(Unaudited)	(Unaudited)
	RM'000	RM'000
<b>Investing activities</b>		
Advances to associate	(53)	(2)
Repayment from/(Advances to) third parties	1,838	(536)
Interest received	26	39
Payment for deferred consideration to acquire a subsidiary	(180)	(180)
Purchase of plant and equipment	(624)	(268)
Purchase of intangible assets	(676)	(261)
<b>Net cash generated from/(used in) investing activities</b>	<b>331</b>	<b>(1,208)</b>
<b>Financing activities</b>		
Interest paid	(285)	(261)
Proceeds from term loan facilities	1,266	-
Proceeds from revolving credit facility	2,216	-
Repayments of finance lease payables	(20)	(21)
<b>Net cash generated from/(used in) financing activities</b>	<b>3,177</b>	<b>(282)</b>
Net change in cash and cash equivalents	(1,791)	(4,738)
Cash and cash equivalents at beginning of financial period	19,592	26,447
Effect of exchange rate changes on cash and cash equivalents	(175)	1,123
<b>Cash and cash equivalents at end of the financial period</b>	<b>17,626</b>	<b>22,832</b>

**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- based reserve	Retained earnings	Currency translation reserve	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 2017	68,685	1,707	17,571	7,632	95,595	1,251	96,846
<b>Profit for the financial period</b>	-	-	1,471	-	1,471	(25)	1,446
<b>Other comprehensive income:</b>							
Foreign currency translation differences	-	-	-	325	325	39	364
<b>Total comprehensive income for the financial period</b>	-	-	1,471	325	1,796	14	1,810
<b>Contributions by and distributions to owners of the parent</b>							
Exercise of share awards	755	(755)	-	-	-	-	-
Grant of share awards	-	175	-	-	175	-	175
<b>Total transactions with owners of the parent</b>	755	(580)	-	-	175	-	175
<b>Transactions with non-controlling interests</b>							
Subscription of shares of a subsidiary	-	-	-	-	-	88	88
<b>Total transactions with non-controlling interests</b>	-	-	-	-	-	88	88
Balance as at 31 March 2017	69,440	1,127	19,042	7,957	97,566	1,353	98,919



(Unaudited)	Share capital	Share-based reserve	Retained earnings	Currency translation reserve	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 2016	68,092	305	13,293	6,641	88,331	1,143	89,474
<b>Profit for the financial period</b>	-	-	1,933	-	1,933	114	2,047
<b>Other comprehensive income:</b>							
Foreign currency translation differences	-	-	-	(4,635)	(4,635)	(50)	(4,685)
<b>Total comprehensive income for the financial period</b>	-	-	1,933	(4,635)	(2,702)	64	(2,638)
<b>Contributions by and distributions to owners of the parent</b>							
Grant of share options	-	60	-	-	60	-	60
<b>Total transactions with owners of the parent</b>	-	60	-	-	60	-	60
Balance as at 31 March 2016	68,092	365	15,226	2,006	85,689	1,207	86,896

**Statement of Changes in Equity  
Company**

<b>(Unaudited)</b>	<b>Share capital</b>	<b>Share-based reserve</b>	<b>Retained earnings</b>	<b>Currency translation reserve</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 2017	68,685	1,707	367	11,432	82,191
<b>Profit for the financial period</b>	-	-	48	-	48
<b>Other comprehensive income:</b>					
Foreign currency translation differences	-	-	-	1,973	1,973
<b>Total comprehensive income for the financial period</b>	-	-	48	1,973	2,021
<b>Contributions by and distributions to owners of the parent</b>					
Exercise of share awards	775	(775)	-	-	-
Grant of share awards	-	175	-	-	175
<b>Total transactions with owners of the parent</b>	775	(580)	-	-	175
Balance as at 31 March 2017	69,440	1,127	415	13,405	84,387

