ZICO HOLDINGS INC.
(Company Registration No. LL07968)

Unaudited Financial Statements and Dividend Announcement
For the Financial Period Ended 31 March 2019

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

	Group		
	Three Months Ended		
	31 March 2019 (Unaudited) RM'000	31 March 2018 (Audited) RM'000	Change %
Revenue	20,900	20,302	2.9
Other items of income			
Interest income	526	18	2,821.6
Other income	1,534	656	133.8
	22,960	20,976	9.5
Other gains and losses			
Others	(330)	(162)	103.7
Loss allowance on trade and other receivables	(193)	-	n.m
	22,437	20,814	7.8
Items of expense			
Amortisation and depreciation expenses	(1,308)	(1,179)	10.9
Employee benefits expense	(13,922)	(11,674)	19.3
Operating lease expenses	(1,694)	(1,305)	29.8
Retainer fees and consultancy fees	(1,604)	(1,481)	8.3
Other expenses	(2,798)	(3,169)	(11.7)
Finance costs	(965)	(352)	174.2
	(22,291)	(19,160)	16.3
	146	1,654	(91.2)
Share of results of associates, net of tax	-	8	n.m
Share of results of joint venture, net of tax	840	-	n.m
Profit before income tax	986	1,662	(40.7)
Income tax credit / (expense)	162	(41)	(494)
Profit for the financial period	1,148	1,621	(29.2)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Fair value loss on financial assets, available-for-sale	-	(52)	n.m
Foreign currency translation differences	(58)	(3,351)	n.m
	(58)	(3,403)	(98.3)
Items that will not be reclassified subsequently to profit or loss			
Fair value losses on financial assets, at FVOCI	(70)	-	n.m
Foreign currency translation differences	(37)	(81)	(54.3)
Other comprehensive loss , net of tax	(165)	(3,484)	(95.3)
Total comprehensive income for the financial period	983	(1,863)	(152.8)
Profit attributable to:			
Owners of the parent	976	1,072	(9.0)
Non-controlling interests	172	549	(68.7)
	1,148	1,621	(29.2)
Total comprehensive income attributable to:			
Owners of the parent	1,027	(2,326)	(144.2)
Non-controlling interests	(44)	463	(109.5)
	983	(1,863)	(152.8)

n.m. – not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Profit for the financial year is stated after charging/(crediting) the following:	Three Months Ended 31 March 2019 (Unaudited) RM'000	31 March 2018 (Audited) RM'000
Other gains and losses		
Trade and other receivables written off	(13)	(14)
Allowance for impairment loss on doubtful trade receivables written back	108	25
Unrealised foreign exchange loss, net	(375)	(79)
Realised foreign exchange loss, net	(50)	(94)
Amortisation and depreciation expenses		
Amortisation of intangible assets	935	840
Depreciation of plant and equipment	373	339
Employee benefits expense		
Share based payment expenses	298	285
Operating lease expenses		
Amortisation of right-of-use assets	1,452	-
Rental of premises	224	1,305
Rental of accommodation	18	-

