



For Immediate Release

NEWS RELEASE

ZICO Holdings Inc. Announces Results for FY2022

Singapore, 1 March 2023 – ZICO Holdings Inc. (“ZICO” and together with its subsidiaries and associated companies, the “Group”) announced today its full-year results for the financial year ended 31 December 2022 (“FY2022”).

For FY2022, revenue decreased slightly by 5.9% to RM64.95 million compared to RM69.03 million in the corresponding financial year ended 31 December 2021 (“FY2021”). The Group recorded a loss before tax of RM0.95 million as compared to the profit before tax of RM5.58 million in FY2021 (a reduction of approximately 116.9%). Profit after tax reduced to RM0.55 million as compared to RM1.99 million in the corresponding period of FY2021 (a reduction of approximately 72.2%).

The decrease in revenue in FY2022 is mainly due to lower revenue contribution from the Management Support Services Business and Licensing Services (“MSSL”) segment, which has stop providing support services to the ZICOLaw network firms. Advisory and Transactional Services (“ATS”) revenue for FY2022 improved by 3% due to higher revenue contributions from consultancy, assets management, trust advisory and corporate finance divisions totalling RM5.3 million in the second half of FY2022. The revenue contributions are aligned with management’s strategic decision to focus on expanding the higher margin business under the ATS segment whilst reducing reliance on the less profitable MSSL segment.

The profitability of the Group declined in FY2022 as many of its services were affected by the challenging business environment especially in the capital markets. The reduction in after-tax result is attributable mainly due to lower revenue generated, non-cash one-off loss of RM1.56 million on the disposal of our investment in a joint venture vis-à-vis other gains of RM6.52 million in the prior year.

Cash and cash equivalents decreased from RM18.17 million as at 31 December 2021 to RM16.89 million as at 31 December 2022 mainly due to cash being utilised in operations.

Mr Chew Seng Kok, Managing Director of ZICO, commented, “Despite the easing of Covid-19 measures globally, the Group continues to face challenges in 2022 from global economic headwinds caused by inter-alia, the escalating Russia-Ukraine conflict, prevailing geopolitical tensions between the United States and China, inflationary pressures and rising interest rates. As a result of the weak global economic growth, potential clients and investors had adopted a more cautious approach before undertaking significant commercial transactions and investments. This has unfortunately directly impacted the revenue of the Group’s services especially in Capital Market and Corporate Support services. While the 2023 outlook remains challenging, we are cautiously optimistic about the long-term outlook of the market in terms of the business opportunities that can be capitalised on by the Group’s well-established multidisciplinary professional services in the ASEAN region. The Group will also continue to exercise prudent cost management policies, capital management, and investment decisions while capturing new markets and opportunities”.

****End of News Release****

Note: This news release is to be read in conjunction with the SGXNet announcement released on the same day.

About ZICO Holdings Inc.

ZICO, an integrated provider of multidisciplinary professional services focused on the ASEAN region, provides advisory and transactional services, management and support 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 two key business segments: (i) Advisory and Transactional Services (“ATS”); and (ii) Management Support Services Business and Licensing Services (“MSSL”).

Within the ATS, ZICO provides legal services, Shariah advisory, trust advisory, corporate services, consulting services, investor services, wealth management services, corporate finance advisory services and immigration 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, Lao PDR, and Thailand.

For the MSSL segment, the Group provides business support services to members of the ZICOLaw Network and certain entities within the Group. The Group also provides regional management services 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, Singapore and Thailand. 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>.