<b>(Unaudited)</b>	<b>Share capital</b>	<b>Share-based reserve</b>	<b>Retained earnings</b>	<b>Currency translation reserve</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 2016	68,092	305	3,025	9,871	81,293
<b>Profit for the financial period</b>	-	-	513	-	513
<b>Other comprehensive income:</b>					
Foreign currency translation differences	-	-	-	(3,498)	(3,498)
<b>Total comprehensive income for the financial period</b>	-	-	513	(3,498)	(2,985)
<b>Contributions by and distributions to owners of the parent</b>					
Grant of share options	-	60	-	-	60
<b>Total transactions with owners of the parent</b>	-	60	-	-	60
Balance as at 31 March 2016	68,092	365	3,538	6,373	78,368

- 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 January 2017	282,754,063	68,685,410
Issuance of new shares <sup>(1)</sup>	851,656	754,633
<b>Balance as at 31 March 2017</b>	<b>283,605,719</b>	<b>69,440,042</b>

Notes:-

- (1) The issuance of new shares is in relation to the vesting of 851,656 share awards on 21 March 2017 under the ZICO Holdings Performance Share Plan ("PSP").

There were 3,500,000 outstanding options (31 March 2016: 3,500,000 options) and 1,743,344 share awards granted but unvested under the PSP as at 31 March 2017 (31 March 2016: 2,919,035).

Save for the above, the Company did not have any convertibles or treasury shares as at 31 March 2017 and 31 March 2016.

- 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 31 March 2017</b>	<b>As at 31 December 2016</b>
Total number of issued shares	283,605,719	282,754,063

The Company did not have any treasury shares as at 31 March 2017 and 31 December 2016.

- 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 2016.

- 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 2017. 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**

<b>Earnings per share ("EPS")</b>	<b>Group</b>	
	<b>Three Months Ended</b>	
	<b>31 March 2017 (Unaudited)</b>	<b>31 March 2016 (Unaudited)</b>
Profit attributable to owners of the parent (RM'000)	1,471	1,933
Weighted average number of ordinary shares in issue (in thousands)	282,858 <sup>(1)</sup>	282,089
Basic EPS (RM cents)	0.52	0.69
Weighted average number of ordinary shares in issue on fully diluted basis (in thousands)	286,002 <sup>(2)</sup>	285,942 <sup>(3)</sup>
Fully diluted EPS (RM cents)	0.51	0.68

Note:-

- (1) Adjusted for 851,656 ordinary shares allotted and issued on 21 March 2017 pursuant to the vesting of share awards under the PSP.
- (2) Adjusted for 5,243,344 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options and vesting of 1,743,344 outstanding share awards as at 31 March 2017.
- (3) Adjusted for 6,419,035 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options and vesting of 2,919,035 outstanding share awards as at 31 March 2016.

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	
	31 March 2017 (Unaudited)	31 December 2016 (Audited)	31 March 2017 (Unaudited)	31 December 2016 (Audited)
NAV (RM'000)	97,566	95,595	84,387	82,191
Number of ordinary shares in issue (in thousands)	283,606	282,754	283,606	282,754
NAV per ordinary share (RM cents)	34.40	33.81	29.75	29.07

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

Consolidated Statement of Comprehensive Income

***Review for the performance of the Group for the three months ended 31 March 2017 ("1Q2017") as compared to the three months ended 31 March 2016 ("1Q2016").***

Revenue

The Group's revenue breakdown for each business segment was as follows:

	<b>1Q2017 (RM million)</b>	<b>1Q2016 (RM million)</b>	<b>% change</b>
Advisory and Transactional Services (" <b>ATS</b> ")	10.7	8.3	28.9
Management and Support Services business & Licensing Services (" <b>MSSL</b> ")	6.0	6.8	(11.8)
<b>Total</b>	<b>16.7</b>	<b>15.1</b>	<b>10.7</b>

The increase in the Group's revenue was due to the higher revenue from ATS segments.

Higher revenue from ATS was due to the additional revenue contributions from advisory service on corporate finance under ZICO Capital Pte. Ltd. ("**ZICAP**") and the growth in revenue from business advisory services under ZICO (Labuan) LLP in Malaysia and Asean Advisory Pte. Ltd. in Singapore.

The decrease in revenue from MSSL was mainly due to a change in invoicing arrangements.