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

	Group		Company	
	31 March 2019 (Unaudited) RM'000	31 December 2018 (Audited) RM'000	31 March 2019 (Unaudited) RM'000	31 December 2018 (Audited) RM'000
ASSETS				
Non-current assets				
Plant and equipment	6,199	6,571	80	84
Right-of-use assets	16,503	-	1,207	-
Intangible assets	61,898	62,847	2,118	2,264
Subsidiaries	-	-	64,523	64,581
Associates	28	28	2	2
Joint venture	11,697	10,856	9,257	9,356
Investments	2,809	2,410	-	-
Deferred income tax assets	5,357	4,645	-	-
Trade and other receivables	4,611	4,611	36,235	36,235
	109,102	91,968	113,422	112,522
Current assets				
Trade and other receivables	108,386	96,518	45,126	43,539
Prepayments	1,150	1,154	180	401
Current income tax recoverable	963	831	1	1
Cash and cash equivalents	18,233	15,956	1,748	841
Other current assets	2,838	6,759	5	5
	131,570	121,218	47,060	44,787
Total assets	240,672	213,186	160,482	157,309
EQUITY AND LIABILITIES				
Equity				
Share capital	93,586	84,132	93,586	84,132
Share based-reserve	3,155	3,294	3,155	3,294
Currency translation reserve	3,579	3,637	8,849	9,908
Fair value reserve	(1,358)	(1,295)	-	-
Retained earnings	25,441	25,705	4,178	3,491
Equity attributable to owners of the parent	124,403	115,473	109,768	100,825
Non-controlling interests	(1,090)	552	-	-
Total equity	123,313	116,025	109,768	100,825
Non-current liabilities				
Interest-bearing liabilities	6,008	3,584	6,013	3,582
Lease liabilities	12,947	-	388	-
Provisions	129	129	-	-
Deferred income tax liabilities	1,794	1,830	-	-
	20,878	5,543	6,401	3,582
Current liabilities				
Trade and other payables	24,699	25,447	2,347	10,759
Interest-bearing liabilities	52,605	56,124	41,138	42,143
Lease liabilities	4,876	-	835	-
Contracted liabilities	10,421	6,917	-	-
Provisions	20	20	-	-
Current income tax payable	3,860	3,110	(7)	-
	96,481	91,618	44,313	52,902
Total liabilities	117,359	97,161	50,714	56,484
Total equity and liabilities	240,672	213,186	160,482	157,309

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 2019 (Unaudited)		As at 31 December 2018 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
52,605	-	56,124	-

Amount repayable after one year

As at 31 March 2019 (Unaudited)		As at 31 December 2018 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
6,008	-	3,584	-

Details of any collateral

The secured borrowings comprised:

	As at 31 March 2019 (Unaudited) RM'000	As at 31 December 2018 (Audited) RM'000	Secured by
Finance lease facilities	34	48	RM34,000 mortgage over the leased motor vehicles.
Term loan	6,342	3,643	1) Letter of undertaking by a director; and 2) Assignment of dividends due to the Company by a subsidiary
Revolving credit	43,802	47,517	Corporate guarantee for all moneys owing by certain subsidiaries
Bank overdraft	8,435	8,500	Corporate guarantee by a subsidiary
	58,613	59,708	

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

	Three Months Ended	
	31 March 2019	**31 March 2018**
	(Unaudited)	**(Unaudited)**
	RM´000	**RM´000**
Operating activities		
Profit before income tax	986	1,662
Adjustments for:		
Allowance for impairment loss on doubtful trade receivables written back	(108)	(25)
Amortisation of intangible assets	935	840
Amortisation of right-of-use assets	1,452	-
Bad trade and other receivables written off	13	14
Depreciation of plant and equipment	373	339
Interest income	(195)	(18)
Interest expense	676	352
Loss allowance on trade and other receivables	193	-
Share of results of associates, net of tax	-	(8)
Share of results of joint venture, net of tax	(840)	-
Unrealised foreign exchange (gain)/loss, net	375	79
Share based payment expenses	298	285
Operating cash flows before working capital changes	**4,158**	**3,520**
Working capital changes:		
Trade and other receivables	(11,946)	(9,993)
Prepayments	(200)	382
Trade and other payables	5,126	3,745
Cash used in operations	(2,862)	(2,346)
Income tax paid	(413)	(644)
Net cash used in operating activities	**(3,275)**	**(2,990)**

	Three Months Ended	
	31 March 2019 (Unaudited) RM´000	**31 March 2018 (Unaudited) RM´000**
Investing activities		
Advances to associates	(1,327)	(1,851)
Repayment from third parties	244	572
Interest received	195	18
Purchase of plant and equipment	(37)	(160)
Purchase of intangible assets	-	(10)
Purchase of financial asset, available-for-sale	(325)	-
Net cash used in investing activities	**(1,250)**	**(1,431)**
Financing activities		
Interest paid	(676)	(352)
Issuance of ordinary shares	9,455	-
Dividends paid to non-controlling interests	(1,837)	-
Proceeds from term loan facility	3,010	1,026
Repayment of revolving credit facility	(3,322)	(344)
Repayments of finance lease payables	(14)	(15)
Net cash generated from financing activities	**6,616**	**315**
Net change in cash and cash equivalents	2,091	(4,106)
Cash and cash equivalents at beginning of financial period	7,456	18,340
Effect of exchange rate changes on cash and cash equivalents	251	669
Cash and cash equivalents at end of the financial period	**9,798**	**14,903**

