



NEWS RELEASE

ZICO HOLDINGS INC. ACHIEVES 10.7% REVENUE INCREASE TO RM16.7 MILLION¹ IN 1Q2017

- ***Revenue growth led by increase from the Advisory and Transactional Services (“ATS”) segment***
- ***Profit after tax takes impact as the Group supports business growth of its new services***
- ***Adds to complementary suite of services as ZICO Asset Management commences business as a registered fund management company***

Singapore, 15 May 2017 – 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-month period ended 31 March 2017 (“1Q2017”). The Group achieved a 10.7% growth in revenue to RM16.7 million during the year, up from RM15.1 million in the first quarter of 2016 (“1Q2016”). Although ZICO registered a 29.4% decrease in the profit after tax to RM1.4 million in 1Q2017 from RM2.0 million in 1Q2016, profit after tax doubled from RM0.7 million in the previous quarter ended 31 December 2016.

Mr Chew Seng Kok (“周成国”), Managing Director of ZICO, said, “In 1Q2017, we are pleased that ZICO Capital continued to gain traction and bolstered the Group’s revenue growth. Having added ZICO Asset Management onto our suite of services, we have acquired another capability for our existing and prospective clients to tap on. On a strategic level, we will continue to extract synergies across the ZICO group and ZICOlaw network of firms through cross-selling and referrals.”

¹ Approximately S\$5.4 million based on an exchange rate of S\$1.00 to RM 3.09 (average rate for 1Q2017)

FINANCIAL REVIEW

Led by the ATS segment, higher revenue contributions from ZICO Capital Pte. Ltd. (“ZICAP”) and ASEAN Advisory Pte. Ltd. in Singapore boosted ZICO’s topline by RM10.7 million.

The revenue from Management and Support Services and Licensing Services (“MSSL”) dipped marginally to RM6.0 million in 1Q2017 from RM6.8 million in 1Q2016.

During the year, the ATS segment remained as ZICO’s largest revenue contributor, making up 64.1% of overall topline while the MSSL segments accounted for 35.9% respectively.

Other income increased by RM0.3 million mainly due to higher management fees and higher reimbursements.

Total operating costs for the quarter rose to RM16.4 million, of which employee benefits expenses stood at RM10.1 million. This was largely due to an increase in headcount in ATS, as the Group expanded into new businesses in Singapore such as ZICO Capital and ZICO Asset Management, which commenced operations in July 2016 and March 2017 respectively. The employee benefit expense in 1Q2017 is similar to that of fourth quarter of 2016.

ZICO’s cash and cash equivalents stood at RM17.6 million as at 31 March 2017.

OUTLOOK

Mr Chew added, “The revenue of ZICO in this quarter has seen growth from the new services in Singapore whilst the cost has been contained. Going forward, we continue to focus on growth in the dynamic ASEAN region while extracting synergies from our complementary services. With this, I believe ZICO’s position as an ASEAN-focused integrated provider of multidisciplinary professional services will grow from strength to strength.”

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 two key business segments: (i) advisory and transactional services; (ii) management support services, and licensing services.

Within the advisory and transactional services business segment, ZICO provides legal services, Shariah advisory, trust advisory, corporate services, consulting services, investor services, wealth planning services and corporate finance advisory 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 10 out of 10 countries in Southeast Asia.

For more information, please visit <http://www.zicoholdings.com>.

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this announcement.

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