Other items of income

*Interest income*

The interest income decreased by RM13,000 due to lower interest earned from the partial uplift of the time deposit placed by the Company.



#### *Other income*

Other income increased by RM0.3 million mainly due to higher management fee billed and higher reimbursements from client and offset with the lower gain on foreign exchange arising from the fluctuation of the foreign currency.

#### Items of expense

##### *Amortisation and depreciation expenses*

Amortisation and depreciation expenses increased by RM0.3 million mainly due to renovation of additional office space taken up, as well as the installation of additional computer hardware and software.

##### *Employee benefits expense*

The Company has expanded and augmented its management team and business since its listing on the Catalist of the SGX-ST in preparation for future growth. Employee benefits expense increased significantly by RM3.0 million mainly due to the following:

- (a) increase in headcount in ATS which was mainly attributed by the expansion of new businesses, such as ZICAP and ZICO Asset Management Pte Ltd ("**ZAM**") which commenced operations in July 2016 and February 2017; and
- (b) share based payment expenses of RM0.2 million in 1Q2017 arising from the grant of share awards to employees of the Group under the PSP.

##### *Operating lease expenses*

Operating lease expenses increased by RM0.4 million mainly due to new business under ATS, rental of office premises for ZICAP and ZAM and additional office space taken up by ZICO RMC Pte. Ltd. ("RMC").

##### *Retainer fees and consultancy fees*

Retainer fees and consultancy fees decreased by RM0.8 million mainly due to the decrease in fees incurred by the trust business in Singapore under ZICO Allshores Trust (S) Pte. Ltd.

#### *Other expenses*

Other expenses decreased by RM0.8 million mainly due to the lower reimbursable expenses incurred by B.A.C.S Pte. Ltd. (“**B.A.C.S.**”).

#### *Finance Costs*

Finance costs increased by RM12,000 mainly due to the interest expense incurred from the additional revolving credit facility taken up by the Group for expansion of its business.

#### *Share of associates results*

Share of associate results lower by RM3,000 mainly due to lower income generated by the associate.

#### Profit before income tax

Profit before income tax was lower by RM0.4 million mainly due to higher expenses incurred by the Group as indicated above.

#### Income tax expense

Income tax credit reduced by RM0.2 million in 1Q2017 mainly due to lower deferred tax assets recognized for the unutilised tax losses of subsidiaries.

## Consolidated Statement of Financial Position

***The comparative performance for both the assets and liabilities are based on the financial statements as at 31 March 2017 and 31 December 2016.***

### Non-current assets

Plant and equipment increased by RM0.1 million mainly due to (i) the renovation of new offices for MSSL, partially offset by (ii) depreciation charge for the current financial period, (iii) translation of plant and equipment at different closing rate as compared to 31 December 2016.

Intangible assets increased by RM0.3 million mainly due to (i) additions of computer software for MSSL, and partially offset by (ii) the translation of goodwill and identifiable assets arising from the acquisition of B.A.C.S., Finova Singapore Pte. Ltd., ZICO BPO Pte. Ltd., as well as the corporate secretarial portfolio under ZICO-Stamford Corporate Services Pte. Ltd. at different closing rate as compared to 31 December 2016, and (iii) amortisation of the computer software and identifiable assets for the current financial period.

Deferred income tax assets increased by RM0.6 million mainly due to recognition of deferred tax assets for the unutilised tax losses of several subsidiaries.

Non-current trade and other receivables were related to a payment plan agreed with certain debtors for the provision of services under MSSL. The decrease of non-current trade and other receivables by RM0.7 million was mainly due to payment received from the debtors and the translation at different closing rate as compared to 31 December 2016.

### Current assets

Current trade and other receivables increased by RM6.3 million mainly due to the additional billings recognized at the end of March 2017 by ATS and MSSL.

Prepayments increased by RM0.9 million mainly due to the prepayment of consultancy fee incurred by MSSL in 1Q2017.

Current income tax recoverable increased by RM82,000 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 decreased by RM2.0 million mainly due to cash being utilised for operations.

Other current assets (comprising clients' monies held in trust and fixed deposit with maturity of more than 90 days) decreased by RM2.2 million mainly due to the utilisation of clients' monies held in trust.