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	Fair value 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	RM'000
Balance as at 1 January 2019	84,132	3,294	25,705	3,637	(1,295)	115,473	552	116,025
Adoption of IFRS 16	-	-	(1,240)	-	-	(1,240)	-	(1,240)
	84,132	3,294	24,465	3,637	(1,295)	114,233	552	114,785
Profit for the financial period	-	-	976	-	-	976	172	1,148
Other comprehensive loss:								
Fair value loss on financial assets	-	-	-	-	(63)	(63)	(7)	(70)
Foreign currency translation differences	-	-	-	(58)	-	(58)	(37)	(95)
Total comprehensive income/(loss) for the financial period	-	-	976	(58)	(63)	855	128	983
Contributions by and distributions to owners of the parent								
Issuance of ordinary shares	9,030	-	-	-	-	9,030	-	9,030
Exercise of share awards	424	(424)	-	-	-	-	-	-
Grant of share awards	-	285	-	-	-	285	-	285
Total transactions with owners of the parent	9,454	(139)	-	-	-	9,315	-	9,315
Transactions with non-controlling interests								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,770)	(1,770)
Total transactions with non-controlling interests	-	-	-	-	-	-	(1,770)	(1,770)
Balance as at 31 March 2019	93,586	3,155	25,441	3,579	(1,358)	124,403	(1,090)	123,313

(Unaudited)	Share capital	Share-based reserve	Retained earnings	Currency translation reserve	Fair value 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	RM'000
Balance as at 1 January 2018	82,592	2,643	23,236	2,855	(32)	111,294	2,269	113,563
Profit for the financial period	-	-	1,072	-	-	1,072	549	1,621
Other comprehensive loss:								
Fair value loss on financial assets	-	-	-	-	(47)	(47)	(5)	(52)
Foreign currency translation differences	-	-	-	(3,351)	-	(3,351)	(81)	(3,432)
Total comprehensive income/(loss) for the financial period	-	-	1,072	(3,351)	(47)	(2,326)	463	(1,863)
Contributions by and distributions to owners of the parent								
Exercise of share awards	608	(608)	-	-		-	-	-
Grant of share awards	-	285	-	-		285	-	285
Total transactions with owners of the parent	608	(323)	-	-		285	-	285
Balance as at 31 March 2018	83,200	2,320	24,308	(496)	(79)	109,253	2,732	111,985

Statement of Changes in Equity
Company

(Unaudited)	Share capital	Share-based reserve	Retained earnings	Currency translation reserve	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2019	84,132	3,294	3,491	9,908	100,825
Adoption of IFRS 16	-	-	(26)	-	(26)
	84,132	3,294	3,465	9,908	100,799
Profit for the financial period	-	-	713	-	713
Other comprehensive loss:					
Foreign currency translation differences	-	-	-	(1,059)	(1,059)
Total comprehensive income / (loss) for the financial period	-	-	713	(1,059)	(346)
Contributions by and distributions to owners of the parent					
Issuance of ordinary shares	9,030	-	-	-	9,030
Exercise of share awards	424	(424)	-	-	-
Grant of share awards	-	285	-	-	285
Total transactions with owners of the parent	9,454	(139)	-	-	9,315
Balance as at 31 March 2019	93,586	3,155	4,178	8,849	109,768

(Unaudited)	Share capital	Share-based reserve	Retained earnings	Currency translation reserve	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2018	82,592	2,643	1,374	9,778	96,387
Profit for the financial period	-	-	477	-	477
Other comprehensive loss:					
Foreign currency translation differences	-	-	-	(2,864)	(2,864)
Total comprehensive income/(loss) for the financial period	-	-	477	(2,864)	(2,387)
Contributions by and distributions to owners of the parent					
Exercise of share awards	608	(608)	-	-	-
Grant of share awards	-	285	-	-	285
Total transactions with owners of the parent	608	(323)	-	-	285
Balance as at 31 March 2018	83,200	2,320	1,851	6,914	94,285

[ACA: Kindly ensure the figures and computations are accurate] [ZICO: Yes, accurate]

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 and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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

	Number of issued shares	Issued and paid-up share capital (RM)
Balance as at 1 January 2019	301,569,463	84,131,694
Issue of new ordinary shares[(1)]	1,006,309	424,086
Issue of new ordinary shares[(2)]	20,000,000	9,030,600
Balance as at 31 March 2019	322,575,772	93,586,380

Notes:-

(1) The issuance of new shares is in relation to the vesting of 788,352 share awards and 217,957 new shares pursuant to the New Awards on 21 March 2019 under the ZICO Holdings Performance Share Plan ("PSP").
(2) The issuance of new 20,000,000 shares in respect of placement of shares on 25 March 2019.

There were 3,500,000 outstanding options (31 March 2018: 3,500,000 options) and 4,603,351 share awards granted but unvested under the PSP as at 31 March 2019 (31 March 2018: 3,411,688).

Save for the above, the Company did not have any convertibles or treasury shares as at 31 March 2019 and 31 March 2018.

The Company did not have any subsidiary holdings as at 31 March 2019 and 31 March 2018.

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

	As at 31 March 2019	As at 31 December 2018
Total number of issued shares	322,575,772	301,569,463

The Company did not have any treasury shares as at 31 March 2019 and 31 December 2018.

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.

1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings 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

The Group's financial statements for the financial period ended 31 March 2019 was prepared in accordance with the International Financial Reporting Standards ("IFRSs"). The Group has performed a detailed analysis of the transition options and other requirements of IFRSs and has determined that there are no changes to the Group's current accounting policies under the IFRSs or material adjustments on the initial transition to the new framework.

Other than the adoption of the new IFRSs, amendments and interpretations of IFRSs which took effect from the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting year as compared to the most recent audited financial statements.

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

Please refer to paragraph 4 above.

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

	Group	
	Full Year Ended	
Earnings per share ("EPS")	**31 March 2019 (Unaudited)**	**31 March 2018 (Unaudited)**
Profit attributable to owners of the parent (RM'000)	976	1,072
Weighted average number of ordinary shares in issue (in thousands)	303,248[(1)]	299,517[(3)]
Basic EPS (RM cents)	0.32	0.36
Weighted average number of ordinary shares in issue on fully diluted basis (in thousands)	308,292[(2)]	304,117[(4)]
Fully diluted EPS (RM cents)	0.32	0.35

Note:-

(1) Adjusted for 788,352 ordinary shares allotted and issued pursuant to the vesting of share awards and 217,957 new shares pursuant to the New Award under the PSP on 21 March 2019; and subscription of 20,000,000 placement shares on 25 March 2019.

(2) Adjusted for 8,103,351 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options and vesting of 4,603,351 outstanding share awards as at 31 March 2019.

(3) Adjusted for 811,656 ordinary shares allotted and issued on 21 March 2018 pursuant to the vesting of share awards under the PSP.

(4) Adjusted for 6,911,688 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options and vesting of 3,411,688 outstanding share awards as at 31 March 2018.

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 2019 (Unaudited)	31 December 2018 (Audited)	31 March 2019 (Unaudited)	31 December 2018 (Audited)
NAV (RM'000)	124,403	115,473	109,768	100,825
Number of ordinary shares in issue (in thousands)	322,576	301,569	322,576	301,569
NAV per ordinary share (RM cents)	38.57	38.29	34.03	33.43

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 2019 ("1Q2019") as compared to the three months ended 31 March 2018 ("1Q2018").

Revenue

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

	1Q2019 (RM million)	1Q2018 (RM million)	% change
Advisory and Transactional Services ("**ATS**")	16.6	14.9	11.4
Management and Support Services Business & Licensing Services (("**MSSL**")	4.3	5.4	(20.4)
Total	**20.9**	**20.3**	**3.0**

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 consulting business under Asean Advisory Pte Ltd ("AAPL"), corporate finance under ZICO Capital Sdn. Bhd. ("ZICAPMY"), and additional revenue contributions from the acquisition of legal business, ZICOlaw Thailand Limited ("ZTL").

The decrease in revenue from MSSL was mainly due to a change in scope of work.