### Non-current liabilities

The increase in non-current interest-bearing liabilities by RM1.4 million was mainly due to the additional drawdown of term loan facility in 1Q2017 and the translation of term loan and revolving credit at different closing rate as compared to 31 December 2016.

The provisions remain unchanged at RM61,000.

The decrease in deferred income tax liabilities by RM5,000 was mainly due to reversal of deferred tax liabilities on amortisation of identifiable intangible assets arising from the acquisition of B.A.C.S. and FINOVA and the translation of deferred income tax liabilities at different closing rate as compared to 31 December 2016.

### Current liabilities

Trade and other payables decreased by RM6.1 million mainly due to repayment of other payables and reduction of clients' monies held in trust towards end of March 2017.

Current interest-bearing liabilities increased by RM3.1 million mainly due to the additional drawdown of revolving credit facility, the translation of term loan and revolving credit at different closing rate as compared to 31 December 2016 and partially offset by repayment for the revolving credit facility and finance lease payables.

Deferred revenue increased by RM2.3 million mainly due to the advance billings to the clients under the corporate secretarial businesses.

The provision for leave benefits increased by RM1,000 mainly due to translation of provisions at different closing rate as compared to 31 December 2016.

The increase in current income tax payable by RM0.3 million was mainly due to the provision of tax on profits generated is higher as compared to tax installment payments.

### Consolidated Statement of Cash Flow

The net cash used in operating activities of RM5.3 million in 1Q2017 was mainly due to the profit before income tax of RM1.3 million, partially offset by (i) increase in trade and other receivables as a result of additional billings recognized at the end of 1Q2017, and (ii) decrease in trade and other payables due to repayment of other payables and utilisation of clients' monies held in trust towards end of March 2017.

Net cash generated from investing activities of RM0.3 million in 1Q2017 was mainly due to repayment from third parties but partially offset with the purchase of intangible assets as well as plant and equipment in 1Q2017.

Net cash generated from financing activities of RM3.2 million in 1Q2017 was mainly due to additional drawdown of term loan and revolving credit facility for working capital purposes and offset by repayment of revolving credit facility.

**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.**

We continue to focus on growth in the dynamic ASEAN region while extracting synergies from our complementary services. With this, we believe ZICO's position as an ASEAN-focused integrated provider of multidisciplinary professional services will grow.

**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 (%)**

Not applicable. No dividend has been declared or recommended for the previous corresponding period.

**(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 1Q2017.

**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 in 1Q2017.

**14. Use of IPO proceeds**

The Company refers to the net proceeds amounting to S\$12.521 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:

<u>Use of IPO net proceeds</u>	<u>Amount allocated (S\$'000)</u>	<u>Amount utilised (S\$'000)</u>	<u>Balance (S\$'000)</u>
Expansion of business operations including potential acquisitions	8,000	7,223	777
Capital expenditure on information technology infrastructure	1,000	1,000	-
General working capital	3,521	3,521 <sup>(1)</sup>	-
Listing expenses	1,879	1,879	-
<b>Total</b>	<b>14,400</b>	<b>13,623</b>	<b>777</b>

Note:-

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

**15. Use of Placement proceeds**

The Company refers to the net proceeds amounting to S\$4 million raised from the placement exercise announced on 24 March 2017 and completed on 12 April 2017.

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

<u>Use of Placement net proceeds</u>	<u>Amount allocated (S\$'000)</u>	<u>Amount utilised (S\$'000)</u>	<u>Balance (S\$'000)</u>
Business expansion	1,000	156	844
Capital expenditure and maintenance on information technology infrastructure	1,600	44	1,556
Working capital requirements of the Group, mainly to support the working capital requirements of new services and offices.	1,400	210 <sup>(1)</sup>	1,190
<b>Total</b>	<b>4,000</b>	<b>410</b>	<b>3,590</b>

Note:-

(1) The amount of working capital was used for payment of renovation works.

**16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

**17. 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 three months ended 31 March 2017 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Chew Seng Kok  
Managing Director

15 May 2017