Other items of income

Interest income

The interest income increased by RM0.5 million due to interest income charged on long outstanding trade debtor balances in 1Q2019.

Other income

Other income increased by RM0.9 million mainly due to higher reimbursement income from client and acquisition of new business, ZTL in 3Q2018.

Items of expense

Amortisation and depreciation expenses

Amortisation and depreciation expenses increased by RM0.1 million mainly due to higher amortisation charge on the installation of additional computer software.

Employee benefits expense

Employee benefits expense increased by RM2.2 million mainly due to the increase in headcount in ATS which was mainly attributable to (i) acquisition of new business, ZTL in 3Q2018; (ii) additional headcount by ZICO Trust (S) Ltd ("ZAT") in 3Q2018 due to expansion of business and (iii) additional headcount by ZICO Capital Pte Ltd ("ZICAPSG") due to expansion of business.

Operating lease expenses

Operating lease expenses increased by RM0.4 million mainly due to acquisition of new business, ZTL in 3Q2018 and the impact on adoption of IFRS16 Leases.

Retainer fees and consultancy fees

Retainer fees and consultancy fees had increased by RM0.1 million mainly due to referral fees incurred by ZICO Asset Management Pte. Ltd. ("ZAM").

Other expenses

Other expenses decreased by RM0.4 million mainly due to lower IT software maintenance expenses incurred by MSSL and lower reimbursable expenses incurred by B.A.C.S. Pte. Ltd. ("B.A.C.S.").

Finance Costs

Finance costs increased by RM0.6 million mainly due to the interests incurred from the bank overdraft and revolving credit facilities taken up by the Group for its business expansion. Out of RM0.6 million, RM0.3 million was due to the impact on adoption of IFRS16 Leases; being impact of discounting effect on lease liabilities.

Share of associates results

Share of associate results decreased by RM8,000 mainly due to lower income generated by the associate.

Share of joint venture results

Share of joint venture results is higher by RM0.8 million due to an investment in a joint venture in 3Q2018.

Profit before income tax

Profit before income tax declined by RM0.7 million due to higher expenses notwithstanding higher revenue generated by the Group.

Income tax credit / (expense)

Income tax credit increased by RM0.2 million in 1Q2019 mainly due to higher deferred tax assets recognized for the unutilised tax losses of the subsidiaries.

Fair value losses on financial assets / Fair value loss on financial assets, available-for-sale

The fair value losses on financial assets were due to the fair value adjustment resulting from the revaluation of available-for-sale investments.

Foreign currency translation difference

The foreign currency translation difference was mainly due to the fluctuation of foreign currency from US Dollars and Singapore Dollars to Ringgit Malaysia.

Profit for the financial period

Profit for the financial period was lower by RM0.5 million mainly due higher income tax credit as indicated above and set-off with the higher expenses incurred by the Group.

Consolidated Statement of Financial Position

The comparative performance for both the assets and liabilities are based on the financial statements as at 31 March 2019 and 31 December 2018.

Non-current assets

Plant and equipment decreased by RM0.4 million mainly due to (i) depreciation charge for the current financial period, (ii) translation of plant and equipment at different closing rate as compared to 31 December 2018, partially offset by (iii) plant and equipment arising from the acquisition of ZTL.

Right-of-use assets increased by RM16.5 million (100%) due to the Company adopting IFRS16 using the modified retrospective method with no restatement of comparative information.

Intangible assets decreased by RM1.0 million mainly due to (i) translation of goodwill and identifiable assets arising from the acquisition of B.A.C.S., FINOVA, as well as the corporate secretarial portfolio under ZICO-Stamford Corporate Services Pte. Ltd. at a different closing rate as compared to 31 December 2018 and (ii) amortisation of the computer software and identifiable assets for the current financial period.

There is no movement on the investment in associates as compared to 31 December 2018.

Investment in a joint venture increased by RM0.8 million mainly due to the share of joint venture's profit in 1Q2019.

Investments increased by RM0.4 million mainly due to the new investment in shares and fair value adjustments of shares held by ZICAPSG.

Deferred tax assets increased by RM0.7 million mainly due to recognition of deferred tax assets for the unutilised tax losses of certain subsidiaries.

There is no movement on the non-current trade and other receivables.

Current assets

Current trade and other receivables increased by RM11.9 million mainly due to the additional billings recognized at the end of March 2019 by ATS.

Prepayments decreased by RM4,000 mainly due to amortisation of consultancy fee incurred by MSSL.

Current income tax recoverable increased by RM0.1 million 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 increased by RM2.3 million mainly due to proceeds from the placement exercise and offset with the 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 RM3.9 million mainly due to the utilisation of clients' monies held in trust towards end of March 2019.

Non-current liabilities

The increase in non-current interest-bearing liabilities by RM2.4 million was mainly due to the additional drawdown of term loan facilities.

Lease liabilities increased by RM12.9 million (100%) mainly due to the Company adopting IFRS16 using the modified retrospective method with no restatement of comparative information.

There is no movement on the provisions for reinstatement costs as compared to 31 December 2018.

The decrease in deferred tax liabilities ("DTL") by RM36,000 was mainly due to the fluctuation of foreign currency from US Dollars and Singapore Dollars to Ringgit Malaysia on the DTL recognize by certain subsidiaries.

Current liabilities

Trade and other payables decreased by RM0.8 million mainly due to the repayment of other payables in relation to the payroll related costs and reduction in clients' monies held in trust towards end of March 2019.

Current interest-bearing liabilities decreased by RM3.5 million mainly due to the repayment for the term loan facilities and the finance lease payables.

Lease liabilities increased by RM4.9 million (100%) mainly due to the Company adopting IFRS16 using the modified retrospective method with no restatement of comparative information.

Contracted liabilities increased by RM3.5 million mainly due to increased billings to the clients under the corporate secretarial and trust business and offset with the translation of deferred revenue at a different closing rate as compared to 31 December 2018.

There is no movement on the provision for leave benefits as compared to 31 December 2018.

The increase in current income tax payable by RM0.8 million was mainly due to the provision of tax on profits generated being higher as compared to tax installment payments.

Consolidated Statement of Cash Flow

The net cash used in operating activities of RM3.3 million in 1Q2019 was mainly due to the profit before income tax of RM1.0 million partially offset by (i) increase in trade and other receivables as a result of billings to debtors and (ii) increase in trade and other payables towards end of March 2019.

Net cash used in investing activities of RM1.3 million in 1Q2019 was mainly due to net cash utilised for advances to associates and purchase of financial assets.

Net cash generated from financing activities of RM6.6 million in 1Q2019 was mainly due to issuance of shares in 1Q2019, additional drawdown of revolving credit facility for working capital purposes and partially offset by repayment of term loan facilities and dividend paid to the non-controlling shareholders.

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.

ASEAN is emerging as a top destination for cross-border deals and investments. In spite of a challenging and increasingly competitive business environment, ZICO has remained resilient and forward-looking. ZICO's ASEAN-focused strategy has allowed it to secure strategic alliances that helped enhance its suite of services. ZICO will continue to deepen its presence in the region and increase synergistic competencies to cement its position as the Go-To Professional Services Provider in the region.

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 for the reason(s) for

the decision.

No dividend has been declared or recommended for 1Q2019 in view of the current phase of growth and the need to consolidate cash resources for business purposes.

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 1Q2019.

14. Use of IPO proceeds

As announced on 13 August 2018, the proceeds from IPO have been fully utilised.

15. Use of Placement proceeds

As announced on 13 August 2018, the proceeds from placement exercise announced on 24 March 2017 and completed on 12 April 2017 have been fully utilised.

The Company refers to the net proceeds amounting to S$3 million raised from the placement exercise announced on 14 March 2019 and completed on 25 March 2019.

As at the date of this announcement, the status on the use of the net proceeds from the placement consistent with the intended use of proceeds announced on 14 March 2019 is as follows:

Use of Placement net proceeds	**Amount allocated (S$'000)**	**Amount utilised (S$'000)**	**Balance (S$'000)**
Working capital requirements to support the operation costs	3,000	3,000 (1)	-
Total	3,000	3,000	-

Note:-
(1) The amount of working capital was used for payment of salaries and wages, rental of office premises and operational expenses.

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 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chew Seng Kok
Managing Director

13 May 2019

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and Exchange assume no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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